SOCIAL AUDIT NETWORK LIMITED
(SAN)
Social Accounts
December 2007 – 31st March 2009
August 2009

Social accounting and audit for the community sector

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Please note: Other Appendices are available as a separate document.

SOCIAL AUDIT NETWORK UK SOCIAL AUDIT STATEMENT OCTOBER 2009

The Social Audit Panel has examined the draft Social Accounts for the period 1st December 2007 to 31st March 2009, submitted to us, and discussed them in detail with Mike Swain, John Pearce and Sean Wheeldon of the Social Audit Network at the Social Audit Panel meeting held on 1st October 2009. I have examined the revised Social Accounts which were prepared following the Social Audit Panel meeting and which have taken into account various points identified in the notes* of the Social Audit Panel Meeting. We also examined a sample of the data and the sources of information on which the Social Accounts have been based.

We believe that the process outlined above has given us sufficient information on which to base our opinion.

We are satisfied that, given the scope of the social accounting explained in the revised draft and given the limitations of time available to us, the Social Accounts are free from material mis-statement and present a fair and balanced view of the performance and impact of Social Audit Network UK as measured against its stated values and objectives and the views of the stakeholders who were consulted.

In the notes of the Social Audit Panel meeting we identified a number of important issues to be taken into consideration during the next social audit cycle. In particular we would refer to the following:

1. The use of other forms of consultation than questionnaires
2. An early restructuring of the objectives and activities
3. Consultation with a wider range of stakeholders
4. Reporting on SAN's environmental impact

The members of the Social Audit Panel were:

Mark Wilton, Unity Trust Bank
Peter Gilson, The Social Investment Business
Claire Michelet, Office of the Third Sector
Chris Wade, Action for Market Towns
Patrick Boase, CBS Network—Panel Chair

Members of the Social Audit Panel have acted in an individual capacity.

Signed:................................ Dated:...29/10/09.........
Chair of the Social Audit Panel

* the notes of the Social Audit Panel meeting form part of the social accounting and auditing process and may, by arrangement, be inspected along with the full social accounts at the offices of Social Audit Network UK at c/o CEU Ltd, Garden Floor, Suite 1, 11-15 Dix's Field, Exeter, EX1 1QA

Foreword

I am very pleased to be introducing the second cycle of SAN's social accounts. It is very important that SAN practices what it preaches. Conducting our own social accounting cycle not only ensures that we do this but also very importantly demonstrates the real value of social accounting and audit.

While I am writing this foreword as SAN Chair, I find it difficult not to reflect on the importance of social accounting to the organisation I run as my "day job". Social accounting has become an integral part of my organisation's approach to business planning. Like SAN, we use social accounting as a means to understand more completely what impact our activity is having on our stakeholders and to use that feedback to enable us to understand how we make changes to the way we run our organisation. This isn't rocket science. This is a common sense approach to effectively managing an organisation with social objectives.

This second set of accounts covers the period from December 2007 until March 2009. It has been a period when SAN has been attempting to both grow its product – the social accounting and audit process – and also try to prepare itself to take on a national and international role supporting and developing social impact measurement. During this time, the research project in Scotland and the North has been undertaken and has introduced some new improvements to the SAN process. This research was conducted with a very significant number of social enterprises and we were pleased to find out how important many of the organisations felt the process has now become.

Inevitably in an exercise like social accounting, we will receive a mix of feedback and comments which will deal with both the detail and more strategic issues. Section 10 will give the reader a list of those issues big and small. I wanted to end this foreword with some brief observations about the wider strategic issues facing SAN and those of our stakeholders committed to working with us.

SAN is a relatively new organisation with very limited investment but with a very strong product. We are most grateful to the Network for Social Change (NSC) for its support during this current period. Our task is now to build on the very valuable funding provided by NSC and seek further investment to carry forward the development process.

SAN is very aware that there are many approaches to measuring social performance and impact. Within the third sector there are now too many of these measures to mention. At SAN our view is that Social Accounting and Audit is not an alternative to these various and valuable measures. It is in contrast a framework which enables organisations to manage their own performance tools and their planning processes. This framework approach has been and continues to be our strength and one which we plan to build on as we move forward.

I hope you find these accounts a useful insight into our work and I look forward to hearing from you in the future.

Mike Swain
Chairman

1 Introduction

The fundamental purpose of SAN is to promote social accounting and audit and to encourage its use by social economy organisations. Although many, if not most, of SAN's member organisations practise social accounting it was not until SAN became an independent incorporated company in May 2006 that it was really possible to practise itself what it preaches. SAN's first social accounts reported on the period from incorporation to November 2007 and were published for the SAN conference in December 2007. The first social accounts were not audited by a social audit panel.

These second social accounts report on the period 1 December 2007 to 31 March 2009 and have been prepared by the former SAN Chair, John Pearce. The consultations with stakeholders reported in these social accounts were carried out during April and May 2009. The social audit panel was held on 1st October 2009.

These social accounts follow the revised format for social accounts introduced by SAN with effect from 1 April 2009 and a summary of progress made (or lack of progress!) on the recommendations made in the previous social accounts is included as Appendix A. Reference is also made to some previous recommendations in the main body of the social accounts.

2   History and Background

The Social Audit Network (SAN) was established as an informal network in 2000 to facilitate the exchange of information and experience between practitioners of social accounting and audit in the social economy and voluntary sectors. The Network has held regular meetings and events at venues around the UK and held its first conference in York in December 2006. SAN distributes a monthly Circular to its email network and has developed a website (www.socialauditnetwork.org.uk).

