

CAD to urge consumer cooperatives on economic problem solving by setting a policy for developing the whole accounting system of the country

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Mr. Singthong Chinnawornrungee , Director – General of the Cooperative Auditing Department (CAD) , reveals that during the past 3 – 4 years cooperatives shops (co-op shops) have been affected by consumers' behaviour and branch expanding of modern retailed shops. Convenient stores which have varieties of merchandise and chic appearance can attract more customers than co-op shops. As a result , more and more consumers buy goods from the said stores continually. The weakest point – of co-op shops is service hours which depend on government working hours.

Due to the time limitation , co-op shops have been faded into insignificance year after year , 4 – 5 % by average . In the year 2008 , there were 314 shops , but last year (2010) 284 left , 171 of which have run their business normally . It is 60.21 % of the registered ones in 2010 , the rest (87 co-op shops) is 30.63 % is about to end operations .

Mr. Singthong mentions that as the matter of fact , the last year operation was good enough , seeing from 144 co-op shops have gained profits , whereas 35 have taken a loss . Net profit was 160.95 million baht or 2.98 % of incomes . Moreover , in terms of membership , 715,573 members in 2008 turned to be 717,611 with total business value of 5,472.18 million baht or 456.01 million baht per month averagely .

It can also be said that in the past 4 years , the operation capital remained at the same amount of more than 2 billion baht . Most of it belonged to cooperatives themselves and it had continuous increasing rate yearly . As for the year 2010 , external debts were only 11.98 % of the operation capital . It reduced 20.27 % if comparing with the ones of the year 2009 . Cash and bank saving money of 35.89 % were the bigger part of the capital . One part (25.38%) was invested in trade debtors , 15.38 % in immovable property , 6.89 % in documents of title and securities including 16.46% in other merchandise and so on . At the present time , the Ministry of Agriculture and Cooperatives is consulting with the Ministry of Commerce about the circumstance of decreasing of cooperative number tendency . In this regard , other related organizations act as committee , such as representatives from CAD , the Cooperative Promotion Department , Bank of Agriculture and Agricultural Cooperatives (BAAC) , in order to study the way of solving problems as well as develop co-op shop system .

CAD , however , has found some obstacles which are internal control of cooperatives and out-of-date account making . There were only 179 cooperatives that could be audited . The number was equivalent to 63.03 % of all co-op shops . Now , CAD is doing a promotion campaign of CAD Accounting Software so that all cooperatives can apply this tool to their work without any charges . It is a programme designed by CAD and it has efficiency as high as department stores' and convenient stores' accounting programmes.

CAD assures that this is able to help co - op shops cope with challenges in account making and account closing as well as financial statement preparing . The success of co - op shops management can therefore be enhanced productively .