



**Forum 3:
Social Return and Impact
Measurement**



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Edinburgh

September 2008

What I want to do...

- What is social accounting and audit (SAA)...
- Critical characteristics of SAA...
- Case study and benefits...
- Recent research...
- Challenges for impact measurement to consider...

What is social accounting and audit (SAA)?

Framework involving 3 steps...

- **Step 1:** deciding what an organisation is trying to do and achieve (mission and objectives); and who working with (stakeholders)
- **Step 2:** collecting quantitative and qualitative information directly relating to what it does over a year
- **Step 3:** bringing information together in social accounts and getting them independently audited (verified)

Critical characteristics of SAA...

- Framework which can include different tools - embedded
- Runs alongside financial accounts - social, environmental and economic reporting
- Done by and controlled by the organisation (empowerment)
- Accounting to all stakeholders
- Mix of measurement and “story”
- Independent verification is critical

Case study and benefits...

- In 10 years 70 social economy organisations kept social accounts (in NE England, Cumbria, Merseyside and Scotland) built on that experience...(case studies)
- Why? Benefits....eg: **SES** in Sunderland
 - Identifying issues for review and change - focus
 - Management tool – governance, etc.
 - Understanding performance and impact on beneficiaries
 - Improving services through listening to stakeholders
 - Understanding relationship with all stakeholders
 - More accountable – better reporting
 - Learnt new skills



Recent research...

Manual & CD – leading to **research report**
some recommendations....

- **Links with SROI:** shared Key Principles – similar process (Steps 1 & 2) - shared verification?
- **Key Aspects (kite mark?):** human resources; good governance and accountability; asset lock and use of profits; financial sustainability; environmental sustainability; economic impact
- **Verification:** with a Social Audit Panel based on Key Principles (Performance and Impact; Key Aspects)



Challenges for impact measurement to consider...

- Framework vs. tools
- Reporting vs. measurement
- Bottom-up vs. top-down
- Long-term vs. short-term
- Compulsion vs. good practice