During 2003-2005 SAN was part of the Quality and Impact Project of the Equal funded programme of the Social Enterprise GB partnership and as well as running events in Scotland, Wales and the English Regions reviewed and revised the social accounting and audit process which had been developing since early in the 1990s. This resulted in the publication in 2005 of the *Social Accounting and Audit Manual and CD* which explains the Three Step process and provides a wide range of tools, worksheets, examples, training exercises and case-studies. The Manual and CD are regularly enhanced by the inclusion on the SAN website of new "tools" and in March 2009 a series of "Manual Updates" were placed on the website making available various changes to the SAA process which came from a research project, *Really Telling Accounts!*, undertaken during 2007/8 (see report on Objective 4 later). The Manual and CD have been SFEDI endorsed (Small Firms Enterprise Development Initiative).
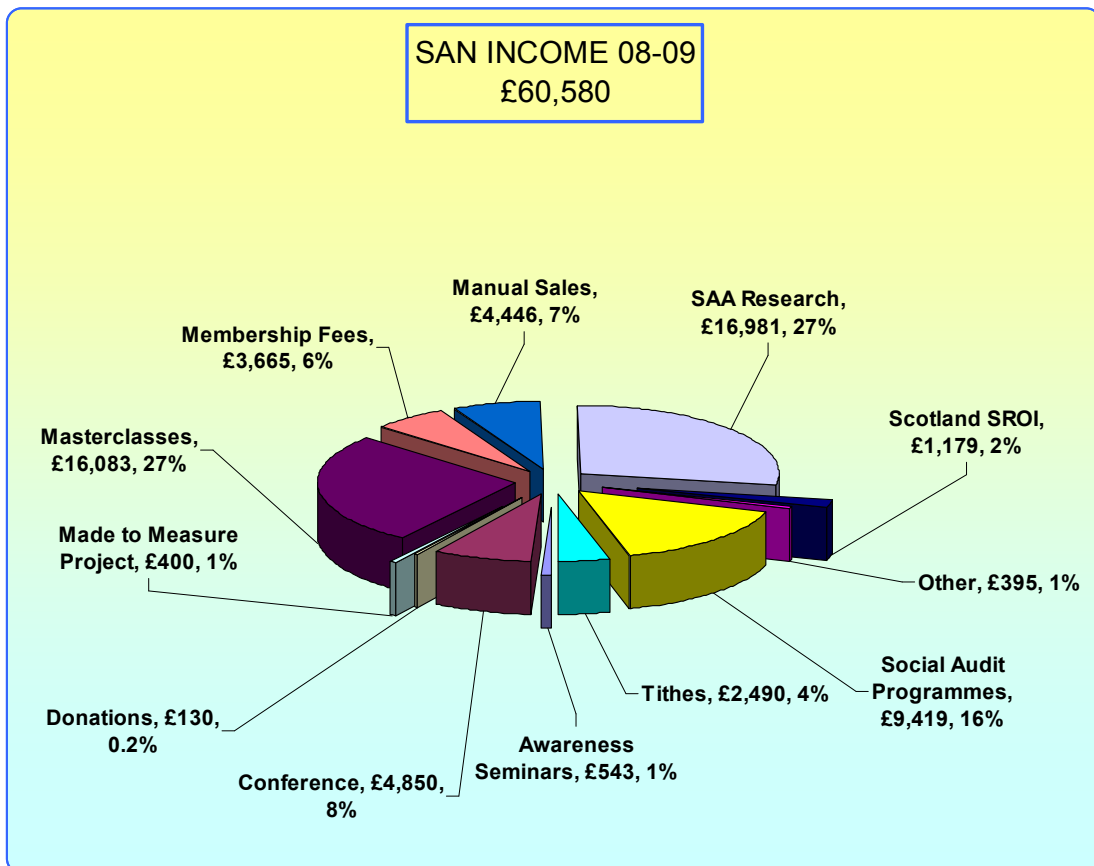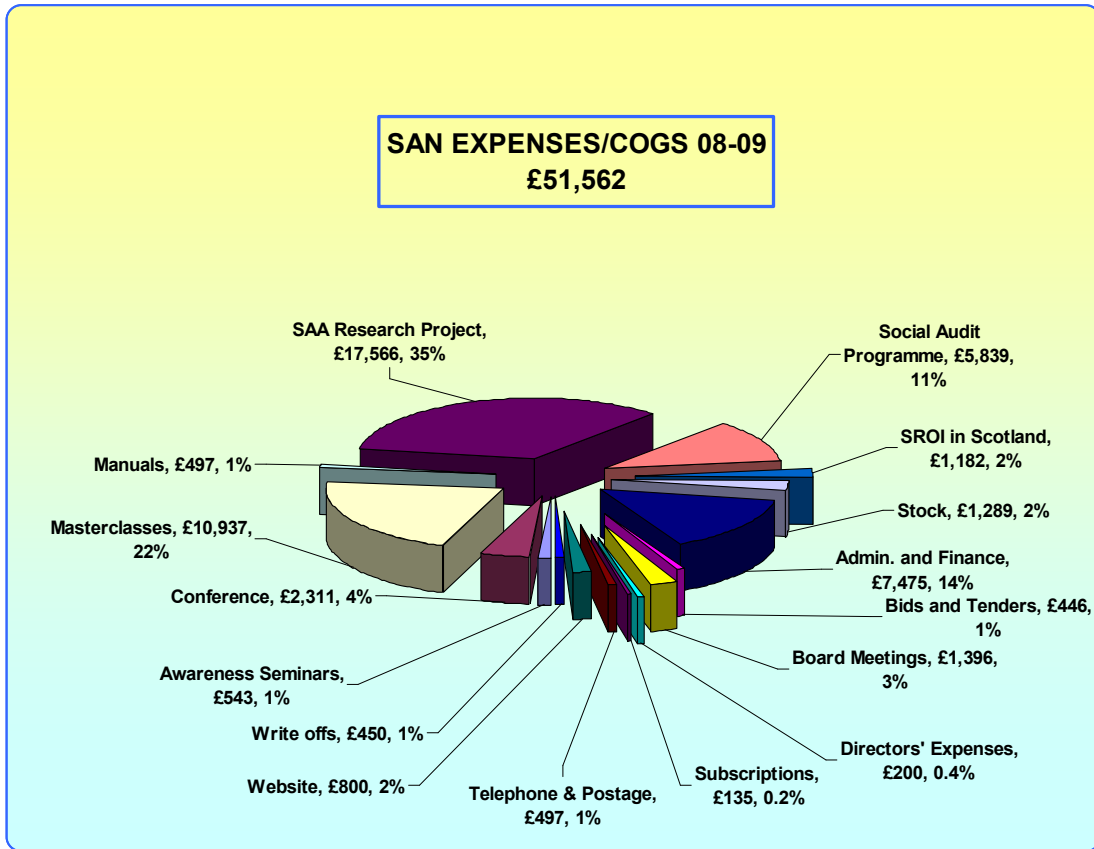
SAN has developed an approval process for social auditors (persons qualified to chair the social audit panels which verify social accounts) and maintains a register of approved social auditors as well as applying a quality assurance system based on feed-back from organisations audited, continuous professional development and peer reviews.

