



**THE INSTITUTE OF
Company Secretaries of India**
भारतीय कम्पनी सचिव संस्थान
IN PURSUIT OF PROFESSIONAL EXCELLENCE
Statutory body under an Act of Parliament
(Under the jurisdiction of Ministry of Corporate Affairs)



INSTITUTE OF SOCIAL AUDITORS

Vision

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

Motto

सत्यं वद। धर्मं चर। इष्टं कुरु। तृप्तं भवेत्।
इष्टं कुरु। तृप्तं भवेत्।

Mission

"To develop high calibre professionals facilitating good corporate governance"

Social Impact Assessment Engagement

Social impact assessment (SIA) is an independent, objective, and reliable examination of the impact of a project, program, or project-based activity of a social enterprise. The purpose of a social impact assessment includes:

- Assessing whether the project/program/project-based activity is operating in accordance with the stated strategic intent and planning.
- Evaluating the stated performance in terms of impacts and outcomes.
- Suggesting ways to improve impact measurement and/or performance through a management letter.

Social Impact Assessment Engagement

Social impact assessment engagement is the process that involves collecting data, engaging with stakeholders, and analysing the organization's performance against its stated objectives and activities. A social impact assessor accepts a social impact assessment engagement when the relevant ethical requirements of independence and professional competence are met. The engagement must also fulfil the requirements of:

- Integrity
- Objectivity
- Confidentiality
- Professional behaviour
- Professional competence and due care

The social impact assessor should request written representations from management and, where appropriate, those charged with governance on material social impact assessment issues. While written representations provide necessary audit evidence, they are not sufficient or appropriate by themselves. They do not affect the nature or extent of other audit evidence that the social impact assessor obtains regarding the fulfilment of management's responsibilities or specific assertions.

Communication with Board Members/Trustees

The objectives of the social impact assessor's communication with Board members or Trustees are:

1. To clearly communicate the responsibilities of the social impact assessor in relation to the social audit, along with an overview of the planned scope and timing of the social audit.
2. To obtain relevant information from them for the social audit.
3. To provide timely observations arising from the social impact assessment that are significant and relevant to the project/program.
4. To promote effective two-way communication between the social impact assessor and the Board members/Trustees.
5. To appropriately communicate any deficiencies in internal control for program implementation/management that the auditor has identified during the social audit. The deficiencies observed by the social impact assessor should be of sufficient importance to merit attention.

Elements of a Social Impact Assessment Engagement

There are five key elements of a social impact assessment engagement:

1. **Three-Party Relationship:** Involves a social impact assessor, a responsible party, and intended users.
2. **Social Project/Program/Intervention Scope:** Defines the boundaries and focus of the assessment.
3. **Social Project Monitoring Framework:** Establishes the criteria and methods for monitoring the project's progress and impact.
4. **Social Impact Assessment Evidence:** Collects and analyses data to support the assessment findings.
5. **Social Impact Assessment Report:** Documents the findings, conclusions, and recommendations of the assessment.

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