THE SOCIAL AUDITOR

October 2024

ICMAI Social Auditors Organisation
(A Section 8 Company promoted by The Institute of Cost Accountants of India)

Social Stock Exchange

SEBI vide its notification dated 25th July, 2022 has made amendments in the SEBI (ICDR) Regulations, 2018, and SEBI (LODR) Regulations, 2015. Copies of these amendments are being circulated with this communique. These amendments have been made to provide Social Enterprises with additional avenues to raise funds through the Social Stock Exchange (SSE), which is a novel concept in India. It provides eligibility of organizations to raise funds through Social Stock Exchange, eligibility of entities to be classified as "Not for Profit Organization", eligibility of entities to be classified as "For Profit" Social Enterprises, means through which Social Enterprises can raise funds, and obligations of Social Enterprises.

Furthermore, to strengthen the governance framework in these entities, & provide better confidence to such investors, SEBI has introduced the concept of Annual Impact Report by a Social Auditor. The purpose of this Social Audit is to ascertain the impact made by the Social Enterprise through its activities, intervention, programs or projects implemented during the reporting period. The annual impact report shall be audited by a Social Auditor.

ICMAI Social Auditors Organisation (ICMAI SAO)

To enroll & regulate the Social Auditors and also to prescribe the Social Audit Standards, the Institute of Cost Accountants of India, in compliance with SEBI Regulations, has incorporated a section 8 company titled ICMAI Social Auditors Organization. The ICMAI SAO will enroll eligible CMAs & others as Social Auditors and focus on their capacity building through continuous professional advancement with emphasis on adherence to the highest ethical standards and compliance with the Social Stock Exchange requirements.

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THE SOCIAL AUDITOR

YOUR INSIGHT JOURNAL

October 2024

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October 2024
IN THIS ISSUE...

FROM THE CEO's OF DESK, ICMAI SAO

CMA (Dr.) S K Gupta

Social impact assessment (SIA) is a process that evaluates the potential social impacts of a proposed project or program. A Social Impact Assessment is a process of research, planning and the management of social change or consequences (positive and negative, intended and unintended) arising from policies, plans, developments and projects. The objective of SIA is to ensure that development maximises its benefits and minimises its costs, especially those costs borne by people (including those in other places and in the future). Costs and benefits may not be measurable or quantifiable and are often not adequately taken into account by decision-makers, regulatory authorities and developers.

By identifying impacts in advance: (1) better decisions can be made about which interventions should proceed and how they should proceed; and (2) mitigation measures can be implemented to minimise the harm and maximise the benefits from a specific planned intervention or related activity. SIA is best understood as an umbrella or overarching framework that embodies the evaluation of all impacts on humans and on all the ways in which people and communities interact with their socio-cultural, economic and biophysical surroundings.

In preparing the SIA, the project owner is required to undertake community and stakeholder engagement across all matters to: understand who is likely to be impacted and how, understand the affected communities, identify and assess potential social impacts, develop management measures to mitigate adverse impacts and enhance benefits, support monitoring and reporting.

PROFESSIONAL DEVELOPMENT PROGRAMS

ICMAI Social Auditors Organisation

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PROFESSIONAL DEVELOPMENT PROGRAMS

OCTOBER 2024

Date & Time	Name of Program
03rd October 2024 (Thursday-Friday) from 02.30 pm to 04.30 pm	Online Certificate Capacity Building Course : Management of Social Enterprises
11th October 2024 from 04.00 pm to 05.30 pm	ESG for Business Sustainability and Growth
14th October 2024 from 04.00 pm to 05.30 pm	Strategies for Carbon Footprint and Promoting Sustainability

UPCOMING PROGRAM

Date & Time	Name of Program
11th November 2024 (Monday) from 04.00 pm to 05.30 pm	Introduction to Sustainability Reporting Frameworks

Articles

Managing Social Projects – A Primer

CMA (Dr.) S K Gupta

Chief Executive Officer - ICMAI Social Auditors Organisation

What are social projects?

Social projects are initiatives related to human rights. They cover things like health, education, housing, and access to basic services to help dis--advantaged individuals and social groups. They may be driven by the state, Non-Governmental Organizations (NGOs), or by private companies.

Social projects usually involve community members so that they have access to the knowledge and tools needed to continue the project after its initial implementation. Social projects are distinct from traditional projects which are designed for producing products in that they aim to create positive change in people, communities and society. They require different approaches as compared to traditional projects.

What are the characteristics of social projects?

While each social project has its own goals and requirements, these initiatives usually share the following characteristics :

- They set goals related to improving the living conditions of a social group, with individuals being the primary beneficiaries.
- The intention is for the project to be sustained over time.
- They carry out detailed monitoring on resources and the evolution of planning.
- They respond to an optimized model for monitoring deadlines, resources, and work routes.

- They establish predictive techniques to avoid improvisation and thus optimize resources, budget, and time.
- They're flexible, taking any contingencies into consideration.
- They have people who fulfil specific roles with different loads of responsibilities.

Why Are Social & Community Projects Important?

Social & community projects can be of any size you want them to be. They range from small, grassroots initiatives, to large-scale efforts with significant resources. It is important to understand how your project fits into the

range of other services, so that you can play to your strengths and resources and avoid duplication. The hierarchy of social intervention is a useful tool in this regard. The goal of social & community projects is to bring about positive change in communities and the world at large

- Addressing social and environmental issues.
- Reducing inequalities and barriers to human development.
- To creating jobs and economic opportunities,
- Building skills and knowledge
- Promoting collaboration and partnership.
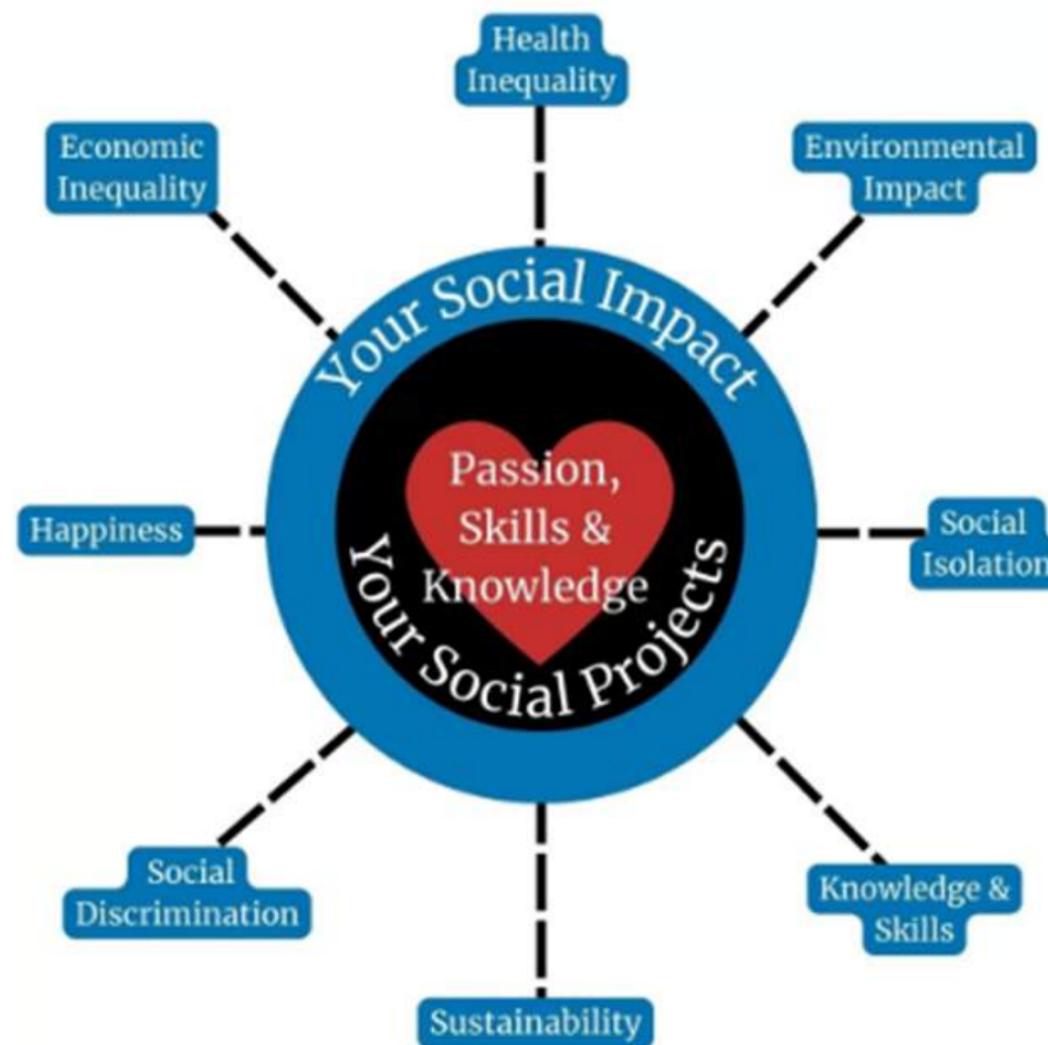
Social & community projects are our pathways to a better future. Social & community projects are vital as they help address pressing social issues. They also improve the quality of life for individuals and communities. Unfortunately, the need to create social & community projects is greater than ever. We have seen inequalities increase in our societies. According to the UN "Inequality is growing for more than 70 per cent of the global population." As well as the impact of human behaviour on the environment. With pollution accounting for almost 50% of all pressures on the environment. (European Environment Agency).

Project management and Social Projects

Project management plays a crucial role in the successful implementation of initiatives within social impact businesses. These organizations strive to create positive

change in society while addressing complex social and environmental challenges. Effective project management ensures that these businesses can navigate obstacles, leverage resources efficiently, and drive impactful outcomes.

Do your research : You don't want to start from scratch. Find out what is already being done and by whom, especially if you're working in the same geographical area. You can learn from their past experiences and might be able to adapt or improve on successful projects they've already piloted. Don't reinvent the wheel! Get all the facts from the start, so you know exactly where you're headed and if any unexpected things crop up, you'll be better prepared to deal with them as they come. Be willing to adjust your approach or methods of operation as needed - there are always lessons to be learned along

the way that could help you in future projects too! Stay focused on the end results rather than worrying about how something may have been done differently in another project before because ultimately each one has its own unique.

Defining the Project Scope : One of the fundamental steps in project management is defining the scope of the project. In the context of social impact business, this involves clearly articulating the goals and objectives of the initiative. By establishing a well-defined scope, project managers can align team members, stakeholders, and resources towards a common purpose, ensuring everyone understands the intended impact and desired outcomes. According to a study conducted by the Stanford Social Innovation Review, clearly defined goals and objectives contribute significantly to the success of social impact projects.

Have a clear strategy for your organization : ensure alignment between what your mandate is and the goals of the project. A strategy is not a mission statement or a set of goals. A strategy is a plan you create to accomplish your goals. A good strategy will have clear steps, timelines, and success indicators. Your strategy should be designed to help you fulfil your mandate, and the purpose of your organization.

Engaging Stakeholders : Social impact businesses often have diverse stakeholders, including customers, beneficiaries, donors, government agencies, and local communities. Effective project management entails engaging these stakeholders from the early stages of planning and throughout the project lifecycle. By actively involving stakeholders, project managers can gather valuable insights, build partnerships, and foster sense of ownership and collaboration. This inclusive approach leads to greater support, increased accountability, and ultimately, more impactful outcomes. The Harvard Business Review highlights the importance of stakeholder engagement in social impact projects, emphasizing that involving stakeholders can lead to better project outcomes and sustainability.