SAN organises "master-classes" aimed at people with some basic understanding of the process who either wish to facilitate the process with other organisations or introduce social accounting to their own organisations (and sometimes both!), and Social Auditor Workshops targeted at people wishing to become SAN approved social auditors.   Participants in such action training programmes can obtain accreditation if they are undertaken through an approved Open College Network training course or through an endorsed award of the Institute for Leadership and Management (see SAN website for further details – www.socialauditnetwork.org.uk

In 2006 SAN became a company limited by guarantee with two classes of member: a) approved social auditors and b) ordinary members (persons or organisations committed to promoting and practising social accounting). A list of serving Directors at 31 March 2009 can be seen in the panel below. The SAN office is based with the Community Enterprise Unit Limited at Exeter, Devon and Directors come from across the UK. SAN has developed a Regional Strategy which appoints Regional "champions" or co-ordinators to both represent SAN and to promote and develop social accounting practice and networking in their areas.

SAN has been entirely self-financing since incorporation with its main streams of income (2008/09) coming from the sale of manuals (7.5%), membership fees (6%), income received from training and facilitation programmes (42%) the conference (8%) and research and other projects (31%) (see page following). A copy of SAN's accounts for the year ended 31 March 2009 may be seen as Appendix C. All Directors give their services as director in a voluntary capacity and when they provide professional paid-for services 10% of any fees are contributed to SAN. The

financial management and administrative service is provided by CEU Ltd on a contract basis.

SAN EXPENSES/COGS 08-09
£51,562

SAA Research Project, £17,566, 35%

Social Audit Programme, £5,839, 11%

SROI in Scotland, £1,182, 2%

Manuals, £497, 1%

Stock, £1,289, 2%

Masterclasses, £10,937, 22%

Admin. and Finance, £7,475, 14%

Conference, £2,311, 4%

Bids and Tenders, £446, 1%

Awareness Seminars, £543, 1%

Board Meetings, £1,396, 3%

Write offs, £450, 1%

Directors' Expenses, £200, 0.4%

Website, £800, 2%

Subscriptions, £135, 0.2%

Telephone & Postage, £497, 1%

SAN INCOME 08-09
£60,580

Manual Sales, £4,446, 7%

SAA Research, £16,981, 27%

Membership Fees, £3,665, 6%

Scotland SROI, £1,179, 2%

Masterclasses, £16,083, 27%

Other, £395, 1%

Made to Measure Project, £400, 1%

Social Audit Programmes, £9,419, 16%

Donations, £130, 0.2%

Tithes, £2,490, 4%

Conference, £4,850, 8%

Awareness Seminars, £543, 1%

The Board of SAN has two Sub-committees: *Finance*, comprising the office-bearers plus the former Chair, John Pearce; and *Quality and Approvals*, comprising John Pearce, Alan Kay, Mike Gordon and Mary McGarry. Directors take it in turns to act as "Duty Director" for a month to support the finance and admin unit based in Exeter and the volunteer who prepares and edits the monthly Circular. The website is managed and maintained by another volunteer. John Pearce is the director responsible for international links.

3   Vision, Mission, Organisational Objectives & Activities and Values

The Vision, Mission, Organisational Objectives & Activities and Values on which these social accounts are based were adopted by the Board of SAN Limited as part of the SAN development plan drawn up during the autumn of 2006 and described in the Chair's report to the first AGM in December 2006. For these social accounts the wording has been marginally updated to take into account work developments since December 2006 and *it is the intention of the SAN Board to review the statement of Vision, Mission, Organisational objectives & activities and Values in the light of the findings of these social accounts and as part of a planned strategic review to develop a new SAN plan for the future. The next social audit cycle will work from any changes made.*

Vision: *The Social Audit Network will work towards becoming the foremost network organisation in the UK promoting an accessible social accounting and audit process for the community, social economy and public sectors.*

Mission: *To promote and support social accounting as the preferred means whereby organisations operating in the community, social economy and public sectors report on their social, environmental and economic performance and impact.*

Organisational Objectives and Activities:

Objective 1: To promote, facilitate and encourage the use of social accounting and audit, especially within the social enterprise, social economy and community organisation sectors, through the sharing of information and experience by…
- building the email network and distributing the monthly circular
- running an annual SAN conference
- maintaining the website and, when resources permit, revamping it
- expanding the toolkit of social accounting tools on the website, including the directory of social accounts
- encouraging SAN members to form regional networks
- providing training and maintaining the approval/accreditation by the ILM, OCN and SFEDI for the SAN Three Step process
- answering queries about social accounting and audit and sign-posting people to appropriate support, training and other expertise

Objective 2: To lobby and influence other bodies and institutions on behalf of the Social Audit Network by…
- producing and distributing a SAN UK leaflet
- arranging a series of meetings with key people and bodies

Objective 3: To establish and administer a process to approve persons who are deemed competent to act as social auditors, and…
To identify and arrange or provide appropriate training and continuing personal development for social auditors and social accounting trainers and facilitators by…
- setting up an effective administration and management system for handling social auditor applications, including co-ordinating a register of social audit panels

- setting up effective systems for implementing the quality assurance process for social auditors
- reviewing the annual return and ensuring it is completed by all social auditors annually
- revising the social audit panel checklist
- running three SAN master-classes annually (and encouraging regional SAN networks to run others)
- running at least three Continuing Professional Development (CPD) events annually for social auditors (and encouraging regional SAN networks to run others)

Objective 4: To undertake research and consultation to develop agreed common standards which may be applied in respect of i) the content of a set of social accounts; ii) the processes used in gathering information for and preparing social accounts; and iii) the methods by which social accounts can be verified as trustworthy by…

- implementing the successful research proposal a) to map the extent to which social accounting and audit is now being used in the social economy sector in Scotland, Merseyside and the North-East of England & Cumbria; b) to identify which organisations use social accounting and audit on a regular basis and which have only used the process once; c) to explore in the latter category the factors why they have not persisted with social accounting; d) to come up with proposals which may make it easier for social economy organisations to use social accounting regularly, including examining how social accounting and business planning can dovetail into a single process; and e) to discuss with funders and investors whether social accounting can meet their reporting requirements
- researching how the various existing social accounting tools fit into the social accounting framework

Objective 5: To promote, establish and operate other projects, schemes and programmes which advance the understanding and practice of social accounting and audit by…
(There are no specific activities currently listed under this objective)

Objective 6: To ensure that SAN can be financially self-sustaining in terms of administrative overheads…
- building ordinary membership to 100 during 2007 and an additional 50 annually thereafter
- building the register of social auditors to 60 by the end of 2009
- selling at least 30 manuals per month
- making a profit of at least £1000 per master-class
- making a profit of at least £2500 from the annual conferences
- identifying potential funding sources to realise the SAN plan and make applications as appropriate for core and/or development finance and for the research proposals
- preparing social accounts annually

Values:
- ***Democracy****: adopting and practising a democratic company structure*
- ***Accessibility****: always aiming to respond openly to inquirers and make SAN resources easily accessible*
- ***Empowerment****: supporting organisations to take control of their social reporting by using social accounts*

- **Partnership**: *working in partnership with other bodies which share similar aims and ethos*
- **Transparency**: *reporting openly to members of the Network and other stakeholders, especially through preparing social accounts based on stakeholder consultations*

4   Stakeholders

4.1   The Stakeholder Map

A Stakeholder analysis was developed as part of the SAN development planning process in 2006 but was modified for the purposes of these social accounts in January 2009.