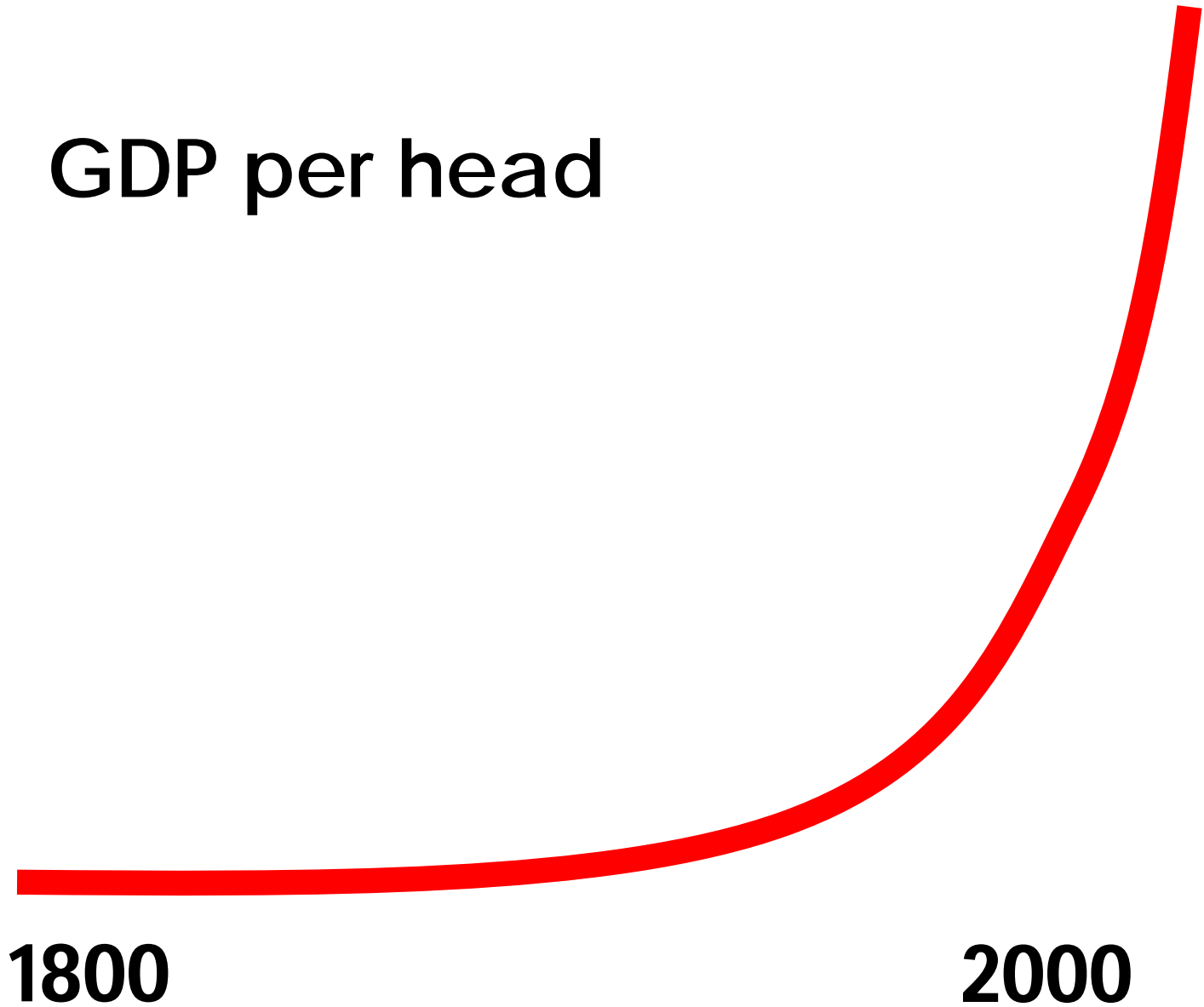
Jeremy Nicholls

Chair of the Institute of Social and Ethical
Accountability

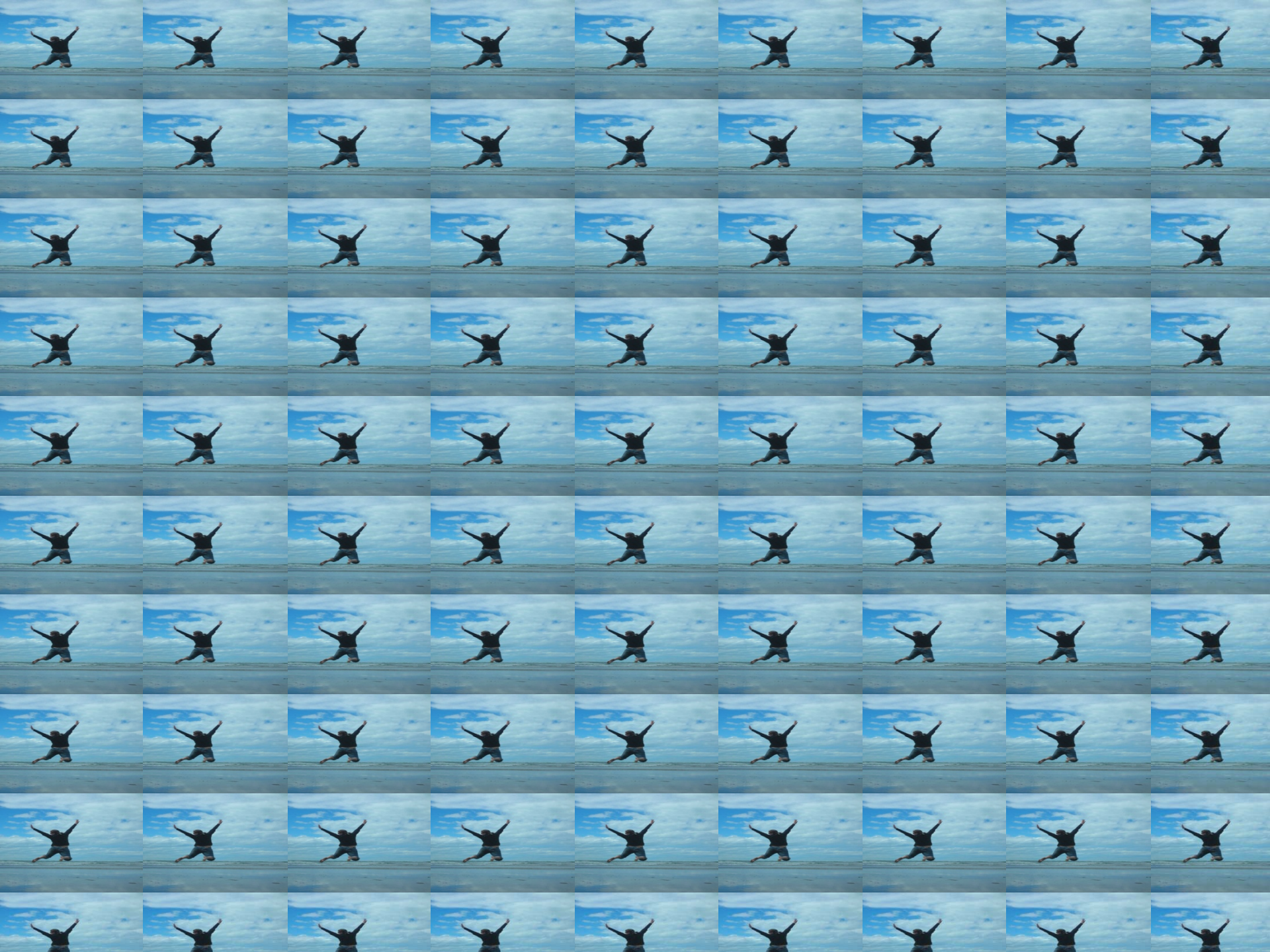
Jeremy Nicholls