Creating a Robust Project Plan : Developing a comprehensive project plan is vital for managing resources, timeframes, and risks effectively. Social impact businesses must consider both the social and financial aspects of their projects. A well-structured project plan includes clear milestones, timelines, and budget allocations. Additionally, it incorporates risk management strategies, anticipating potential challenges, and implementing mitigation measures. A robust project plan provides a roadmap for success and enables project managers to track progress, make data-driven decisions, and adjust course if needed.

Building Cross-Functional Teams : Social impact projects often require diverse skill sets and expertise. Project managers must carefully assemble cross-functional teams, bringing together individuals with complementary skills and a shared passion for social change. These teams may include professionals from different disciplines, such as finance, marketing, technology, and community development. Effective communication, collaboration, and a shared vision are crucial to harnessing the collective strengths of team members and maximizing the project's impact.

Be willing to change your approach if needed : So your project is going well, and you're gaining traction in the community. The only problem is, that you've realized that your approach isn't working as well as it could be. Maybe the current situation has changed, or the market is responding differently than you thought it would. Or maybe you've discovered that your target audience doesn't have access to all of the resources they need to participate in the program at the highest level possible. Whatever it is, it's important to be willing to change your approach if needed. This may seem like a daunting task, especially if you're already prepared project materials and promotional campaigns based on a certain idea or method—but think of this as an opportunity to make your project better.

Focus on the impact of results and how to achieve them : A project to be implemented must have a clearly defined

purpose, objectives, and desired results. The project should have a measurable impact on the target population. The most important requirement is to ensure that the result of the project will have a long-term impact on the social problem. The result should be sustainable and adapted to local needs so as not to become "just another" project in an area with many projects.

Measuring Impact and Evaluation : To ensure the effectiveness of social impact initiatives, project managers must establish robust measurement and evaluation mechanisms. Impact measurement goes beyond traditional financial metrics and encompasses social and environmental outcomes. Implementing key performance indicators and evaluation frameworks allows project managers to track progress, identify areas for improvement, and demonstrate the project's positive impact to stakeholders. Regular evaluation ensures that the project stays on track and enables evidence-based decision-making.

There are numerous variety of methodologies, approaches, and tools for impact measurement and evaluation in social impact investing. Frequently applied methods range from collecting stakeholder feedback to conducting fully-fledged impact evaluations (organizational efficiency or user progress), which may also include a monetary valuation. The diversity of tools and resources available can be daunting and difficult to navigate, especially for smaller or less experienced entities. While some guidance exists, ultimately each organization has to decide how to select and develop (adapt existing and/or create new) the most appropriate social impact measurement strategy, based on their needs and context.

Embracing Adaptability and Learning : Social impact projects often operate in dynamic and unpredictable environments. Project managers must foster a culture of adaptability and continuous learning. Being open to feedback, remaining flexible, and embracing innovation is essential to responding to evolving challenges and maximizing project outcomes. By promoting a learning mind set within the team and the organization, project

managers can foster resilience and drive sustainable change. In today's rapidly changing business and advancing technological environments (AI, digital transformation, automation...), the ability to adapt and embrace change is more crucial than ever.

And let's not forget that learning how to manage stress is also an important part of becoming more adaptable. Effective stress management is crucial in the fast-paced and demanding world of business. Implementing strategies to reduce stress levels can improve productivity, enhance decision-making abilities, and foster a healthier work environment. By prioritizing the well-being of their employees, project managers can cultivate a more resilient workforce and achieve long-term success of their organizations.

Set clear expectations and timelines for deliverables : Setting clear expectations and timelines for deliverables is critical at the beginning of every project. As a project manager, you need to set your team up for success by being explicit in what you expect from them, when it's due and how they'll communicate their progress. If you're a team member and you're not sure what's expected of you, ask questions so you can clarify your role. Once those expectations are set, establish a timeline and stick to it. There will be times when things don't go as planned, but good communication will help keep everyone on track.

Set the right parameters for success : Make sure each person on your team understands what counts as a success or failure—and how early things might change based on feedback from stakeholders—because doing so will help avoid last-minute surprises during execution or evaluation phases if things aren't going quite according to plan .

Navigating challenges in Social Impact Projects

Embarking on a social impact project is a Nobel endeavour, but it comes with its own set of unique challenges. Navigating through these challenges requires a combination of resilience, adaptability and strategic thinking.

Limited resources

Challenge : Social projects often operate on tight budgets and limited resources making it challenging to execute initiatives effectively

Strategy : Prioritize and allocate resources strategically, focussing on high impact activities, establish partnerships with other organizations, leverage volunteers and explore innovative funding models

Stakeholder resistance

Challenge : Resistance from stakeholder whether internal or external can hinder progress and support for social projects

Strategy : Foster open communication channels, actively involve stakeholders in decision making processes, Address concerns proactively and emphasise the long term positive impact

Community engagement and trust building

Challenge : Gaining the trust and engagement of the community can be a time consuming process

Strategy : Prioritize community involvement from projects inception, listen to community needs, and engage in transparent communication. Building relationships on trust is foundational to the success of social impact initiatives

Balancing short term and long term goals

Challenge : Striking the right balance between addressing immediate needs and achieving sustainable long term impact can be challenging

Strategy : Develop a phased approach that addresses both short term and long term goals, consider creating short term wins to build momentum while working towards lasting systemic change

Measuring impact effectively

Challenge : Defining and measuring the impact of social initiatives can be complex specially when the outcomes are qualitative in nature

Strategy : Establish clear measurable goals and key performance indicators aligned with your projects mission. Leverage data analytics and engage in ongoing evaluation to assess the projects effectiveness

Managing Cultural sensitivities

Challenge : Cultural nuances and sensitivities must be navigated carefully especially in projects that span diverse communities

Strategy : Invest time in cultural competency training for your team and collaborate with local leaders and organizations and approach the project with deep understanding and respect for cultural context

Adapting to unexpected challenges

Challenge : Unforeseen challenges like natural disasters, or political unrest can disrupt social impact projects

Strategy : Build flexibility into your project plan, create contingency measures, and establish crisis management protocols to pivot when necessary

Changing Regulatory Environment

Challenge : The regulatory landscape for social impact projects can be dynamic with changing policies and legal requirements

Strategy : Stay informed about regulatory changes, build relations with relevant authorities and integrate flexibility into project plans to accommodate evolving legal frameworks.

Conclusion

Effective project management is crucial for social impact businesses to drive positive change successfully. By defining project scope, engaging stakeholders, creating robust project plans, building cross-functional teams, measuring impact, and embracing adaptability, project managers can navigate complex challenges and maximize the project's social and environmental impact. Ultimately, well-executed projects contribute to the long-term sustainability and growth of social impact businesses, creating a brighter future for communities and society as a whole.

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SOCIAL AUDIT : A TOOL IN DEVELOPMENT OF INDIAN ECONOMY

CMA M KAMESWARA RAO

Cost Accountant , Registered Valuers, Insolvency Professional, Social Auditor

What are social projects?

India is stillbeing considered a developing country and the country is suffering from hunger, mal nutrition , insufficient facilities for reduction , health, care for aged etc.,

Many Individuals, NGOs and Nonprofit organisations, societies, self-help groups, Trusts etc.., work in reduction of above short comings in the society.

At the level of any of the above organisations, it is difficult to meet the requirement of funds, technology, experts in achieving the desired results in its full form.

The organisations dealing in enhancing the facilities listed above are under social sector Niti Ayog has defined Social Sector all those set of activities which contribute to human capital formation and human development such as health, education, sanitation, medical care, water supply, housing etc.

Further more, Social Sector has been identified as an important partner in addressing sustainable development goals (SDG) by United Nations in 2015 as vision for 2030. The following 17 areas are identified for both developing and developed nations. It urges all nations to respond immediately and recognise that ending poverty and other deprivations must go hand in hand with strategies that improve health and education, reduced inequality, and spur economic growth – all while tackling climate change and working to preserve our oceans and forests.

Sustainable Development Goals Report 2021 specified goals are:
1. No Poverty
2. Zero Hunger
3. Good Health and well being
4. Quality Education
5. Gender Equality
6. Clean Water and sanitation
7. Affordable and Clean Energy
8. Decent work and economic growth
9. Industry Innovation and Infrastructure
10. Reduced Inequalities
11. Sustainable cities and communities
12. Responsible Consumption and Production
13. Climate Action
14. Life below water
15. Life on land
16. Peace, justice, and strong institutions
17. Partnerships for the goals

The Corporate world is asked to spend 5% of their three years average profit In Social Projects listed above under Corporate Social Responsibility. The Companies have to form a Board approved Corporate social policy and monitor on the same. The Corporates undertake various projects covering health and education in the localities situated near their factories or offices.

CASE STUDIES:

1. The Electronics Corporation of India has undertaken the following projects under CSR Policy:

Healthcare, Education, Nutrition & Rural Development. Healthcare Initiatives ECIL provided Advanced Medical Equipment like Vacuum Assisted Delivery System, Laparoscopic Equipment at Government Hospital, Siddipet. Equipped Primary Health Centers (PHC) in Jayashankar Bhupalapally District with emergency handling equipment, installed medical equipment at Civil Hospital, Lunglei, Mizoram and supplied two mobile health clinics to Government Hospitals in Hyderabad.

Rs. 126.76 Lakhs Spent on providing Medical Equipment
Rs. 53.96 Lakhs Spent on providing Mobile Health Clinic

Further, installed Sanitary Napkin Vending Machines & Incinerators at Government Residential Schools for Girls in Aspirational District in the state of Telangana. Rs.43.57 Lakhs Spent on installation of Sanitary Napkin Vending Machine.

For Creating better infrastructure for Education ECIL has undertaken repair & renovation of School Building at ZPHS, Kushaiguda, Hyderabad for improving the infrastructure towards providing conducive environment. Rs.14.87 Lakhs Spent towards this initiative

In conjunction with ALIMCO, distributed Aids & Appliances to the persons with Disabilities at Jayashankar Bhupalapally and Bhadradri Kothagudem Districts in the state of Telangana. Rs.75 Lakhs Spent in distributing aids & appliances to differently abled persons.

Nutrition Interventions Distributed milk pouches to improve the nutrition of school age children in Aspirational District in the state of Telangana through National Dairy Development Board. Rs.22.80 Lakhs spent on improving Nutrition. Rural Development Installed Solar Street Lights in Tribal Villages in Aspirational District in the State of Telangana. Rs.25.77 Lakhs Spent towards this initiative Contribution to Funds of Government of India Contributed Rs. 10 Lakhs to Armed Forces Flag Day Fund which will benefit ex-servicemen, war widows and their dependents and Rs.33.90 Lakhs to PM CARES fund.

UNDER Rural Development Installed Solar Street Lights in Tribal Villages in Aspirational District in the State of Telangana. By spending Rs,25.77 Lakhs Spent towards this initiative

Similar Public Sector as well Private Sector Companies are spending huge funds on Sustainable Development Goals.

However, the company's are assessing the CSR spending and its impact on their own internally and publishing in annual reports. It is essential that a qualified Social Auditor is engaged for impact assessment of the spending

on CSR activities. The Social Impact Assessor is well placed in conducting a proper audit in view of his acquiring necessary skills by undergoing a study of relevant rules, regulations, and qualified through an examination conducted by SEBI.

