



**THE INSTITUTE OF
Company Secretaries of India**
भारतीय कम्पनी सचिव संस्थान
IN PURSUIT OF PROFESSIONAL EXCELLENCE
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INSTITUTE OF SOCIAL AUDITORS

Vision

"To be a global leader in promoting good corporate governance"

Motto

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Mission

"To develop high calibre professionals facilitating good corporate governance"

Social Impact Assessment Process

The Social Impact Assessment (SIA) process is a structured approach to evaluate the potential social effects of a project or program. Summary of the key components and steps involved in the SIA process, as well as the role of stakeholders and the planning required for effective assessment:

Social Impact Assessment Process

1. **Define Objectives and Scope:** Establish the goals of the assessment and the boundaries of what will be evaluated.
2. **Stakeholder Mapping:** Identify and categorize stakeholders who are affected by or can affect the project. This includes social enterprises, beneficiaries, investors, regulators, and communities.
3. **Evolve Data Collection Tools:** Develop methods and tools for gathering relevant data from stakeholders.
4. **Sampling Strategy for Data Collection:** Determine how to select participants for data collection to ensure a representative sample.
5. **Stakeholder Consultations:** Engage with stakeholders to gather insights, perspectives, and information necessary for the assessment.
6. **Data Analysis & Validation:** Analyse the collected data to validate findings and ensure accuracy.
7. **Drafting the Impact Report:** Compile the findings into a report that outlines the social impacts identified during the assessment.
8. **Verifying the Report:** Review the draft report for accuracy and completeness.
9. **Certifying the Report:** Finalize the report and certify it for distribution to stakeholders.

Stakeholders in Social Impact Assessment

Stakeholders are individuals or groups that are affected by or can influence the activities of an organization. Engaging stakeholders is crucial for gathering diverse perspectives and ensuring that the assessment is comprehensive.

Key stakeholders may include:

- Social Enterprises (FPE/NPO)
- Beneficiaries
- Risk and Impact Investors
- Outcome Funders
- Third Party Evaluators
- Intermediaries
- Regulators
- Communities
- Vendors
- Government Agencies
- Fund Providers
- Trustees and Directors

Stakeholder Engagement

Effective stakeholder engagement involves:

- Identifying decision-makers and those responsible for activities.
- Understanding who supports and funds the enterprise.
- Recognizing who is impacted by the enterprise's services.

Social Impact Assessment Planning

Planning for a social impact assessment involves:

1. **Establishing Engagement Strategy:** Define the scope, timing, and direction of stakeholder engagement.
2. **Identifying Engagement Characteristics:** Determine the audit scope and reporting objectives.
3. **Considering Significant Factors:** Use professional judgment to guide the engagement team.
4. **Applying Preliminary Engagement Results:** Utilize insights from previous assessments.
5. **Resource Planning:** Ascertain the necessary resources for the engagement.

6. **Compliance Procedures:** Ensure adherence to social impact assessment standards.
7. **Updating Strategy:** Revise the engagement strategy and work plan as needed.

Understanding the Social Enterprise and Social Issues

A preliminary review of the social enterprise (SE) should include:

- Legal identity and objectives of the SE.
- Projects and timelines for the assessment.
- Key managerial personnel and geographical regions of operation.
- Policies and procedures governing the SE.

Collecting and Verifying Information

During the assessment, relevant information should be collected through appropriate sampling methods and verified to ensure its reliability.

Social Impact Assessor's Responses to Assessed Risk

The Social Impact Assessor should consider potential risks and challenges associated with the project or program, which may vary across different thematic areas.

This structured approach to social impact assessment ensures that the social implications of projects are thoroughly evaluated, leading to informed decision-making and enhanced accountability.

Source: NISM Series XXIII: Social Impact Assessors Certification Examination workbook