Stakeholders consulted in this social accounting cycle	Other stakeholders
SAN Regional Coordinators (10)	Board members (Directors) and other volunteers
Social Auditor members (UK based) (27)	Social Auditor Overseas Associate members (8)
Ordinary Members (24)	
Recipients of the SAN monthly circulars (1132)	Buyers of the Manual Website users Enquirers not included on the email list
	Organisations who have had their social accounts audited by a SABN approved social auditor
	Potential users of SAA, including their intermediary or network organisations
Persons associated with the research project (Really Telling Accounts!) (55)	Partners and Other organisations SAN has worked with
	Policy-makers, funders and people who have influence
Participants of Master-classes and Social Auditor workshops (38)	Clients for training and consultancy work
Attendees at the SAN conferences (57 + 87)	Attendees at other events

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SAN's Social Auditor members pay an annual registration (membership fee) of £100 while Ordinary Members pay a fee of £60. Overseas approved social auditors, who become non-voting Associate members, pay a one-off fee of £50 on their approval as a social auditor. People and organisations who are part of the e-mail network and receive the monthly Circular pay no fee or subscription.

5   Scope of the Social Accounts

These social accounts report primarily on Objectives 1 to 4 above but there is a short section on Objective 5.

The following table shows what the stakeholders (identified above) were consulted about:

Stakeholder group	Topics of consultation
SAN Regional Coordinators	What has happened in each region since Dec 2007; plans for 09/10; major constraints and how they may be overcome; support needed from SAN.
Social Auditor members	SAN services used; priority of SAN's objectives; future objectives or services; SAN's values; the approval process for social auditors; the QA process and the SA Handbook
Ordinary members	SAN services used; priority of SAN's objectives; future objectives or services; SAN's values
Recipients of Circulars	SAN services; the monthly Circular; the SAN website
Persons associated with the research project	The proposals and recommendations of the research; what use made of the research; how impact could be increased
Participants of master-classes and social auditor workshops	Use of learning from classes and workshops; quality of the learning experience; the Good Food Co-op case-study
Attendees at SAN conferences	Conference organisation; quality and usefulness of plenary speakers and of the workshops.

It was decided not to consult with partners and clients for these social accounts other than those associated with the research project.

Board members were not consulted as such although all Board members are either social auditor members or ordinary members and recipients of the monthly Circular. All Board members responded to the consultation in one or more categories. Some were also actively associated with the research project. All Regional Co-ordinators are Board members. The Board has considered the draft social accounts and endorsed the conclusions and the issues identified for action.

6   Methodology

The following table shows the consultation methods used and the response rates:

Stakeholder Group	Consultation method	Response
Regional Coordinators	Open-ended questionnaire	All RCs responded
Social Auditor members	Questionnaire	18 from 27 (66%) *(18%)*
Ordinary members	Questionnaire	10 from 24 (42%) *(37%)*
Recipients of Circulars	Questionnaire via SAN Circular & website	28 from 1132 (2.5%) *(1.8%)*
Persons associated with research project	Questionnaire	14 from 55 (25%)
Master-class attendees	Questionnaire	17 from 38 (45%) *(24%)*
Conference delegates	Evaluation form in Conference pack	*2006 – 56 from 90 (62%)* 2007 – 38 from 57 (66%); 2008 – 30 from 87 (34%)

* The percentage figures in italics in the table are the result in the 2007 social accounts.

The analyses of all the consultations are included in the appendices to these social accounts. The verbatim compilation of the Regional Co-ordinators' reports has not been included as an appendix but a summary is reported under Objective One below.

At all SAN training classes and workshops evaluation sheets are completed by participants and these have been considered for these social accounts.

An H-form about the Good Food Co-operative used at a master-class in March 2009 has been included also as appendix E.

The quantitative information used in these social accounts is derived from records kept by SAN and generally reported in the SAN Circular, or to Board meetings or in the Chair's report to the AGM. Where no quantitative records are available this is indicated in the text.

Although the response rate to the consultations was generally higher than in 2007 (except for the 2008 conference) they are still not as high as might have been expected, especially from Social Auditor members where SAN would have hoped for a near 100% response.

SAN should consider what other stakeholder consultation techniques to employ in the future including taking all opportunities of meetings with stakeholders to seek views. If SAN were able to increase the number of CPD events for social auditors this would allow more opportunity for face to face consultations and debate with that stakeholder group (see Objective Three below).

For the research project Really Telling Accounts! SAN consulted by interview a sample of funders and investors in and public sector supports agencies of social economy organisations and arranged a seminar to discuss preliminary findings with them. The research also identified organisations which had undertaken social accounting in Scotland, Merseyside, the North East of England and Cumbria and carried out interviews with them. The full details of this consultation together with lists of those persons and organisations consulted may be seen in the CD which accompanies the research report. Although not undertaken for the social accounts the results of these consultations shaped the proposals and recommendations of the research project as reported under Objective Four below.

Issues arising:

SAN will continue to explore ways of increasing stakeholder response rates and participation in the consultations for future social accounts.

Consider what other stakeholder consultation methods to employ to improve response rates, especially with regard to Circular recipients and social auditor members.

7   Report on performance and impact

7.1   Vision and Mission

We decided not to consult stakeholders about the Vision and Mission for this social accounting cycle.

7.2   Values

- *Democracy: adopting and practising a democratic structure*
- *Accessibility: always aiming to respond openly to inquirers and make SAN resources easily accessible*
- *Empowerment: supporting organisations to take control of their social reporting by using social accounts*
- *Partnership: working in partnership with other bodies which share similar aims and ethos*
- *Transparency: reporting openly to members of the Network and other stakeholders, especially through preparing social accounts based on stakeholder consultations*

Social Auditor and Ordinary Members were asked to rate how well SAN lives up to its stated Values on a 1 to 10 scale:

Value	Social Auditor members	Ordinary members
Democracy	8.1	7.5
Accessibility	7.9	7.7
Empowerment	7.6	7
Partnership	6.6	6.8
Transparency	8	8

These ratings are generally positive and consistent but with both groups suggesting that SAN could do more about working in partnership with others.