The contents of study of Social Impact Assessor includes
- Introduction to Social Sector and Indian Financial Market
- Introduction to trading, clearing, settlement and risk management on stock exchanges
- Social Stock Exchange: Introduction, Funding structures, and Instruments.
- Registration and Listing on Soicial Stock Exchange
- Social Audit and Social Auditors
- Social Audit standard framework
- Social Impact Assessment
- Social Impact case studiues
- Disclosure norms, and reporting requirements under:
  a) SEBI ICDR regulagtions
  b) SEBI LODR Regulations
  c) Different books to be maintained.
- Taxation
- Key Regulations

The study of various aspects as above makes the Social Impact Assessor most suitable to review the CSR spends and report the impact under Business Responsibility and Sustainability Report also.

A Committee constituted by Government of India in its report has recommended:

"The Committee also recommends that a Guidance Note on BRSR should be prepared to enable companies to disclose their actions on the principles in a more meaningful manner. As a long term measure, the Committee envisions that the information captured through BRSR filings be used to develop a Business Responsibility-Sustainability Index for companies"

We have to wait and see how this develops in future.

The Social Ripple -
Human Consequences of Climate Change

JYOTSNA BELLIAPPA

Founder, Director - BlueSky Sustainable Business LLP

Bluesky Sustainable Business LLP

Bluesky Sustainable Business LLP is a QCI-NABCB Accredited Social Impact Inspection Body now also empanelled with SAO ICMAI to conduct Social Impact audits for Social Enterprises registered and listed with Social Stock Exchange.

Drone image of Chooralmala in Wayanad district of Kerala, on August 1, 2024. | Photo Credit: SPECIAL ARRANGEMENT

Do you remember July 30th – the day of the horrific Wayanad Landslides .

The 2024 Wayanad landslides were a series of landslides that occurred in Punjirimattom, Mundakkai, Chooralmala, and Vellarimala villages in Meppadi panchayat, Vythiri taluk[5] in Wayanad district, Kerala, India in the early hours of 30 July 2024. The landslides were caused by heavy rains that caused hillsides to collapse, destroying the areas below.

Kerala has incurred a loss of ₹1,200 crore in the Wayanad landslides, the State government has told the Kerala High Court. The State government, informed the court that 231 deaths were confirmed in the accident. As many as 128 persons have gone missing. The landslide da-maged 1,555 houses, 209 shops, two schools, 1.5 km of road and 124 km of low-tension electricity lines. Three bridges were washed away and 136 community buildings were damaged. Agriculture in 626 hectares and 226 head of cattle were lost.

Deforestation, seismic sensitivity, poor building construction, and global warming have been identified as possible causes for the landslides and fatalities and serve as a stark reminder of the devastating social consequences of environmental catastrophes.

As a social auditor, I've witnessed firsthand the ripple effects of this event, extending far beyond the immediate damage to infrastructure and property. The floods displaced thousands, leaving many homeless and destitute. Families were torn apart, livelihoods destroyed, and access to essential services like healthcare and education severely disrupted. The mental health toll was immense, with widespread trauma and anxiety among survivors. This disaster highlighted existing social inequalities, disproportionately affecting vulnerable populations like the elderly, women, and marginalized communities who lacked the resources to cope with the crisis.

The long-term recovery process reveals the deeply interconnected nature of environmental and social issues, underscoring the critical need for integrated approaches to disaster preparedness, mitigation, and recovery.

The five key social impacts of climate change in India are listed below:

- **Agriculture & Food Security:** The floods directly damaged crops, leading to food shortages and price hikes, disproportionately affecting rural communities. This is consistent with the predicted 5-10% drop in crop yields due to temperature increases as predicted in many studies.

- **Water Stress & Health :** Contaminated water sources following the floods led to outbreaks of waterborne diseases, exacerbating an already strained healthcare system, particularly in rural areas with limited access to clean water and medical facilities.
- **Migration & Displacement :** The floods forced mass displacement, placing a significant strain on resources in neighboring areas. The long-term consequences could include increased social tensions and potential conflicts over scarce resources.
- **Inequality & Vulnerable Populations :** The disaster disproportionately affected marginalized groups, who already faced vulnerabilities before the event. Women and rural communities suffered immense losses, deepening existing inequalities and hindering their ability to recover.
- **Energy Demand & Mitigation :** The recovery process demands increased energy consumption, exacerbating India's dependence on fossil fuels and highlighting the urgency of transitioning to more sustainable energy sources.

The long term social impact of the rehabilitation efforts in Wynad highlight the critical importance of socially sensitive locally led adaptation.

Successful recovery from climate-related events hinges on:

- **Localized Vulnerability Assessments:** Gaining a clear understanding of the unique needs and vulnerabilities within various communities is essential for crafting effective, targeted responses. This approach not only addresses immediate concerns but also empowers communities to take an active role in their recovery.
- **Community-Level Resilience:** Enhancing community capabilities and reinforcing local institutions are vital for building resilience against future shocks. By equipping communities with the tools and knowledge they need, we can cultivate a strong social fabric that withstands adversity.
- **Mitigation Efforts:** India must prioritize a shift towards sustainable energy sources, embracing policies that lower emissions while ensuring energy security. This transition not only addresses environmental sustainability but also promotes social equity by creating jobs and advancing technology in underserved areas.

- **Inclusive Policies:** It is imperative that policies and interventions tackle existing social inequalities, guaranteeing equitable access to resources and opportunities for all. Such inclusivity lays the groundwork for comprehensive societal resilience and prepares communities to thrive amid challenges.

The devastating 2024 Wayanad landslides, triggered by heavy rainfall, resulted in significant loss of life (231 confirmed deaths, 128 missing) and extensive damage to infrastructure (houses, shops, schools, roads, and power lines). The ₹1,200 crore economic loss underscores the event's immense financial impact on Kerala.Underlying factors like deforestation and poor construction practices contributed to the catastrophe's severity, highlighting the interconnectedness of environmental degradation and social vulnerability. The disaster's long-term consequences, including displacement, food insecurity, and health crises, disproportionately impacted vulnerable populations, demanding integrated approaches to disaster preparedness and recovery. The event serves as a stark reminder of climate change's far-reaching interconnectedness of social and economic repercussions.

Wayanad landslide: Centre issues draft to declare 57,000 Sq Km of Western Ghats eco-sensitive; some villages missing(REUTERS)

OTHER
READINGS

ICMAI Social Auditors Organisation

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SOCIAL VALUE INTERNATIONAL

The Principles of Social Value

The Principles of Social Value

Social Value is the value that stakeholders experience through changes in their lives. Some, but not all of this value is captured in market prices.

The Principles of Social Value provide the basic building blocks for anyone who wants to make decisions that take this wider definition of value into account, in order to increase equality, improve wellbeing and increase environmental sustainability. They are generally accepted social accounting principles.

The Principles are not individually remarkable; they have been drawn from principles underlying social accounting and audit, sustainability reporting, cost benefit analysis, financial accounting, and evaluation practice. There are other guides available on the process of measuring and reporting social value and impact that also refer to principles, such as the Social Investment Taskforce Guidelines for Good Impact Practice. However, the Principles of Social Value can be distinguished by their focus on what underpins an account of social value, and on the questions that need to be addressed so that the information can be used to better inform decisions.

An account of social value is a story about the changes experienced by people. It includes qualitative, quantitative and comparative information, and also includes environmental changes in relation to how they affect people's lives.

By applying the Principles, it is possible to create a consistent and credible account for the value that is being created or destroyed. The outcomes, and the measures and values of outcomes, can remain specific to the context, activity, and the stakeholders involved.

When applied, the Principles also create an account that recognises that the level of rigour required depends on the needs of the audience and the decisions that will be taken.

The application of the Principles will require judgments. Therefore the information produced using the Principles needs an appropriate level of independent verification or assurance. As a result, the requirement for verification is also a principle. More guidance on making judgements can be found in A Guide to Social Return on Investment.

Adopting the Principles will sometimes be challenging as they are designed to make invisible value visible. Value is often invisible because it relates to outcomes experienced by people who have little or no power in decision making. Applying the Principles will help make organisations more accountable for what happens as a result of their work, and means being accountable for more than whether the organisation has achieved its objectives.

SOCIAL VALUE
INTERNATIONAL

The Principles of Social Value

Principle 1: Involve stakeholders

Inform what gets measured and how this is measured and valued in an account of social value by involving stakeholders.

Stakeholders are those people or organisations that experience change as a result of the activity and they will be best placed to describe the change.

This principle means that stakeholders need to be identified and then involved in consultation throughout the analysis, in order that the value and the way that it is measured, is informed by those affected by, or who affect, the activity.
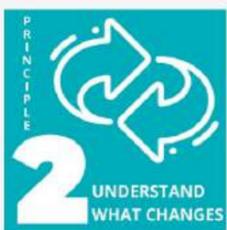
Principle 2: Understand what changes

Articulate how change is created and evaluate this through evidence gathered, recognising positive and negative changes as well as those that are intended and unintended.

Value is created for or by different stakeholders as a result of different types of change; changes that the stakeholders intend and do not intend, as well as changes that are positive and negative. This principle requires a theory of how these different changes are created, which is informed by stakeholders and supported by evidence. These changes are the outcomes of the activity, made possible by the contributions of stakeholders. It is these outcomes that should be measured in order to provide evidence that the change has taken place..

Principle 3: Value the things that matter

Making decisions about allocating resources between different options needs to recognise the values of stakeholders. Value refers to the relative importance of different outcomes. It is informed by stakeholders' preferences.

There are various ways of achieving this. One method is to use financial proxies which as well as revealing preferences, also means that the value can be compared with the cost of the activity. This can be an effective means of communicating value in order to influence decisions.

SOCIAL VALUE
INTERNATIONAL

The Principles of Social Value

Principle 4: Only include what is material

Determine what information and evidence must be included in the accounts to give a true and fair picture, such that stakeholders can draw reasonable conclusions about impact.

One of the most important decisions to make is which outcomes to include and exclude from an account. This decision should recognise that there will be many outcomes, and a reporting organisation cannot manage and account for all of them.

The basic judgement to make is whether a stakeholder would make a different decision about the activity if a particular piece of information were excluded. An assurance process is important in order to give those using the account comfort that material issues have been included.

Principle 5: Do not overclaim

Only claim the value that activities are responsible for creating.

This principle requires reference to baselines, trends and benchmarks to help assess the extent to which a change is caused by the activity, as opposed to other factors. Reporting on and managing the outcomes that have been determined with the affected stakeholders will enable other people or organisations to better understand how they can contribute to creating value, avoiding negative outcomes and encouraging a system or collective approach to achieving outcomes.

Principle 6: Be Transparent

Demonstrate the basis on which the analysis may be considered accurate and honest, and show that it will be reported to and discussed with stakeholders.

This principle requires that each decision is explained and documented in relation to: stakeholders, outcomes, indicators and benchmarks; the sources and methods of information collection; the different scenarios considered; and the communication of the results to stakeholders. This will include an account of how those responsible for the activity will change the activity as a result of the analysis.

The analysis will be more credible when the reasons for the decisions are transparent.

SOCIAL VALUE
INTERNATIONAL

The Principles of Social Value

Principle 7: Verify the Result

Ensure appropriate independent assurance.

Any account of value involves judgment and some subjectivity. Therefore an appropriate independent assurance is required to help stakeholders assess whether or not the decisions made by those responsible for the account were reasonable.

Principle 8: Be Responsive*

Pursue optimum Social Value based on decision making that is timely and supported by appropriate accounting and reporting.

Optimising Social Value means delivering on societally agreed goals, such as the United Nations Sustainable Development Goals, as far and as fast as possible. This principle requires organisations to implement a management approach based on three types of decisions: strategic - setting goals in alignment with societal goals; tactical - choosing activities that best achieve goals; and operational - making improvements to existing activities. The management approach must also include scheduling of decision-making, Social Value Accounting to an appropriate degree of rigour, and external reporting for accountability.