SROI UK

GDP per head







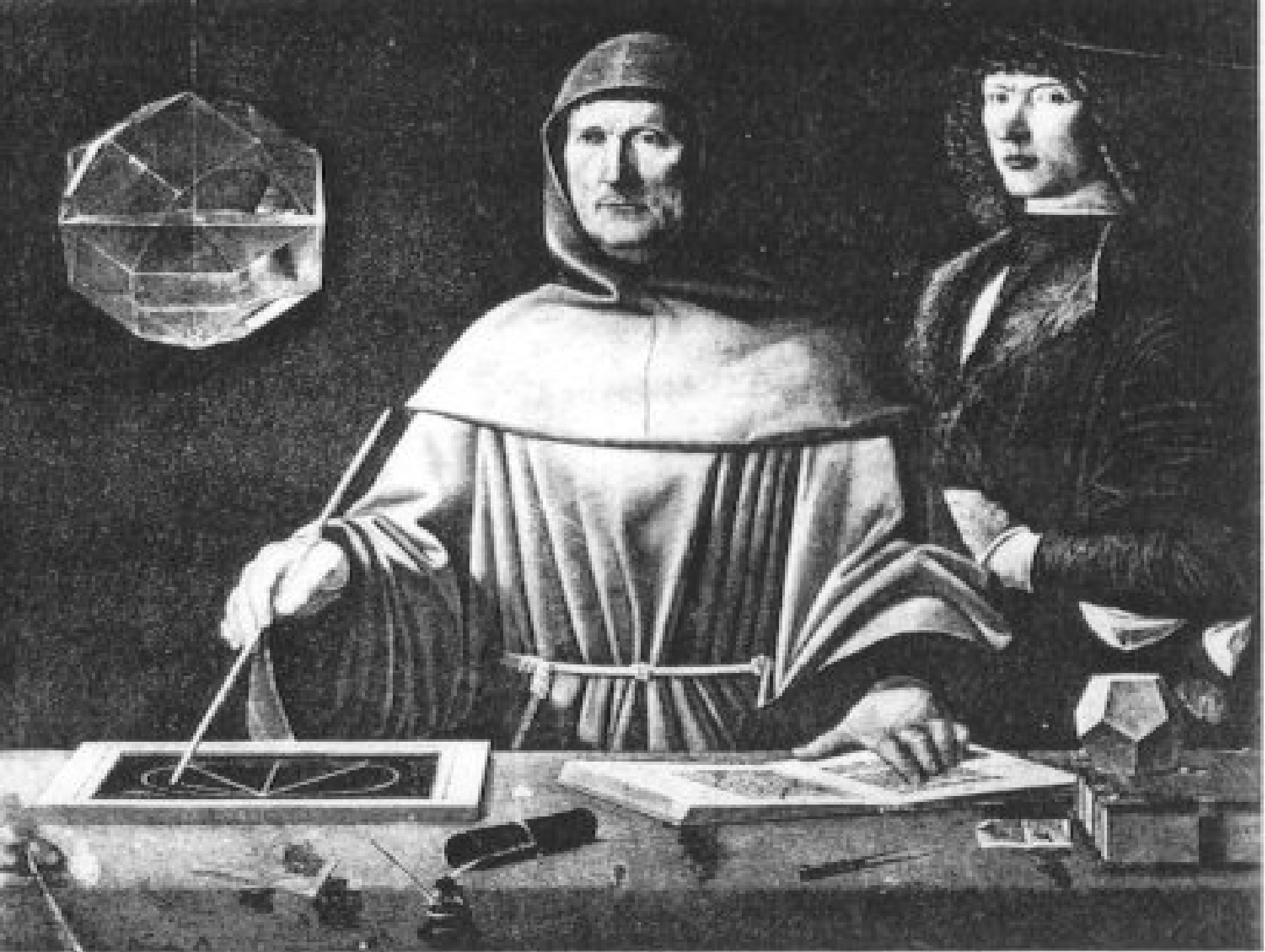




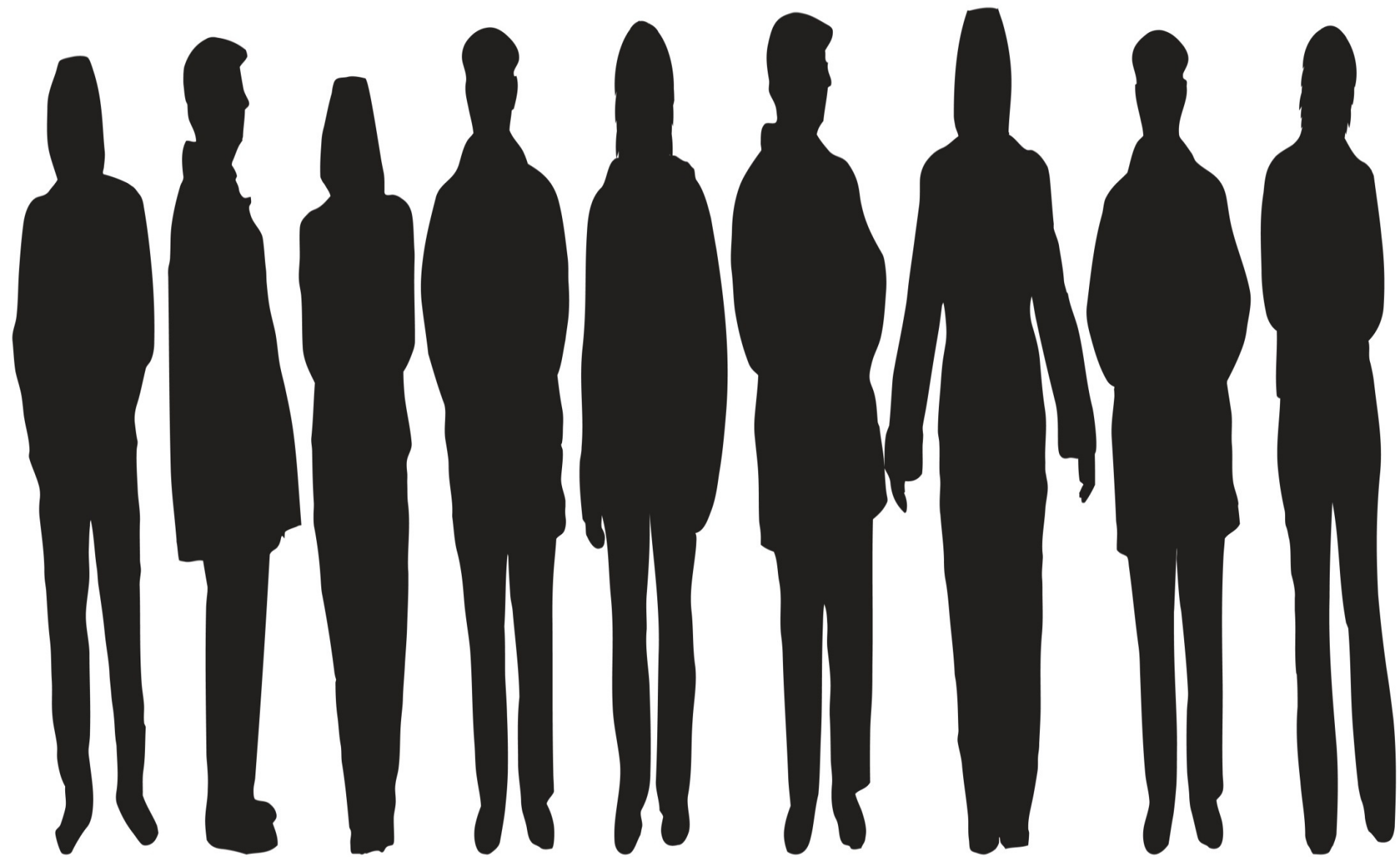
Change to the way we
understand and measure
value

Changes to consumer
demand

Change in legislation



The value of
the *change* that *you cause*
to happen to *others*
that is not included
in your accounts?