Two specific suggestions were made for additional values to be considered by the SAN Board:

- To minimise environmental impact
- To strive for quality in the provision of all services

Another person suggested adopting "Modernity" as a value – *"SAN needs to update its image if it is to be deemed as credible…"*

Issue arising: consider adopting additional values about minimising environmental impact and striving for quality in the provision of services

7.3 Objectives and activities

> **Objective 1: To promote, facilitate and encourage the use of social accounting and audit, especially within the social enterprise, social economy and community organisation sectors, through the sharing of information and experience by…**

a. building the email network and distributing the monthly circular

Since March 2008 the monthly Circular has been compiled by Anne Lythgoe working in association with the SAN Duty Director for the previous month. The SAN Board is most grateful to Anne for her significant contribution in this regard.

The Circular is published eleven times year (December and January being rolled up) and there is now circa 1600 email addresses on the network list. However, with bounce-backs, we are only confident that between 1100 and 1200 receive the Circular each month. While the majority of network members are based in the UK it includes people throughout Europe and farther afield, especially in New Zealand, Australia and India.

The SAN Board made a commitment in 2007 to grow the circulation list for the Circular but has so far failed to do so. **Our new target is to raise the confirmed recipient list to at least 1500 by a date to be agreed by the SAN Board.** This will require a concerted effort by all Board and other members.

28 readers responded to our survey (2.5% of recipients) and identified *Details of new social accounting tools*; *Social accounting case-studies*; *Information about SAN itself* and *Information about other SAA events* as the most useful items in the Circular. The monthly case-studies have been a recent innovation. Considered to be least useful were: *Details of newly approved social auditors* and *Requests for information from Network members*.

The following organisations have been featured as case-studies up to the April 2009 Circular:

Community Campus '87
Buchan Dial-a-Community Bus
Centre 47 Impact Furniture Services
Community Health Action Partnership (CHAP) Salford
The Ouseburn Trust
The Scottish Social Enterprise Coalition
Shared Interest Society
Traidcraft plc

One person asked for more "*hints and tips*" and another for "*information on sharing best practice*". Another wondered whether "*the network could be activated to engage with each other more*".

12 respondents had provided information for the Circular which had been used and all but 2 of those who had not would consider doing so in the future.

Half of respondents are content with the Circular being sent as a word attachment (as now) while a quarter would prefer it in PDF format and a quarter would like it included as part of the message. Each month the Circular is placed on the SAN

website from where it can be downloaded and a suggestion was made to include the web link in the monthly message about the Circular from which a PDF version could be downloaded.

We also asked recipients of the SAN Circular about which **SAN services** they had used and how they rated them. We asked the same questions of SAN social auditor members and ordinary members.

The most used services continue to be the *Manual and CD* and the *website*, with the *SAA wall-chart* (available since December 2007) also popular. These were followed by the *Master-classes*, *Social Auditor workshops* and *Other SAN training*, *Regional SAN events*, the *Research project seminars* and the *SAN conferences*. Least used by far is the *information and inquiry service* although this contrasts with the perception of the SAN office and Duty Directors (see report on the final activity of this Objective later).

The highest quality scores (between 8.5 and 9 on a scale 1 to 10) were given for the *Manual and CD*, the *Master-classes*, the *Edinburgh conference* and (for social auditor members) *being mentored to become a SAN approved social auditor*. The lowest quality score (6 to 6.7) was received for the *SAN website* – but see report on activity 3 below)

Issues arising:
increase the SAN Circular recipient list to 1500
Include a link to a pdf version of the Circular in the monthly message
Seek to develop an effective means of tracking the engagement with SAA of the Circular readers

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b. running an annual SAN conference

The 2007 conference was held in Birmingham on 4 December and attended by 57 people. The 2008 conference was held in Edinburgh and attended by 87. The 2008 conference was partly sponsored by the Scottish Government in order to launch the research report, *Really Telling Accounts!*, in Scotland. A report on each conference, including the analysis of the evaluation forms was placed on the SAN website. The analyses of the evaluation forms are included in appendix F.

Pre-conference organisation in 2008 improved on 2007 while on the day organisation was considered pretty good at both. The quality of lunch was criticised by some at both events, but especially in 2008 with 36% considering it either "fair" or "poor". The Birmingham venue was generally liked while the Edinburgh venue was criticised as being too crowded.

At both conferences there was a very positive response to the plenary speakers and in Edinburgh the panel session on the research report was well received.

Workshops were generally well received at both conferences and many present referred to the value of networking. There was good, positive feedback: "*Thanks so much for a cracking day – feeling really enthused and inspired*"; "*Really nice feel – buzzing and friendly*".

Specific points to remember for the next time were as follows:

2007
- Stories from the field from organisations who have used SROI and LM3.
- Include copies of the presentations in the delegate packs so they can be followed at the time.
- Provide contact details of delegates.
- Concern that the language used focused on social enterprises such that CVSs (and other voluntary sector organizations) might feel excluded yet SAA is applicable to both.
- Concern about the environmental impact of the conference (eg: use of paper plates; source of food, tea, coffee, travel to and from).

2008
- Ensure that the venue is big enough for the number of participants and that circulation space is therefore adequate
- Ideally arrange for workshops to be in separate rooms
- Ensure that the catering is of a higher standard, with proper provision for vegetarians and less emphasis on bread
- Ensure that all handouts are printed/copied double-sided to save paper
- Allow longer time for discussion
- Provide more information about the workshops before the conference
- Stick with "Stories from the Field" but recognise that four is too many in the time available
- Include the opportunity to hear and learn more about "real difference" and the impact of SAA on organisations

Issues arising:
Take action to minimise the environmental impact of the conference
Provide more information about workshops before the conference
Don't pack too many "stories from the field" into one workshop – and hear about the real difference SAA can make
Allow time – and space – for networking
Consider trying to find out what conference attendees did as a result of attending

c. maintaining the website and, when resources permit, revamping it

The SAN website (www.socialauditnetwork.org.uk) continues to be maintained by our volunteer website manager, Norry Boulting, to whom we are extremely grateful for all the hard work he puts in and for constantly chasing up new material for the website from Board members and others.