*This summary of Principle 8 is a DRAFT and subject of consultation and board approval in October 2021.

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Guiding Framework on Logic Model for integrating Theory of Change in projects to be listed in Social Stock Exchange

1. Background

Annexure II of SEBI Circular SEBI/HO/CFD/PoD-1/P/CIR/2022/120 dated 19.09.2022 provides 'Guidance Notes for all Social Enterprises (SEs) on AIR', wherein, under 'Strategic intent and planning' at point 4 it is stated as under:

'Point 4. What will be the outcomes of the solution/program? Coverage should include positive and potential unintended negative outcomes.'

Describe the Theory of change / logic model framework (defining input, output(s), outcome(s)) for the solution proposed. While identifying the targeted impact segment, both positive and potential unintended negative impacts need to be identified.

Point 4 in practical terms implies integration of Theory of Change / Logic Model in the actual planning, implementation, monitoring and evaluation of social, environmental and cultural projects being listed in Social Stock Exchange.

2. Forward

Given the above, the Unified Framework for Social Impact Assessment Standards (UFSIAS) recommends project specific monitoring and evaluation (M&E) framework to be prepared and adopted for social/environmental/cultural projects according to Theory of Change/Logic Model. This Guiding Framework on how to use Theory of Change/ Logic Model for preparing projects and setting a clear M&E framework has been placed in Section-III(I) of UFSIAS

3. Understanding Guiding Framework and how it works for different project stakeholders

This Guiding Framework is essentially a bi-directional traceability matrix that would enable the Project Management/Social Enterprise and the key stakeholders to understand forward and backward traceability of the project/program flow for meeting the stated objective (s).

The process of tracing resources through this Guiding

Framework constructs a necessary link so that ultimately inputs can be identified / designed and traced back to the overall outcome (in the impact value chain) through activities, outputs and different levels of intermediate outcome metrices (1st level, 2nd level, 3rd Level etc.) across the timeline of the project. This Framework needs to be adopted while preparing the Fund Raising Document (FRD) for Listing in the Exchanges.

With the clarity that will be established through this Guiding Framework, every stakeholder involved in the impact value chain will benefit. This will help Social Enterprises to bring proficiency to prepare, implement and track the project progress in a logical manner, which in turn will help them to move forward with a clear outcome communication and reporting. Further, this framework will enable all other stakeholders (outcome funders, risk investors, third party evaluators along with intermediaries and regulators) to understand and comprehend key reporting requirements based on traceability. It will also provide guidance with regard to the nature of communication/discussions these Entities need to establish contextually with the Project Management. The clarity on the above issues at the time of pre-listing and listing of projects, will help reduce immensely the processing time and cost of the Social Enterprises and key stakeholders during pre-listing and listing stage while ensuring the quality of the listed projects. Most importantly, this will ensure Social Impact Assessors to have a clear basis for project assessment across the project timeline that would adhere to Theory of Change/ logic Model.

4. Logic Model: How it needs to be designed and used for Projects. Some dos and don'ts

- Firstly, The flow of activities in a project designed based on the Logic Model emanates from impact and not from input. This mistake is seen in design of most of the projects. There is the danger of missing wood for the trees here if one designs the project starting with inputs. The Exchanges must ensure that the Fund Raising Document (FRD) is clear on this.

- Secondly, Logic Model should not be used in a straitjacketed manner for achieving the target of the project and for evaluating a project through a very linear thinking process; but this should be used as an enabling framework to promote original thinking to understand the intricacies involved in the project processes while dealing with social, environmental and cultural challenges in an open, transparent and comprehendible manner for achieving a meaningful outcome leading to impact.

- Thirdly, the candid planning and implementation instruments enabled by Logic Model need to be used pragmatically with reasonable flexibility for needful revisions of project's/ program's pre-determined targets, if warranted, during the project period, especially during the mid-term project evaluation to meaningfully achieve the desired outcome leading to impact.

- Lastly, Logic Model needs to be creatively used as a vibrant framework to plan, implement, monitor and evaluate the project and most importantly, to set a healthy dialogue amongst primary stakeholders in co-creating impact with the Social Enterprises.

5. Designing the Projects (Social / Environmental / Cultural) under Logic Model

This covers the flow of project/program design under Logic Model keeping in mind the attributes of reach, depth and inclusion considerations of outcome leading to impact within the overall project objectives at point 5.1; how learning loop operates in Logic Model at point 5.2; the principles for designing of Key Performance Indicators (KPIs) under Logic Model at point 5.3; and assigning true costs for inputs under Logic Model for project sustainability at point 5.4 .

This is followed by Logic Model Framework for the preparation and for monitoring and evaluation of projects to be listed in Social Stock Exchange (SSE) in ANNEX-1 (Ref: page 7-11 below). Along with this, the suggestive attributes of reach, depth and inclusion considerations to be used for Social/ Environmental/Cultural Projects in SSE in ANNEX-2 (Ref: page 12-14 below)

5.1 The flow of Project/ Program design under Logic Model

Based on the vision of the project/ program, the impact statement is drawn. To achieve this impact statement, the mission statement is drawn as the overall objective of the project. This is expected to get fulfilled as the overall outcome in the project . The Logic Model flow is explained as under :

- Impact : Impact are long term intended and unintended consequences of all the inputs and activities. Impact is seen over many years after the completion of project or immediately after the completion on project/program. This depends upon the gestation period of the project/program to create an impact. Hence, the overall outcome of a Project, which normally is expected towards/at the end of a project, should not be misconstrued as the impact of the project as often observed as perceived. Project need to have a clear withdrawal protocol for making exit envisioned at the planning stage on what needs to be done for sustainability of the project initiative. This will help convert project outcome into impact.

- Outcome : Outcomes are one step beyond achieving the targeted outputs and measures various intended/unintended consequences of the program or project. Outcomes can be achieved at different levels across the timeline of the project. These intermediate outcomes are - 1st level/ 2nd level/ 3rd level. All these outcome levels will feed to the overall outcome. The components and sub- components of the project and the related activities under each component and sub-component and their key performance indicators (KPIs) need to distinctively designed to address each of the intermediate outcomes for traceability and accountability.

- Output : Outputs are the first level direct products from the project activities. The output can come from a single activity or combination of activities.

- Activities : Actions or logical sequence of actions intended to achieve desired results. This is the stage where implementation correction needs to be done, if required.

- **Input :** Inputs are the resources invested / deployed for achieving any intended action. Resources can be categorised into two parts : **Financial and Non-Financial**. Financial resources are those resources which directly or indirectly involve money but Non-financial resources involve all resources other than money i.e. human, community, organisational , intellectual etc. Besides this, inputs can come through **convergence from the external agencies** and from the beneficiary **stakeholders as contributions in many forms**. Project Management need to look out for such convergence and have meaningful dialog with the beneficiary stakeholders for such contributions. Such stakes go a long way for **sustainability of the project**. The provision of identifying such this has been kept in **Sl.no. 8** of the table on **Guiding Framework**.

- One important part of input is **Pre-project implementation** to be considered in the 0 year of the listed project. Logic model demands a time gap to be kept invariably **between project listing and initiation**

of implementation to enable Project Management/SE to prepare for grounding of the listed project. This period is counted as **0 year of the project**. This is the time when **pre-activities for grounding** the project such as - actual beneficiary population/entity selection; baseline survey, beneficiary consultation, situation analysis & understanding the context, mapping the stakeholder for engagement; setting project logistics, infrastructure and manpower planning etc will be done. This is the time to fine tune **project design** and prepare a proper **Solution implementation plan (SIP)**. The provision of 0 year preparation works and the cost implications of 0 year needs **to be kept in** the **Fund Raising Document (FRD)**.

5.2 How the learning loop is built in Logic Model?

Following diagram shows how the feedback loop works under Logic Model:*

*Ref : 'Social Impact Measurement and Investment' by Bibhu Mishra, Transcience (2018) Vol. 9, Issue 1. Modified (2024).

In addition to gathering knowledge on project performance from the records, the major source of candid feedback come from the project stakeholders. The organisation need to include in the **Solution implementation plan (SIP)** the list of **stakeholders to be engaged in the feedback loop** with a clear statement on how organization will use these feedback. Most important

, interacting, consulting and getting a **first-hand feedback** from the project beneficiaries and the primary stakeholders while designing the interventions at the **planning stage is most essential** to develop their right stake in the project for sustainability. Social Impact Assessors will review such consultations done by SE during annual assessments.

5.3 Setting Key Performance Indicators (KPIs) under Logic Model – Some core issues

- It is to be kept in mind that the performance trend on impact, overall outcome, intermediate outcomes and outputs shall be assessed through the analysis and trend of interactive data retrieved from KPI metrices established by the Social Enterprise in the Solution implementation plan keeping in mind the parameters drawn from relevant attributes of reach, depth and inclusion considerations in social / environmental / cultural project in objectively verifiable terms. The suggestive attributes worked out for reach, depth and inclusion for social, environmental and cultural projects is included in ANNEX - 2 (page 9-11 continued below).

- It needs to be clarified here that, of all the performance indicators and KPIs set in the project design, only few pertinent KPIs will be used by the outcome funders, risk investors and exchange for third party assessment (external KPIs). Other KPIs will have to be designed and used for internal monitoring and control of the project by the Project Management/SEs. This will be termed as Internal KPIs. Internal KPIs support / feed to the authentication of external KPIs. The relevance and usage of internal KPIs and external KPIs needs to be discussed; and the two types of KPIs need to be clearly delineated by the key project stakeholders (Funders, Risk investors and Exchanges) with the Project Management/SEs at the listing stage. All the KPIs need to be objectively verifiable. The Fund Raising Document (FRD) need to mention clearly the means of verification of the KPIs for the listed project.

- It will be important to weigh the positive and potential unintended negative impact of the project during the pre-listing stage and take decision either to screen out or take measures to design the project intervention to negate / minimize the unintended negative impact as much as possible. It needs to be kept in mind that all the projects need to be environment compliant. The possibilities of potential unintended negative impact need to be worked out in the FRD and plan to negate/minimize such negative impacts needs to be spelled out in the SIP. The imple-

-mentation of this will be reviewed during annual social impact assessment and will get revised through a consultative process. The framework for doing such reviews across the time of the project is given at Sl. no. 7 of the table on Guiding Framework given at ANNEX-1 below.

- It will be important to have an open discussion during the listing stage between Social Enterprises, Funders, Risk investors and Exchange about the assumptions / limitations / risks, if any, which are not in the control of Social Enterprise but may negatively affect the outcome and impact of the project. Such assumptions/limitations/ risks need to be clearly stated at the listing stage and revised periodically through a consultative process during the annual social impact assessments. The framework for doing such reviews across the time of the project is given at Sl.no.6 of the table on Guiding Framework given at ANNEX-1 below.

- All the Key Performance Indicators (KPI) have to be objectively verifiable. It is equally important to work out the measurable and non-measurable means of verification of KPIs by the Funders, Risk investors and Exchange with the Project Management/Social Enterprises at the Listing stage and integrate the same in FRD and SIP . The provision for this has been kept in the Sl. no. 4 and Sl. no. 5 of the table on Guiding Framework given at ANNEX-1

5.4 Aligning Logic Model for Sustainability - Some of the cost provision issues

Apart from being clear on the overall outcome and impact timeline and committing to what Social Enterprise can deliver within the project timeline, it is important for the Social Enterprises and the stakeholders (Funders, Risk investors and Exchange) to be clear on the activities that facilitate sustainability of the project from the inception stage. In this context, the costs for following activities are instrumental for sustainability of the project:

- Listing Cost having bearing on Project Fund - It is important for the Social Enterprises (SE) and the stakeholders to understand the cost break up for Registration and Listing of projects in SSE. What part of listing cost is to be borne by SE and what part

by the Funder / Investor needs to be clearly known. This will bring about the much-needed transparency and will ease out Registration and Listing transactions.

