



GLOBAL CONNECTIONS
Relief and Development Forum
Partnership, paternalism and power – building accountable
North-South relationships
Tuesday 1 November 2011

Making Partnerships Accountable in Practice

Social Audit/Accounting

Social Audit/Accounting is a framework, which allows an organisation to build on its existing documentation and reporting and develop a process whereby it can:

- Account for its social performance
- Report on that performance and draw up an action plan to improve
- Understand its impact on the community and be accountable to its key stakeholders

Process:

- 1 Clarify Mission, Vision, Values and other objectives that underpin the organisation's activities, and identify key stakeholders.
- 2 Identify the qualitative and quantitative indicators that enable the organisation to report effectively on its performance against the above through data collection and consultation with key stakeholders.
- 3 Bring the information together into a report, which is audited and disseminated

The Principles

Stakeholder Engagement: engaging with, and consulting stakeholders is central to understand the impact an organisation is having.

Comprehensive: Acknowledge the values, objectives and stakeholders of the organisation to determine what must be included in the social accounting process.

Regular: take place regularly (annually) and not on a one-off, occasional basis, and become embedded in the culture and systems of the organisation.

Comparative: offer a means whereby an organisation can compare its own performance over time; relate performance to appropriate external norms; and allow comparisons with other organisations doing similar work.

Verified: audited by one or more persons with no vested interest in the organisation.

Transparency: findings made available to and discussed with stakeholders and published for the wider community.

An **over-arching principle** of *continuously improving* performance

Two Key Aspects of Social Auditing/Accountability

1. Social accounting: Explores the impact social economy organisations have on people and on society, i.e. that deals with the outworking of the organisational objectives towards achieving their vision and mission.

2. Key Aspects related to managing the organisation:

- **Human Resources:** how the organisation cares for, supports and develops its human resources.
- **Good governance and Accountability:** how the organisation ensures that stakeholders are fully engaged in the organisation; and that it is independent of control by outside bodies.
- **Appropriate use of Resources:** showing that assets, including funds are retained for the sole benefit of the organisation and its beneficiaries, and are not used for personal gain
- **Financial Sustainability:** reporting how the organisation ensures that it remains financially sustainable. A summary of financial accounts is included and the most recent set of audited accounts.
- **Environmental Impact:** Explores the impact of organisations on the environment, both in terms of using natural resources and of producing and disposing of waste and pollution.
- **Economic Impact:** Explores the impact of organisations in money terms on economies – local, regional or national – asking questions such as: what is the net contribution to the economy? What are the savings (or costs) to society?