In the questions to Circular recipients we asked about usage of and layout of the website. Most respondents (25 of 28) had visited the website at some time with 10 estimating to have used it between 2 and 5 times in the previous three months (another 10 estimated a single usage and one person more than 20 visits). The average score (on a scale 1 to 10) about how easy it is to find things on the site was 5.8 and for overall appearance 5.

Although one person finds the "*layout and appearance very satisfactory*" others gave a range of constructive comments. These included making it "simpler" ("*it is too fussy at the moment*"); changing the colour scheme ("*colours are poor and make viewing*

difficult"); increasing the font size ("*the small text is almost impossible to read if you have any sort of vision impairment*"); revising the home page ("*better home page with links to key things on the site*"). Three people emphasised the importance of the website for the image of SAN – "*this is the most crucial tool*"; "*It needs to be more attractive and professional looking*".

We also asked about which sections of the website are most used and what people thought about their content. Unsurprisingly the most used section is the *Contents* listing, followed by *Social Accounting tools and the Manual Updates*; *Social Accounting – what is it?* and the *Social Accounting case-studies*. These were followed by the *Manual & CD*; the *Register of Social Auditors* and *Sample social accounts*. The lowest score for quality of content (4.6) was rightly for *Directory of members* which is sadly out of date. This was followed by *Upcoming events* (6.2) – because information is often not fed timeously to our web manager – and the *Contents* list (6.25) which browsers still seem to find hard to navigate despite all content being listed there. For the rest quality of content scores ranged from 6.6 to 7.7 with the *case-studies* and the *SA Tools & Manual Updates* coming out on top.

Generally it seems that "*content is pretty good – just needs an update*" and suggestions included: more "*sample tools such as high quality questionnaires*"; being able to buy publications from the website; and making the down-loadable files more user-friendly.

SAN has wished to be able to revamp the website for some time and that has now become a realistic possibility with the award of grant funding from the Network for Social Change. A brief for a website revamp – and also for a branding update for SAN – was agreed at the beginning of June 2009 and put out to potential contractors. The target is to have a re-branding and revamped website in operation by October 2009. SAN is however conscious that revamping the website is only one part of the issue faced; the other is ensuring that appropriate content is provided for the website on a regular basis and that existing content is constantly checked for being accurate and up to date. Providing and checking content will remain the responsibility of volunteer Board members until such time as resources permit the employment of full-time executives for SAN. The comments from the stakeholder consultations about the website will be fed into whoever undertakes website and branding review/revamp.

Issues arising:
Update (or drop?) the register of members from the website
Carry through and implement the review and revamp of the website

> **d. expanding the toolkit of social accounting tools on the website, including the directory of social accounts**

No new social accounting tools were added to the SAN website until March 2009 when the first seven of 14 updates to the SA Manual & CD and the Three Step Process arising from the research report, *Really Telling Accounts!*, were publicised in the SAN Circular for that month. The remainder were publicised in the Circulars for April and May 2009. The first seven introduced significant changes to the social accounting and audit process and became effective for implementation from 1 April 2009. The remainder are updates of documents on the CD which goes with the SAA Manual.

The full list of fourteen Updates is as follows:

1 **Key Principles for Social Accounting and Audit**: SAN has reviewed the Key Principles which underpin SAA and which form the basis for verification of Social Accounts by the Social Audit Panel.

2 **Guidance on Managing the Scope of Social Accounts**: The research emphasised the need to make the social accounting process more manageable and this document pulls together some of the suggestions and includes some updates of worksheets on the CD.

3 **Key Aspects Checklist for Social Accounts**: From 1 April 2009 SAN is introducing the requirement that all social accounts should include a report on certain Key Aspects about the organisation (human resources, good governance, asset lock and use of profits, financial sustainability, environmental policies and practice and local financial and economic impact). A checklist has been devised to make this as easy as possible for organisations and this will replace what in the past have sometimes been referred to as "Internal objectives".

4 **Guidance on Required Contents of Social Accounts**: This update takes recognition of the introduction of a Key Aspects section and also the need to report on follow-up from previous social accounts. It is in two parts with the first part stressing what should be in social accounts and the second part is a template of sections to help in compiling social accounts.

5 **Social Audit Panel Verification Checklist**: This checklist for use by the Social Audit Panel is based on the revised Key Principles and includes a section for checking the Key Aspects and a section on local financial and economic impact.

6 **Guidance on Social Audit Levels and Statements**: From 1 April SAN is recognising three "levels" of audit - the "standard" social audit panel process with which we are all familiar; "standard plus" which acknowledges that in some circumstances an auditor needs to spend additional time with an organisation beyond the day of the social audit panel; and "audited self-verification" which is a lower cost option where an organisation self-completes the Social Audit Panel Verification Checklist and then has that scrutinised by a Social Auditor. A modified social audit statement has been developed for audited self-verifications.

7 **Guidance on Summary Social Accounts**: This updates the guidance note already on the SAN website.

8 **Social Accounting and Audit Information Sheet [CD2]**

9 **Social Auditor Check-list [CD49]**

10 **Social Audit Panel Briefing Pack [CD50]** (includes a sample time-table **[CD51]** and a sample Social Audit Statement **[CD55]**

11 **Social Audit Panel Notes framework [CD53]**

12 **Social Accounting on one page! [CD3]**

13 **Glossary of Social Accounting and Audit terms [CD5]**

14 **What do you already do? form [CD7]**

During the social accounting period an attempt was made to re-organise the Directory of sample social accounts on the website in order to bring it up to date and to weed out any that have become out of date or no longer accessible. The intention was to either bank copies of the social accounts on the SAN website or to give a reliable link to another website. Unfortunately the lack of administrative resources at our disposal has made it impossible to achieve this and the directory of sample social accounts remains unsatisfactory. One of the recommendations of the research project, which SAN has adopted, is that all social accounts which are audited by a SAN approved social audit panel must be made available on or via the Directory of sample social accounts on the SAN website. This means it is essential that the Directory problem is addressed. In part it will be tackled by the review and revamp of the website described above. That notwithstanding, SAN will require to find the administrative capacity to ensure that as many copies of social accounts as possible are available to be seen. The target is to get this done by the end of 2009.