- **Pre-project implementation -** This would provide conducting activities mentioned at **point 5.1** in the 0 year of the project. This would lay a robust foundation for the project for effective implementation

- **Knowledge Management Fund to be provisioned in Monitoring & Evaluation (M&E) Fund -** Social sector contribution is all about cross learning and building on each other's strength to create a larger impact. For this, the cross-learning of the knowledge and experience of Social Impact Assessments among the stakeholders of the project will greatly help create a sharper focus and narrative about the Sector works. For this, along with M&E cost, the provision of fund for sharing and discussing the M&E experiences and building capacity of the project for this should be

kept.

- **Exit/ Takeover exercise fund :** Based on withdrawal protocol **(Ref: point 5.1(i))** adopted by the project to make exit, the project period after mid-term towards the end-term entails doing meaningful planning exercise in concrete terms with the stakeholders/beneficiary community and individuals for the use of assets, capacities, partnerships, networks, and influence built during the project with the aim to sustain the project initiative for creating an impact. This entails doing meaningful planning exercise with the concerned stakeholders towards the end of the project for institutionalizing processes and systems in the form of a concrete Exit/Takeover Plan that will formalise all the co-commitment instruments to work further to give desired impact beyond the timeline of the project. Fund needs to be provisioned in the project to conduct this exercise from mid-term to end term.

ANNEX-1

Logic Model framework for the preparation and for monitoring & evaluation of Projects in Social Stock Exchange

1. Name of Social Enterprise

2. Project Title:

3. Key challenge identified in brief:

4. Project timeline in years:

5. Expected mid-term evaluation: month year

6. Expected end-term evaluation: month year

(NOTE: Consider project pre-implementation stage starts in 0 year. The design has to start from impact and not from inputs).

---------……-----<-End term<----------------- Mid-term---------<----------------------Project start←---Planning

SI No	Goal /Impact	Objective /Overall outcome	Intermediate outcomes that lead to Overall outcome	Outputs for each intermediary outcome	Activities for each outputs	Inputs for each activities	Pre project implementation
	1	2	3	4	5	6	7
1	Long term impact	Outcome that is expected at the end of the project	Outcome 1 (To be continued for Outcome 2,3,4…)	Output 1 (To be continued for Output 2,3,4… under each Outcome mentioned at Col.3	Activity 1	Input 1	Activities such as… 1. Targeting through participatory approach 2.Orientation of staff 3. Baseline study …can be taken
						Input 2	
						Input 3	
2					Activity 2	Input 1	
						Input 2	
						Input 3	
3					Activity 3	Input 1	
						Input 2	

------......-----<-End term<----------------- Mid-term---------<--------------------Project start<----Planning						
Sl No	Goal /Impact	Objective /Overall outcome	Intermediate outcomes that lead to Overall outcome	Outputs for each intermediar youtcome	Activities for each outputs	Inputs for each activities	Pre project implementation
	1	2	3	4	5	6	7
						Input 3	
4	KPI: overall impact statement with data as far as possible	KPI: overall outcome statement with objectively verifiable indicators	KPI: with objectively verifiable outcome indicators	KPI: with objectively verifiable output indicators	KPI: objectively verifiable activity indicators	KPI: objectively verifiable input indicators	(KPI): Identified activities needs to be completed and mentioned
5	Means of verification of KPIs: Measurable and non-measurable	Means of verification of KPIs: Measurable and non-measurable	Means of verification of KPIs: Measurable and non-measurable	Means of verification of KPIs: Measurable and non-measurable	Means of verification of KPIs: Measurable and non-measurable	Means of verification of KPIs: Measurable and non-measurable	Means of verification of KPIs: Measurable and non-measurable

6. Review to be done by SE on Assumptions/ limitations/ Risks across the timeline of the project

---------……-----<-End term<----------------- Mid-term---------<--------------------Project start ←---Planning

SlNo	Goal /Impact	Objective /Overall outcome	Intermediate outcomes that lead to Overall outcome	Outputs for each intermediary outcome	Activities for each outputs	Inputs for each activities	Pre project implementation
	1	2	3	4	5	6	7
SlNo	Goal /Impact	Objective/ Overall outcome	Intermediate outcomes that lead to Overall outcome	Outputs for each internediary outcome	Activities for each output	Inputs for each activities	Pre project implementation
	Assumptions/ limitations/ risks for **impact and project sustainability** and review of mitigation measures	Review Assumptions/limitations/ risks for **impact and project sustainability** and review of mitigation measures	Review Assumptions/limitations/risks in **creating overall outcome** and review of prevention and/or mitigation measures.	Review Assumptions/limitations and risks stated at **Col.7** and review prevention and/or mitigation measures adopted **in outputs** at different levels	Review Assumptions/ limitations and risks stated at **Col.7** and review prevention and/or mitigation measures adopted **activity design**	Review Assumptions/ limitations and risks stated at **Col.7** and review prevention and/or mitigation measures adopted **in input.**	Identify Assumptions/ limitations/ Risks in project implementation, if any, identify prevention and/or mitigation measures **in input design**

-------……-----<-End term<----------------- Mid-term---------<---------------------Project start←----Planning

SI No	Goal /Impact	Objective /Overall outcome	Intermediate outcomes that lead to Overall outcome	Outputs for each intermediary outcome	Activities for each outputs	Inputs for each activities	Pre project implementation
	1	2	3	4	5	6	7

7. Review to be done by SE on Potential Unintended Negative Outcome (PUNO) across the timeline of theproject

<-------……-----<-End term<------------------- Mid-term---------<-----------------Project start← -----Planning

| | Review of PUNO by the project stakeholders after exit and **implementation of mitigation measures** as planned in the exit plan at **column.2** | Review of PUNO in therelation to the **planning and execution ofexit plan.** identify mitigation measures to work upon inthe exit plan. | Review of Unintended Negative Outcome (ifany) in relation to the **overall outcome** and impact. identify mitigation measures towork upon. | Review of PUNO in relation to **different outputs levels.** Identify mitigation measures toward upon | Review of **activity design** that addressed negating and/or minimizing PUNO | Review of **input design** that addressed negating and/or minimizing PUNO | Potential unintended negative outcome (PUNO), if Any. Identify andkeep provision to **negate and/or minimize PUNO** in theinput design |

8. Handling convergence, contribution and sustainability by SE@

@ This do not apply uniformly for all the projects. **Fund Raising Document (FRD)** need to have a clearstatement about its applicability - If not applicable, give clear reasons therefor.

*Wherever applicable, how these instruments will be practiced to create assets, capacities, partnerships, networks and influence through convergence of knowledge and resources with peers/partners within and outside the project and develop the stake of beneficiary community/entity for sustaining the outcome.

Following is an example of a community based social project on 'Productive inclusion of the excluded'.

---------......----<-End term<----------------- Mid-term---------<--------------------Project start--←--Planning

Sl No	Goal /Impact	Objective /Overall outcome	Intermediate outcomes that lead to Overall outcome	Outputs for each intermediary outcome	Activities for each outputs	Inputs for each activities	Pre project implementation
	1	2	3	4	5	6	7
	The Beneficiary Community /Entity starts implementing the exit plan with their own commitment for sustaining the outcome of the project.	Prepare a concrete exit /Takeover plan with the commitment of the beneficiary community/ entity on how the convergence & contribution mobilised in terms of assets, capacities, partnerships ,networks, and influence built by them during the project can be used further to attain project impact and sustainability	Start doing exercises with the Beneficiary Community /Entity on how the convergence & contribution mobilised from the project and different stakeholders in terms of assets, capacities, partnerships, networks, and influence built by them during the project period can be used or mobilised further to attain project impact and sustainability.	Review on the work done on convergence and contributions from beneficiary community/ entity in the previous year. Calculate the convergence & contribution mobilised in money value terms with a sound basis for calculation, wherever possible. This helps create a narrative and build traction for further support.	Review the work done on convergence and contributions from beneficiary community /entity in the previous year. Calculate the convergence & contribution mobilised in money value terms with a sound basis for calculation ,wherever possible. This helps create a narrative and build traction for further support.	Act on the convergence identified at the planning stage and act on the Mobilisation of community contribution identified at the planning stage at **Col. 7**. The contribution by the beneficiary community /entity has to be a voluntary/ social act. This requires mutual understanding between the facilitating SE and the contribution giver.	Discussion with the outside stakeholders on scope for convergence and derailed discussion with the beneficiary community /entity for bottom-up ownership of the project.

ANNEX-2

Suggestive attributes of reach, depth and inclusion considerations to be used while designing Social / Environmental / Cultural Projects in Social Stock Exchange

The following are suggestive attributes worked out for reach, depth and inclusion considerations to be kept in mind by Social Enterprises while designing the Project. Once such attributes are included in the Project design, the key performance indicators (KPIs) on outputs and outcomes of the Project need to measure the fulfilment of these attributes. Apart from these suggestive attributes, Social Enterprises can consider any other attributes that are contextually relevant for considering the impact of the Project under these three considerations in consultation with the Funding Agency/ Exchange.

1. Social Project

The Social Enterprise may need to consider for itself how its approach in the given social project intends to improve one or more of the following attributes explained under each of the Reach, Depth and Inclusion considerations :

a) Reach

1. Proportion of target segment(s) reached in the reporting period.
2. Geographical coverage
3. Cumulative no. of beneficiaries reached (members of the target segment served since inception)
4. Other suitable metrics in relation to the solution, usually relate to people, institutions or activities (Ex: monthly active users of MAUs for an app/tech platform)

b) Depth

1. Increase in knowledge or skills among beneficiaries
2. Behavior changes among beneficiaries
3. Change in attitude, beliefs of perception of beneficiaries
4. Change in the quality of life

c) Inclusion

1. Net increase in Income levels among target segment(s) in project outcomeand impact.
2. Prioritizing the inclusion of disadvantaged groups or communities (either as owners, partners, or customers) in the project design andempower them in their relationshipwith the SE over time.
3. How the disadvantaged group or community can experience increased social equity.

2. Environmental Project

The Social Enterprise may need to consider for itself how its approach in the given Environmental Project intends to improve one or more of the following attributes explained under each of the Reach, Depth and Inclusion considerations:

a) Reach

1. Reaching targeted natural ecosystem and / or pollution threat and / or climate change threat and/or sustainable lifestyle and / or forest & wildlife.
2. Reaching the aimed geographical area or segment population or ecosystem / environmental / Forest / wildlife entities on targeted components.
3. its application to a wide range of situations/circumstances.

b) Depth

1. Improvement in targeted components and sub components under sub-thematic area such as natural ecosystem and/or pollution and/or climate change and/or sustainable lifestyle and/or forest & wildlife.
2. Behavioral changes (including sense of Improved custodianship of natural and/ or environmental resources and/ or sustainable lifestyle and/or increased climate change resilience and/pollution control among the stakeholder population/entities.

c) Inclusion

1. Mutuality : contribution to one element does not have a significant negative impact on the other
2. Access : Net decrease in overall negative environm-

-ent parameter levels and improved natural / environmental resources are accessed equally by the relevant stakeholders.