Michael Trail
Executive Director
Social Ventures Australia



social ventures australia

SROI

Paralysis by Analysis?



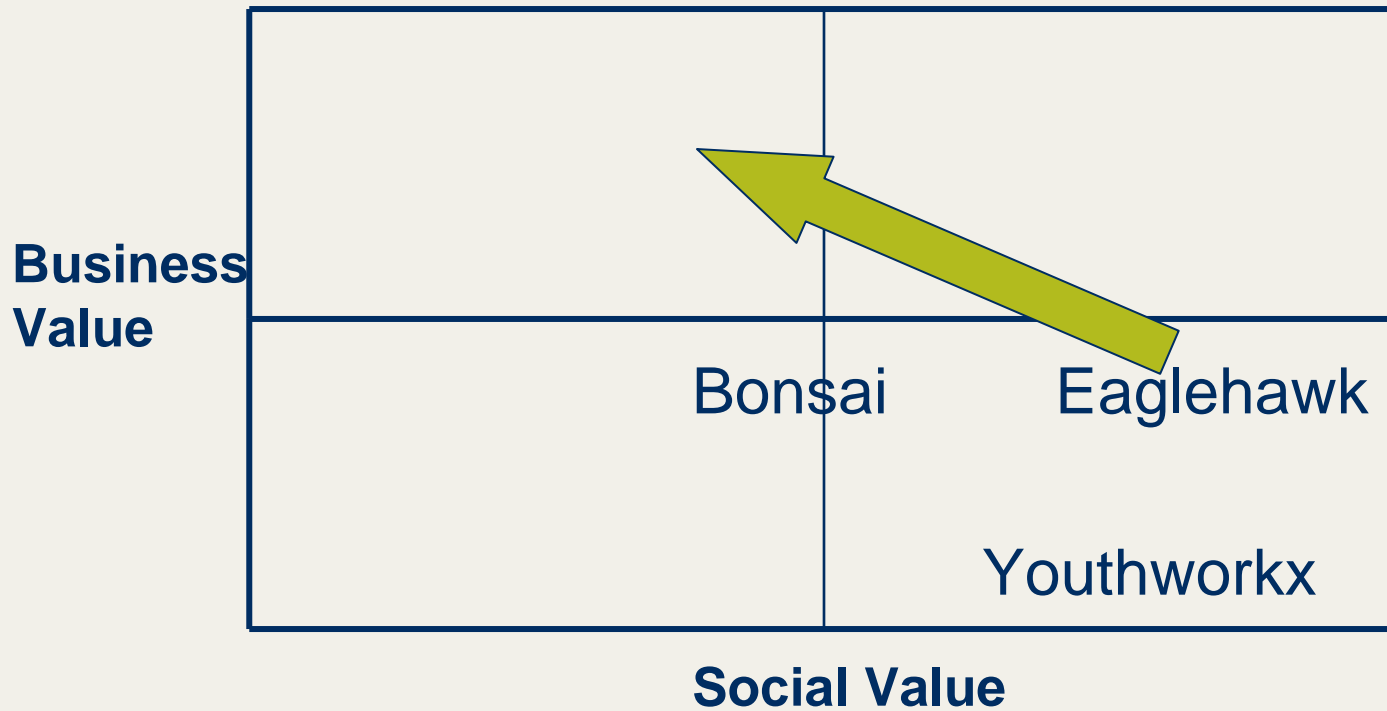
Key SROI Outputs

In calculating this Return Index, SROI analysis produces five key metrics.



$$\text{SROI Index} = \text{Total Financial Value} / \text{Total Investment}$$

SROI Example

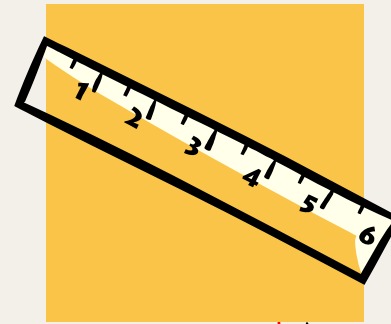


SROI

-powerful funding tool



-useful comparative tool



-beware G.I.G.O