Issues arising:
Sort out the directory of social accounts
Consider issues of copyright and intellectual capital in respect of the Manual,
CD, Updates and the Social Audit Statement

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e. encouraging SAN members to form regional networks

Since December 2007 we have continued to make progress with the establishment of Regional SAN networks and the appointment of Regional Coordinators to both champion social accounting and audit and to represent SAN. By March 2009 only two UK regions were not covered, Northern Ireland and East Midlands, although only a holding operation exists for London and the South East. Discussions were in hand with colleagues in N Ireland and it is hoped that a planned master-class in London in October 2009 might result in a London network coming into existence. All existing Regional Coordinators are members of the SAN Board. In the NW of England two colleagues share the role, one covering Greater Manchester, Lancashire and Cumbria and the other Merseyside and Cheshire. In the East of England the former coordinator, Kate Lee, retired from the Board at the end of 2008 and Mike Gordon took over. A memorandum of understanding has been agreed between SAN and the Regional Coordinators. The current list at 31 March 2009 is as follows:

Scotland – SAN in Scotland (CBS Network Ltd - Alan Kay and John Pearce)
Wales – Cylch, the Wales Community Recycling Network (Sarah Germain)
West Midlands – SAN West Midlands (SAN WM) (Mike Swain, Iftikar Karim and Rosemary Collie)
East of England – Mike Gordon
South West England – CEU Limited (Lorna Turner)
N E England – Community Campus 87 (Lawrence McAnelly)
N W England – Graham Waterhouse (Greater Manchester, Lancs and Cumbria) and Liz Brooks Allen (Greater Merseyside and Cheshire)
London and the South East – Mike Gordon on a "holding basis"
Yorks and Humber – Mary McGarry

Regional Coordinators were asked to summarise *activity in their areas* during the social accounting period. The following reflect the fact that the regional structure is low on resources but nonetheless effective in some parts.

SAN in Scotland has probably been the most active regional network and holds quarterly meetings of members to update on ongoing work and projects and try and co-ordinate activity. A series of eight introductory workshops were held at venues across Scotland (funded by the Scottish Government and CBS Network).The Scottish Government part-funded the SAN conference in November 2008 to launch the research report, having also funded the Scottish field work for the research. Two social auditor workshops and a master-class were held in Edinburgh. (Our partners at the Social Enterprise Academy also ran six master-classes at other venues across Scotland). A major cluster project in association with Co-operative Development Scotland concluded in April 2009 and with a presentation at the Scottish Parliament on 13 May. SAN in Scotland takes a stall each year at the social enterprise trade fair S2S and is playing a small role in the SROI across Scotland project.

In the **South West** there have been two meetings of SAN members; 2 half day "tasters" and one OCN accredited training course delivered in Somerset. As well as representing SAN at various events SAN SW has been exploring the role of ICT in social accounting.

In the **West Midlands** SAN WM has delivered three master-classes and a half day seminar on measuring economic impact. A major project has been completing a cluster programme with 12 organisations brought together by ISE. SAN WM represented SAN at the Voice '09 social enterprise conference in Birmingham.

In **Wales** two social accounting days have been held, in North and in South Wales and a core of organisations are regularly preparing social accounts. Three colleagues are aiming to be approved as SAN social auditors.

In the **North East** a master-class and a social auditor workshop were run in summer 2008 and the North East was one of the field work areas for the research project. The research project seminars were all held in Newcastle.

In **Yorks and Humber** an initial planning meeting of SAN members was held but there has been no follow through.

In the **South East** there has been no effective SAN presence or activity. In **London** there have been a number of inquiries and expressions of interest and attempts are ongoing to run a master-class and/or obtain funding for a cluster programme.

In the **East of England** one master-class has been run and a cluster programme has recently started in Essex. The Regional Co-ordinator has been active in representing SAN at various meetings and other fora.

In the **North West** a number of taster sessions have been run and a master-class in Merseyside. The Regional Coordinators have represented SAN at various events and Merseyside was the third location for research project field work undertaken in collaboration with the Social Enterprise Network.

Regional Coordinators were asked to outline *plans for 2009/10*:

Scotland: complete the CDS and Clackmannanshire cluster programmes; arrange quarterly SAN in Scotland meetings; maintain partnership with the Social Enterprise Academy; follow-up various leads for clusters and SAA training; undertake a role within the SROI across Scotland project; continue the SAA India programme; run tasters on demand and at least one master-class and SA workshop; be alert to all possibilities as they arise.

South West: run a further OCN course in Somerset and follow-up sessions for organisations going into year 2; submit a funding bid for SAN SW, which in turn will allow awareness-raising events to be run and 2 master-classes; run a master-class in Bristol; continue to promote SAN in the SW through various events.

West Midlands: continue holding WM network meetings; run one taster session and one master-class; run another Measuring Economic Impact workshop.

Wales: continue supporting organisations doing social accounts and individuals seeking to become SAN approved social auditors; run one master-class.

North East: seek funding to run a cluster programme and maintain informal network contacts.

Yorks and Humber: no plans laid.

South East: maintain a watching brief in the South East. In **London** pursue various opportunities; run one master-class and a SA workshop.

East of England: continue with the Essex cluster programme; explore potential for others; run one master-class.
North West: run two master-classes; work with specific organisations preparing social accounts; host the SAN annual conference in Liverpool.

It is the aim of the SAN Board to see a Regional Network develop in both Northern Ireland and East Midlands by March 2010 and to be able to nominate a proactive Regional Coordinator for the South East.

Regional Coordinators were asked what the major constraints are which hold back the development and visibility of SAA.

All reported that the lack of resources in terms of time and finance are the major constraint resulting in SAA work having to be squeezed into existing work or done as an extra. Three noted the need for SAA to develop a "critical mass" and national recognition and others referred to the contrast with the high profile of and interest in SROI. Two noted that their areas are widespread which brings its own problems and one referred to SAN activists as being "*thinly spread*".

To overcome these constraints all pointed to the need for finance and therefore time to be able to take initiatives. Two referred to the need for SAN to develop and manage strategic relationships and work with policy makers with two others emphasising the importance of collaborating with other systems or methods of accounting for impact.

All acknowledged that there is little SAN UK can do to assist with the regional problems of finance and resources until such time as it has solved those issues at a national level. However, continuing and regular CPD was noted as important and also the development of promotional material.

Issues arising:
Identify and appoint Regional Coordinators for N Ireland, East Midlands and the South-East by the end of 2009
Identify good regional practices and improve liaison and communication between regions
Continue the quest for resources to provide SAN with a paid executive capacity

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f. providing training and arranging for the SAN Three Step process to be approved/accredited by the ILM, OCN and SFEDI

During 2006 the SAN Manual & CD was endorsed as "entrepreneur friendly" by SFEDI (Small Firms Enterprise Development Initiative). The Open College Network course in Social Accounting and Audit for Community Organisations which had first been approved in Merseyside in 1999 was reviewed and re-approved as a national OCN course and a new Workbook for the course was developed (see www.socialauditnetwork.org.uk) The OCN course is currently delivered on a regular basis by SAN SW (CEU Ltd). During 2007 a social accounting and audit award based on the SAN manual and CD was endorsed by the Institute for Leadership and

Management (ILM). This is delivered through the Social Enterprise Academy based in Edinburgh.