3. **Participation : ensure effective participation of all relevant stakeholders on decisions relating to natural / environmental resources and their use.**

4. **Equity : Ensure that adequate attention is given where required to ensure equity to the environmentally threated/marginalized and vulnerable segments/population in terms of the outcomes.**

3. Cultural Project

The Social Enterprise may need to consider for itself how its approach in the given Cultural Project intends to improve one or more of the following attributes explained under each of the Reach, Depth and Inclusion considerations:

a) Reach

1. **Effective geographical coverage of preservation / promotion of tangible cultural heritage**

2. **Well-conceived inventory of preservation / documentation of Intangible cultural heritage / oral traditions**

3. **Reaching targeted people/ stakeholder entities in promoting art, culture and heritage (this also includes education related to art, culture and heritage in various education and community institutions)**

4. **Capacity building and support to artists / artisans / cultural professionals for sustainable living**

5. **Increase in awareness and stake of stakeholder population to save targeted art, culture and heritage after mapping their stakes.**

b) Depth

1. **Improving commitment towards promotion, protection and preservation of cultural heritage**

2. **Enhancing talent and competence in promoting art, culture and heritage**

3. **Network and collaborate for new capacity building avenues/ job creation in all sectors due to art, culture and heritage conservation**

4. **Promotion/support marketing of cultural goods and creative industry**

5. **Safeguarding living heritage**

c) Inclusion

1. **Increase in job creation for disadvantaged and for difficult geographies in the field of art and cultural heritage.**

2. **Enhancement of talent and competence of culturally marginalized. Culturally endangered and/or minorities and their inclusion in the management of art, culture and heritage through improved access to opportunity, networks, resources, and/or support mechanisms.**

3. **Increase in cross-culture engagement.**

The Principles of Social Value, and why they are important for accountability and maximising social value

Introduction

The Principles of Social Value are a principle based framework for accounting for, measuring and managing social value. The Principles were originally developed in 2009 and were updated in 2015 following the merger of the SROI Network and the Social Impact Analysts Association. This report explains the thinkingthat underpins these Principles.

Basic Propositions

There are two propositions at the heart of Social Value International's approach to accounting for social value:

1. Organisations should seek to maximise the social value created with the resources they have available. Firstly, so that inequality and environmental degradation are reduced as fast as possible, and secondly because society's current approach to maximising financial value does not account for all the material social and environmental outcomes which leads to increasing inequality.

2. One of the biggest challenges is that, whilst organisations can be held to account for the financial value they create by those who receive the financial returns, people who benefit (or lose out) from social and environmental returns cannot hold organisations to account to anything like the same extent. The only way to ensure that organisations will be able to maximise their value is if they are accountable for their impact.

Following on from these propositions, Social Value International's approach to accounting for social value is designed as if organisations were accountable to the people who experience that value. It will help organisations to maximise their value.

Part of the solution will also lie within the culture of organisations and how they generate and use information on social value.

Questions that need to be answered to maximise value

The Social Value Principles are a way of summarising the core questions that have to be answered by any organisation seeking to maximise the value it creates. You can read more about them here and one way of applying them here (pdf).

There are a number of fundamental questions that are necessary (but not sufficient) to be able to maximise value.

We have grouped these questions in three sections:

1. Some framing questions to set the scene

What is the activity which is being considered?

Who is going to use the information that is produced, and what decision will be informed (this means the ultimate purpose of these questions won't be to measure your impact)?

How accurate and how detailed do the answers need to be? If this isn't clear, either too much will be done or not enough. Either way time and resources will be wasted. For accountability the answers need to provide a complete understanding of material changes.

Given that the answers can't be objective, and given our natural cognitive dissonance, how does whoever is using the information get assurance that the level of detail, accuracy and completeness is adequate for the intended decision and that the information supporting the answers is transparent?

Who is going to answer these questions?

2. Some accounting questions

Now that the context has been established:

Who has changed (or, when forecasting or budgeting your social value, 'who will change')?

Which groups (and subgroups) of people or organisations?

How have they changed, including positive and negative, and expected and unexpected changes?

How long will the organisation be accountable for the change?

How will the change be measured?

Based on that, how much change happened?

How much change was caused by our activities?

What was the relative importance of the different changes, from the perspective of those experiencing them?

If you don't have a way of quantifying this, people making a decision to choose between different options will start with a personal view of what changes they personally think are important to stakeholders, not shared and not common. If the process of quantifying importance is explicit, the discussion that will end in a choice starts from a common understanding. This could be a rating or a weighting.

Do all the changes need to be managed or are some not important enough on basis of the answers? There will generally be many changes as a result of any activity.

3. Implications

Now you will also be able to consider:

Have you met your objectives, are they the right objectives, should you change what you do (amend, start something new, stop, scale)?

Whilst having objectives makes good management sense, you don't need to know what the objectives are to answer these questions. Approaches that start with objectives are much more open to the risks of cognitive dissonance.

Reflections

We think this list is complete, but let us know if you think there is anything missing.

More importantly we think that if any of these questions are not answered the risk that the information is not complete, for any level of rigour, increases. This increases the risk that either no decision or the wrong decision will be made. In other words, all questions should be answered at roughly the same level of accuracy for any decision rather than some very well and others not at all. We would be interested in any views on this.

So much work on impact measurement, that doesn't answer these questions, ends with only the conclusion that given more money there will be more impact. This doesn't help decisions when there are more options for allocating resources than those available. This doesn't say how effective the organisation is in creating value, and it almost certainly over claims (for example see Peter Rossi's Metallic Laws of Evaluation).

One question that is often not addressed is what is the relative importance or value of different changes. Without knowing this is very difficult to make comparisons of different options for delivering even the same service.

Choosing between options, where the value of each option is based on the answers to these questions, is fundamental to organisations that want to maximise value.

Only answering some questions significantly increases the risk that any objectives may not be the best objectives and, even if met, could even result in a net loss of value.

Principles of Social Value

This list of questions seems to be long, but the Principles of Social Value summarise them into eight more digestible rules. In practice, organisations can make a start simply by asking people what changes, looking for patterns in the answers, considering and then testing changes to services on the basis of those patterns. It is an attempt to create a minimum list where other questions would sit 'under' these questions.

These Principles are:

Involve stakeholders
Understand change
Only include what is material
Don't overclaim
Value what matters
Be transparent
Verify the result
Be Responsive

Are there many approaches?

It is a dangerous over simplification to talk about many approaches to measuring social impact. There are many impacts that need measuring but not so many approaches designed to answer these questions. Some approaches answer only some, for example a randomised control trial (or RCT) only answers one and only in relation to a specific change – that is, how much of change was caused by an activity. Despite this RCT is often described as an approach to impact measurement.

Then there are different approaches to answering the same question but with different levels of rigour.

The lack of a taxonomy to organise things that contribute to answering these questions doesn't help. However, we can

think about and compare approaches to accounting for value that are designed to answer these questions.

Sustainability reporting considers many but not always all of these questions, for example often focusing on stakeholder issues rather than outcomes which may not provide information on how much change has resulted from a business's activities.

Cost-benefit analysis or CBA is designed to answer the questions at a relatively high level of rigour, often to inform government decision making and resource allocation where there is a higher level of accountability (although we have argued that CBA does not generally answer all of the questions).

These two examples share a lot in answering most of the questions, but because they are used at contrasting levels of rigour they are generally thought of as being very different.

Then there are approaches not designed to answer all the questions. Approaches to causality from Theory of Change to RCT are designed to test how much of a change is caused by an activity. And again this one question can be answered at different levels of rigour.

Many approaches to social impact where there is a focus on measuring achievement of objectives, even if they have a passing nod to unintended outcomes, are also not designed to answer these questions.

Some approaches might suggest that any assessment of how much of the change was caused by your activity are too difficult because it is assumed they can only be answered at a high level of rigour.

Culture

Answering these questions or applying the principles is often associated with a culture of relentless pursuit of value for stakeholders (or customers, clients, beneficiaries) characterised by lots of detail in defining stakeholders and recognition of different sub groups or segments. Even at low levels of rigour this information can be used to change or develop existing services. For example, where the cost of taking a different approach is low, and the change can be reversed, the level of rigour doesn't need to be high. The evidence comes from prototyping. Alternatively, where the cost of new services or products, or the consequences of an error, are high then higher levels of rigour will be demanded.

Entrepreneurial impact if you want, where the appropriate level of rigour is determined by reference to the costs and consequences of the decision that is being made, subject to being accountable.
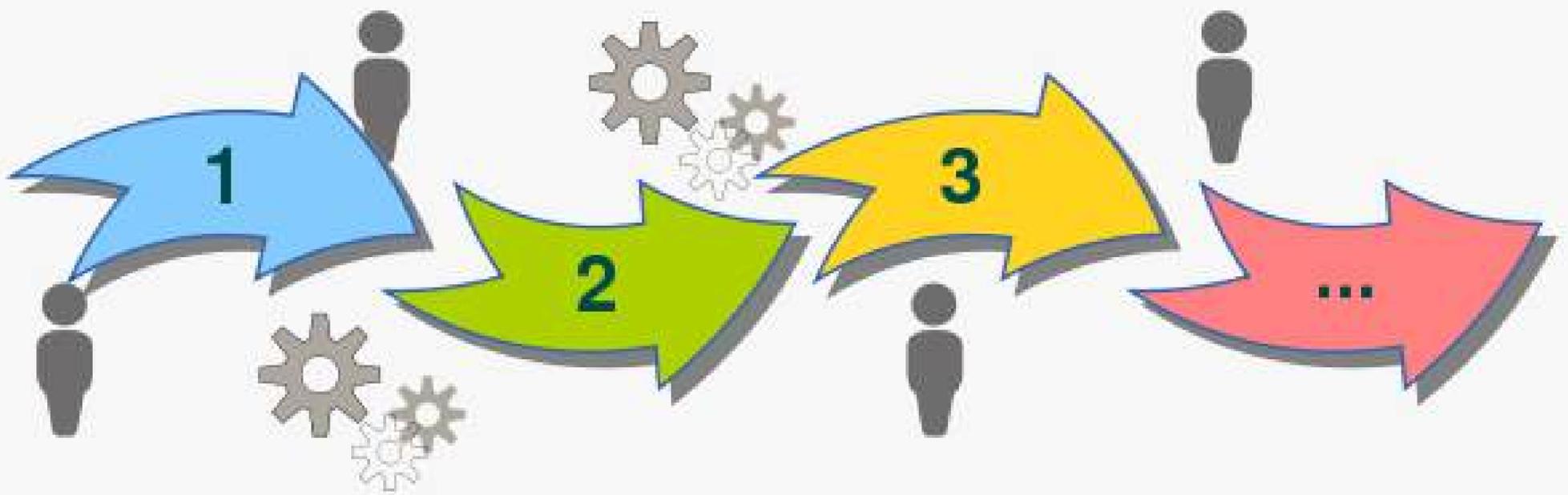
SOCIAL VALUE INTERNATIONAL

www.socialvalueint.org | @socialvalueint

PROCEDURE FOR REGISTRATION OF A MEMBER WITH ICMAI SAO

ICMAI Social Auditors Organisation
(A Section 8 Company promoted by The Institute of Cost Accountants of India)

PROCEDURE FOR REGISTRATION OF A MEMBER WITH ICMAI SAO

Eligibility Criteria for Social Auditor

A. **An Individual if he**
  - holds the required qualification and experience;
  - have attended a course at the National Institute of Securities Markets (NISM) and received a certificate of completion after successfully passing the course examination; and
  - is registered with a Self-Regulatory Organisation (SRO) [e.g., ICMAI Social Auditors Organization]

B. **A Firm/Institution that has partners/employees who meet with the criteria for being a social auditor and has a track record of minimum three years for conducting social impact assessment.**

Eligibility Qualification & Experience for Social Auditor

  - Post-graduates from universities recognized by the University Grants Commission (UGC) with a minimum of 3 years of experience in the development sector, or
  - Graduates from universities recognized by the UGC with a minimum of 6 years of experience in the development sector, or
  - Cost and management Accountant, Chartered Accountant, or Company Secretary holding valid Certificate of Practice.

No individual shall be eligible to be registered as a Social Auditor if he:-
  - is a minor;
  - is not a person resident in India;
  - does not have the qualification and experience specified in SEBI notification;
  - has been convicted by any competent court for an offence punishable with imprisonment for a term exceeding six months or for an offence involving moral turpitude, and a period of five years has not elapsed from the date of expiry of the sentence.

Provided that if a person has been convicted of any offence and sentenced in respect there of to imprisonment for a period of seven years or more, he shall not be eligible to be registered;
  - he is an undischarged insolvent, or has applied to be adjudicated as an insolvent;
  - he has been declared to be of unsound mind; or
  - he is not a fit and proper person.

Explanation: For determining whether an individual is fit and proper ICMAI SAO may take account of any consideration as it deems fit, including but not limited to the following criteria-
  - integrity, reputation and character,
  - absence of convictions and restraint orders, and
  - competence,

Procedure for Enrolment as a member

Entry of Application : Entry for application received for registration of social auditor is to be made in a register maintained by ICMAI SAO followed by stamping of application mentioning date of reception it.

Acknowledgement of Application : Every application received is to be acknowledged to the applicant within 7 working days of its receipt via mail.

One Time Enrolment fee : Rs. 3,000/- Plus GST @18%

Membership fees : Rs. 5,000 plus GST @18% for three years

Internal Verification of application along with fee and supporting documents as mentioned in enrolment Form.

  - Registered form – duly completed
  - Passport-size photo

- Copy of proof of residence
- Self – attested copy of Aadhar card, PAN card and Passport (if available).
- Copies of documents in support of educational qualifications, professional Qualification, Experience, and Social Auditors examination
- Copy of proof of payment of Admission/Enrolment Fee and Annual Fee
- Copy of Self Declaration, the format of the same is annexed with the Enrolment form (Annexure – 1).

Verifying Qualification and Experience

Copies of documents demonstrating qualification, employment and practice as –
- Cost and Management Accountant enrolled with the Institute of Cost Accountants of India.
- Company Secretary enrolled with the Institute of Company Secretaries of India,
- Chartered Accountant enrolled with the Institute of Chartered Accountants of India and/or empaneled with the Comptroller & Auditor General of India.
- Graduate / Post-Graduate from universities recognized by the University Grants Commission (UGC).
- Requisite experience of minimum of 3/6 years in the development sector
- Copies of certificate of employment from the employer(s), specifying the period of such employment.

Before registering a person as its Member ICMAI SAO is required to verify the following:

- Whether the applicant holds requisite qualifications & experience as indicated above.
- Whether the applicant holds valid Certificate of Practice if he is a Cost and management Accountant, Chartered Accountant, or Company Secretary.
- Whether the applicant have attended a course at the National Institute of Securities Markets (NISM) and received a certificate of completion after successfully passing the course examination.
- Whether the individual/firm/institution holds requisite social sector experience in providing assurance of non-financial information. (e.g., nutrition, education, health, water & sanitation, energy conservation, environment and climate change, etc.)
- Whether the firm/institution has required number of partners/employees meeting the criteria for being social auditor and has a track record of minimum three years for conducting social impact assessment.
- Whether any disciplinary proceedings are pending, or any disciplinary action has been taken at any time in the preceding three years against the professional member or firm/institution by the ICMAI, ICAI, ICSI, any SRO or any other regulator.
- Whether ICMAI, ICAI, ICSI, any SRO or any other regulator has initiated any criminal proceeding against the professional member or firm/institution and is pending for disposal?
- Whether the professional member/ person had an unblemished service with the last employer if he was in employment? The applicant must submit a conduct certificate from his last employer.

External Verification

The applicants' particulars are sent to verifying authority (ICMAI / ICAI/ICSI) to verify the following:
- Confirmation on verification of Membership Number provided by the Member
- Date of enrolment as member
- Number of years as member, whether he is continued to be member since his enrolment
- Information on whether the Member has ever been found Guilty of Misconduct. If his Membership was removed.
- COP Date
- COP Number
- Firm No.
- Firm Name

- **Years of Experience in Practice**
- **Whether the member is in full-time practice or part-time practice?**
- **Whether the Member has been in Practice continuously? If not, please mention the block of period during which the Member was in practice and the block of period for which Practice was discontinued**

(e) After examination of the application, ICMAI SAO shall give an opportunity to the applicant to remove the deficiencies, if any, in the application.

(f) ICMAI SAO may require an applicant to submit additional documents, information, or clarification that it deems fit, within reasonable time.

(g) ICMAI SAO may reject an application if the applicant does not satisfy the criteria for registration or does not remove the deficiencies or submit additional documents or information to its satisfaction, for reasons recorded in writing.

(h) The rejection of the application shall be communicated to the applicant stating the reasons for such rejection, within thirty days of the receipt of the application, excluding the time given for removing the deficiencies or presenting additional documents or clarification by the ICMAI SAO, as the case may be.

(i) The acceptance of the application shall be communicated to the applicant, along with the registration number.

Issuance of Certificate of Enrolment/Registration

Upon successful registration, Applicant is issued certificate of registration within 7 working days from the date of registration with ICMAI SAO (through courier and via mail)

DETAILS REGARDING SOCIAL AUDITORS EXAMINATION CONDUCTED BY NISM

ICMAI Social Auditors Organisation
(A Section 8 Company promoted by The Institute of Cost Accountants of India)

Social Auditors Certification Examination

The examination aims to create a pool of social auditors who would assess the impact of social interventions of various social enterprises who raise funds through the Social Stock Exchange platform.

Examination Objectives

On successful completion of the examination the candidate should:

- Know the basics of social auditing, Code of conduct of Social Auditors.
- Understand the general concepts related to social stock exchange, social audit and social impact assessment.
- Know the Social Impact Reporting disclosures and regulations.

Assessment Structure

The examination consists of 85 multiple-choice and 3 case-based/caselet questions (each case having 5 questions) totaling to 100 marks. The assessment structure is as follows:

Multiple Choice Questions[85 questions of 1 mark each]   85*1 = 85
Case-based Questions[3 cases (each cases with 5 questions of 1 mark each]   3*5*1 = 15
The examination should be completed in 2 hours. The passing score for the examination is 60. There shall be negative marking of 25 percent of the marks assigned to a question.

Test Details

Name of Module: NISM Series XXIII: Social Auditors Certification Examination
~ 85 multiple-choice and 3 case-based/caselet questions (each case having 5 questions) totaling to 100 marks.
* Negative marking – 25% of the marks assigned to the question.
+ Payment Gateway Charges extra.
# Passing Certificate will be issued only to those candidates who have furnished/ updated their Income Tax Permanent Account Number (PAN) in their registration details.

Frequently Asked Questions (Social Auditors)

1. Who can take NISM-Series-XXIII: Social Auditors Certification Examination?

The following persons can take NISM-Series-XXIII: Social Auditors Certification Examination:

- Individuals registered as social auditors
- Employees of Social audit firm
- Students pursuing social work and interested in gaining more knowledge in Social Audit

2. How can I register for NISM-Series-XXIII: Social Auditors Certification Examination?

Candidates can register at https://certifications.nism.ac.in/nismaol/

After successful registration, candidates may select a test centre, date and time slot of their choice on the Test Administrator website. Candidates are required to follow further instructions available on the Test Administrator websites.

3. What is the fee structure?

The fees for "NISM-Series-VIII: Social Auditors Certification Examination" is Rupees One Thousand Five Hundred only (Rs. 1500/-) plus applicable GST.

4. What is the assessment structure?

The examination will be of 100 marks, will have 100 questions, and should be completed in 2 hours. There will be negative marking of 25% of the marks assigned to a question. The passing score for the examination is 60%.

5. Is there a study material available for preparing for this examination?

You will receive a soft copy of the workbook/study material after enrolment for the examination. For non-receipt of a soft copy of the workbook/study material, you may contact NISM at: certification@nism.ac.in

6. Do I have to pay for the study material?

You will receive a soft copy of the workbook/study material free of cost after enrolment for the examination. Candidate can buy printed workbooks from Taxmann Publications Private Ltd.

Visit https://www.taxmann.com/bookstore to place your orders for NISM workbooks.
If you prefer to order by phone, please call your nearest store directly to place your order. Click here to get the details of your nearest store.

7. I have passed NISM Social Auditors Certification Examination, when will I receive the certificate?

Only the candidates who have produced their Income Tax Permanent Account Number (PAN) during registration would receive the NISM Certificate within two weeks of appearing for the examination.

Candidates who produced other identification proofs would not receive the NISM certificate. They would receive only the temporary mark sheet at the end of the examination.

8. I have not provided my PAN information at the time of taking the certification examination. How do I obtain the certificate?

Candidates who have not provided their PAN information during registration may upload the same from their candidate dashboard from NISM's portal. After receiving and verifying PAN details, the candidate will receive the certificate from the Test Administrator they have registered with. No additional payments are necessary for obtaining the certificate.

9. I have passed NISM Social Auditors Certification Examination and also provided PAN details, however I have not received a certificate. Whom should I contact?
For non-receipt of certificate contact: certification@nism.ac.in

10. What is the validity period of the certificate?
The certificate will be valid for 3 years from the date of the examination.

11. Can I request for re-evaluation of NISM Certification Examinations?
NISM Policy on Re-evaluation of performance of candidates appearing for Certification Examination and resolution of doubts about the questions forming part of such examination, if any.

"No re-evaluation of the performance of candidates appearing for Certification Examination conducted by NISM (Mandatory & Non-Mandatory examination) is permitted since the assessment of answers, with respect to Certification Examinations questions which are in the nature of the selection of only one correct answer from multiple choices offered, is carried out in an objective manner by in-built system architecture created for Certification Examination without any scope for human intervention and subjectivity element. Also, considering the examination structure, no disclosure of the questions and/or answers is permitted as it will violate the confidentiality of the question bank, which is the essence of the examination.

In view of the above, no communication regarding re-evaluation, etc. will be entertained/serviced by NISM." Subject to the above request/s received from a candidate for resolution of doubts about a question forming part of such examination will be considered as per the following policy.

(1) Candidate's request/s will be considered only when he/she specifically mentions particular question or two which he/she thinks contain errors. Claims/ to recheck more than two questions shall normally be not permitted unless substantive material is provided by the candidate as to why he/she considers errors in such questions. In no case, claim/s to recheck all the questions appeared in his/her question paper shall be entertained.

(2) No request/s to disclose/discuss question/s and/or their answers shall be entertained as disclosure of the question/s will violate the essence of the question bank viz. breach the confidentiality/secrecy of the Question bank.

(3) Only those request/s made on-the-spot (before leaving the test center) will be considered for verification.

(4) When a valid request is received from a candidate at the Test Centre, it shall be forwarded by the respective TA to NISM. NISM's team will look into claim relating to the contested question/s to verify whether there is a mistake in the question or answer. If it is prima facie found that the question or answer contains a mistake, no score will be computed and consequently no score card will be issued then at the Test Centre.

(5) Such matter will then be escalated with the question / answer to the Committee with the details of the nature of error, the correct version of the question or contested correct answer and system recognized correct answer. The Committee, after due diligence and proper scrutiny, will arrive at a conclusion whether the claim made by a candidate in relation to a question or answer is right. Such conclusion will be recorded in writing and put up for formal approval to the authority of NISM.

(6) Score computation, kept in abeyance as per point 4, shall be carried based on the approval as per point – 5. Such score card will then be issued to the candidate by TA/NISM.

(7) Even though NISM endeavours best efforts and has put in place a robust mechanism to review its question bank intermittently, attributable to continuous changes taking place emanating from dynamics of the market, encompassing products and features, and its regulatory framework, there is a possibility of inadvertently escaping some updation and/or escaping indirect impact on some question/answer. Therefore, to take care of such eventuality, the above process of entertaining request from the candidate in relation to the question/answer is put in place.

(8) The above policy and process will be subject to review from time to time and shall be binding and final in relation to any claim and/or matter when disposed off with the approval of the authority of NISM.

MULTIPLE CHOICE QUESTIONS
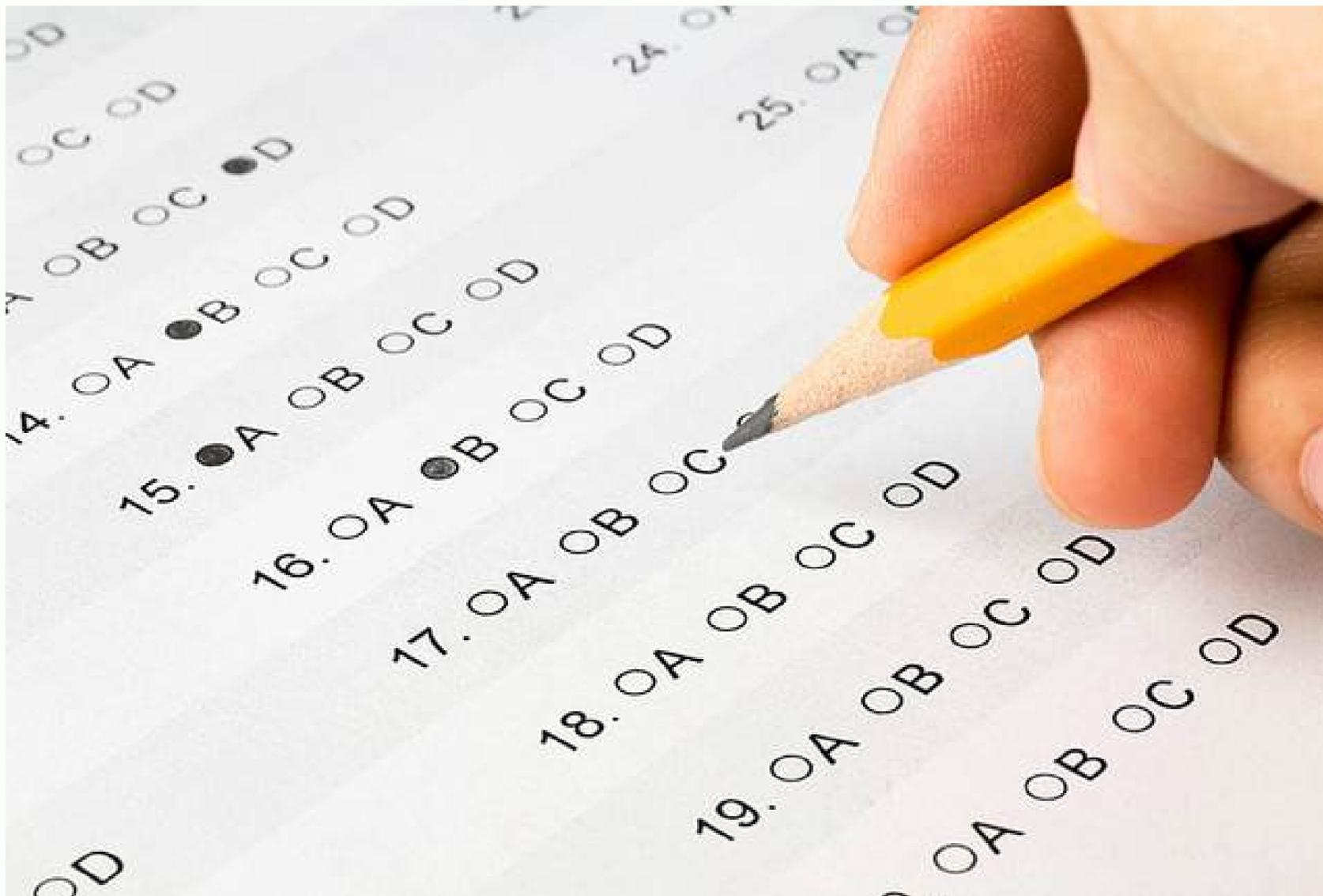
ICMAI Social Auditors Organisation
(A Section 8 Company promoted by The Institute of Cost Accountants of India)

Compiled & Contributed by CMA Jacky Singh
(Cost Accountant, Registered Valuer, Social Auditor, Surveyor & Loss Assessor, Arbitrator, Independent Director)

Question 1 - Which document provides a description of the accounting system and relevant accounting policies and procedures ?
(a) Chart of Accounts
(b) Cost Center Details
(c) Delegation of Authority Matrix
(d) Accounting Manual including SOP
Answer - (d) Accounting Manual including SOP

Question 2 - What is the purpose of audit conclusions ?
(a) To provide recommendation for improvement or future auditing activities.
(b) To determine the materiality of misstatements identified during the audit.
(c) To evaluation the competence and relevance of audit evidence.
(d) To express an opinion or conclusion on the conformity with audit criteria and achievement of audit objectives
Answer - (d) To express an opinion or conclusion on the conformity with audit criteria and achievement of audit objectives

Question 3 - What sampling methods can be used to collect evidence in a social audit ?
(a) Documentary, oral, physical, and analytical methods
(b) Simple random, systematic, cluster, and stratified methods
(c) Quota, judgemental, snowball, and financial methods
(d) Secondary, primary, financial, and probabilitic methods
Answer - (b) Simple random, systematic, cluster, and stratified methods

Question 4 - What is the importance of primary data in a social audit ?
(a) It is obtained from first-hand sources and needs to be included in the impact report.
(b) It provides documentary evidence used in the social impact report.
(c) It ensures reliability, accuracy, and validity of the information collected
(d) It includes audited utilisation certificates of the project.
Answer - (a) It is obtained from first-hand sources and needs to be included in the impact report.

Question 5 - Which of the following is NOT a form of evidence in a social audit ?
(a) Documentary evidence   (b) Oral evidence
(c) Physical evidence   (d) Finance evidence
Answer - (d) Finance evidence

Question 6 - What is an important skill for a Social Auditor related to stakeholder engagement ?
(a) Effective communication
(b) Auditing knowledge and skills
(c) Problem-solving and analytical skills
(d) Interpersonal skills
Answer - (a) Effective communication

Question 7 - Which principle of the Code of Conduct for Social Auditors emphasizes the avoidance of bias and conflict of interest ?
(a) Integrity   (b) Objectivity
(c) Confidentiality
(d) Professional competence and due care
Answer - (b) Objectivity

Question 8 - Which audit involves adopting a triple bottom line approach ?
(a) Financial audit   (b) Social audit
(c) Both financial and social audits
(d) None of the above
Answer - (b) Social audit

Question 9 - The Sustainable Development Goals (SDGs) adopted by the United Nations focus on :
(a) Achieving economic viability for businesses.
(b) Addressing social development issues and protecting the planet
(c) Maximizing shareholder profits.
(d) Promoting peace and prosperity among business enterprises
Answer - (b) Addressing social development issues and protecting the planet

Question 10 - The Gandhian philosophy of trusteeship in India highlights :

(a) The need for business to extract resources for production.

(b) The importance of measuring social impact

(c) The responsibility of businesses to give back to society

(d) The emphasis on economic viability over social development.

Answer - (c) The responsibility of businesses to give back to society

Question 11 - Which differentiator focuses on the alignment of the organization's activities and programs with its stated aims and objects ?

(a) Vision　　　　　　　　(b) Target Segment

(c) Strategy　　　　　　　(d) Governance

Answer - (a) Vision

Question 12 - Which segment of the stock exchange can FPE's list their equity on ?

(a) Main board only

(b) SME platform or Innovators Growth Platform only

(c) Main board, SME platform, or Innovation Growth Platform

(d) Social Stock Exchange (SSE) only

Answer - (c) Main board, SME platform, or Innovation Growth Platform

Question 13 - How can the Social Stock Exchange (SSE) benefit Development Impact Bonds (DIBs) in India ?

(a) Attracting risk investor for funding social outcomes

(b) Providing a platform for listing DIB programs and attracting diverse funders

(c) Offering scaled-up avenues for high net worth individual (HNI) donors

(d) Enabling philanthropic contributors to invest in fraudulent

Answer - (b) Providing a platform for listing DIB programs and attracting diverse funders

Question 14 - In which year was the first Social Stock Exchange introduced and launched in Brazil ?

(a) 2003　　　　　　　　(b) 2006

(c) 2009　　　　　　　　(d) 2019

Answer - (a) 2003

Question 15 - Which component of an order indicates whether it is a buy or sell order ?

(a) Client identity　　　　　(b) Price

(c) Time　　　　　　　　　(d) Action

Answer - (d) Action

Question 16 - What happens to an order if it is not matched with a suitable counter order ?

(a) It is executed and converted into a trade

(b) It is cancelled

(c) It is sent for verification by the broker.

(d) It is sent for clearing and settlement

Answer - (b) It is cancelled

Question 17 - Who are retail individual investors?

(a) Individuals who invest large sims of money

(b) Individuals who apply for securities for a value of not more than INR 2 lakhs

(c) Organizations that invest in securities

(d) Individuals with surplus funds

Answer - (b) Individuals who apply for securities for a value of not more than INR 2 lakhs

Question 18 - In the social sector, organization often operate within their own area of expertise or a specific

(a) Geography　　　　　　(b) Theme

(c) SDG　　　　　　　　　(d) Government department

Answer - (b) Theme

Question 19 - The impact of climate change and global warming on project outcome is an example of

(a) Financial Risk　　　　　(b) Operational Risk

(c) Environmental Risk　　　(d) Strategic Risk

Answer - (c) Environmental Risk

GUIDELINES FOR ARTICLES

The articles sent for publication in the journal "The Social Auditor" should conform to the following parameters,

which are crucial in selection of the article for publication:

- The article should be original, i.e. Not Published/ broadcasted/hosted elsewhere including any website.
- A declaration in this regard should be submitted to ICMAI-SAO in writing at the time of submission of article.
- The article should be topical and should discuss a matter of current interest to the professionals/readers.
- It should preferably expose the readers to new knowledge area and discuss a new or innovative idea that the
- professionals/readers should be aware of.
- The length of the article should not exceed 2500-3000 words.
- The article should also have an executive summary of around 100 words.
- The article should contain headings, which should be clear, short, catchy and interesting.
- The authors must provide the list of references, if any at the end of article.
- A brief profile of the author, e-mail ID, postal address and contact numbers and declaration regarding the originality of the article as mentioned above should be enclosed along with the article.
- In case the article is found not suitable for publication, the same shall be communicated to the members, by e-mail.

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