SAN's main training "products" are the Master-class and the Social Auditor Workshop while regionally SAN members also run "taster" sessions and work with clusters of organisations on action/training programmes (see d. above).

The Masterclass runs over two days and explores the Three Step process in detail using the Manual and CD and all the resources contained within them. The Master-class is aimed at people wishing to understand the SAA process in depth either to be able to facilitate it with others or to apply it to their own organisation (or both).

The Social Auditor workshop is run over one day and examines the process of the social audit panel, what is expected to be reported in social accounts and how. It is aimed at people wishing to become approved as SAN social auditors.

During the social accounting period from December 2007 to April 2009 SAN ran five "master-classes": in Edinburgh, Wolverhampton, Cambridge, Newcastle and Birmingham and three Social Auditor workshops in Edinburgh (twice) and Newcastle. 37 people attended these classes and workshops of whom 12 attended both a master-class and a SA workshop giving a combined attendance of 49.

In addition to the classes and SA workshops run directly by SAN others have been run by SAN's regional networks and by partner organisations such as the Social Enterprise Academy in Edinburgh. These social accounts report only on those run directly by SAN. Other training, including "taster" sessions as well as master-classes is organised under the SAN banner but delivered by SAN's members in its regional networks and is not reported on in these social accounts.

A questionnaire was sent to all 37 persons who had attended the classes and workshops and seventeen completed forms were received giving a response rate of 46%. We asked how participants recalled the class with hindsight as regards its usefulness and as regards the quality of delivery: the first scored 7.7 (on a scale of 1 to 10) and the second 8.25. Suggested improvements to the classes included: more coverage of ROI; more real-life examples; building in time for individual consultations for people planning to use SAA in their organisation.

One person thought the SA workshop "*concentrated more on how to carry out the social audit rather than on how to chair panels*". Another commented "*Very well thought out and put together sessions. Also very helpful to have others in the class who had been involved with the process. The updated information was also well explained and integrated.*"

Of the 28 Circular recipients who responded to the survey 10 had attended a master-class and 10 had attended a SA workshop scoring the class at 8.5 and the workshop at 7.9.

Feedback forms are always completed at the end of a SAN class or workshop and these are generally positive with useful comments and suggestions about details which the respective trainers will consider. However following one master-class there were some substantive criticisms made in the feedback about the quality and style of training, about the focus of the class and about the SAA materials (notably the Manual and CD). This criticism was taken seriously by SAN and referred to the convenor of the Quality and Approvals Sub-committee who prepared a response to be sent to the class participants (see Appendix G). In that response SAN

acknowledged that it was important for SAN training to be of a consistent standard with a common content and with a mix of presentation, participation, group work and personal study. SAN has now developed a lesson plan for master-classes and SA workshops with PowerPoint presentations which should be used as the basis for all SAN training but which can be (and should be) tweaked by individual trainers to suit their individual styles. The critical comments about the Manual and CD being out of date and hard to navigate we were unwilling to accept as that contrasts strongly with usual feedback (and indeed we have now issued the Updates consequent upon the conclusion of the research project). However SAN acknowledged that any class must allow sufficient time for participants to learn to navigate the resources.

We also asked class and workshop participants in what ways they had used SAA processes and materials since the class/workshop:

	Out of 37
Discussed introducing social accounting into your own organisation	8
Prepared (preparing) social accounts for own organisation	4
Helped (helping) another organisation prepare social accounts	2
Developed (developing) plans for a cluster of organisations to undertake social accounting	3
Given formal presentations about social accounting and audit	3
Run a training session on the social accounting process	0
Sat on a social audit panel	2
Become (or applied to become) a SAN approved social auditor	5
Used some of the tools of social accounting in other aspects of your work	8
Written an article or paper on social accounting and audit	2
None of the above	0

All had made use of SAA processes and materials in some way and a significant number (8) seem to have used SAA tools in aspects of their work even if they had not started doing social accounting as such.

Finally, we asked master-class participants what improvements or changes they would suggest should be made to the **Good Food Co-operative case-study** – or how it should be replaced. At the Edinburgh master-class held in March 2009 this was also the topic used for an H-form demonstration (see Appendix E).

Although it was generally thought the case-study tends towards the "*simplistic*" and does not reflect the reality of organisations people work with/in it was also acknowledged that it does still work reasonably well ("*level of complexity is good for training exercise – simple so can move through at a reasonable pace*") but needs to be updated to current issues, legislation and terms and "*tied in a bit more with some models of social enterprise that people are familiar with*". One particular suggestion was that it should be used to "*lead people through the difference between outputs, outcomes and impacts and how might (relevant) data be collected.*" Another person emphasised the alternative of using participants' own organisations as the case-study.

Issues arising:
Consider building in time for 1-to-1 consultations during master-classes
Ensure that the master-class and SA workshop lesson plans plus ppt are regularly reviewed and available to all SAN trainers and facilitators
Consider more longitudinal follow-through of participants to gauge impact
Update the Good Food Co-op case-study

Consider introducing an exercise about outputs, outcomes and impacts

g. answering queries about social accounting and audit and sign-posting people to appropriate support, training and other expertise.

SAN handles a constant stream of inquiries about social accounting and audit from the UK and from around the world. It has not yet been possible to set up a system for recording the volume of these inquiries but a conservative estimate would suggest an average of 120 per month, a 300% increase since the previous social accounting period. Most inquiries go to the SAN office, but some are received direct by members of the Board. The SAN office deals with those inquiries it can or passes onto the "duty director" those requiring other knowledge or experience. The monthly rota system of "duty director" was introduced during 2007. As the Regional Network has developed any inquiries originating from a Region are routed to the appropriate Regional Co-ordinator in the first instance.

On the whole we believe that we do deal with inquiries promptly and efficiently. However we have no evidence from which to draw that conclusion as few respondents to the stakeholder consultations had used the information and inquiry service. One Circular recipient had used the service and rated it with a 7; two Ordinary Members rated it with 6.5 and two Social Auditor members with 8.

Issue arising: set up a recording system for inquiries when resources permit

a. producing and distributing a SAN UK leaflet

The SAN wall-chart which was produced during 2007 featured case-studies from Scotland, England and Wales and has been the main promotional leaflet available for use. A free copy was offered to all members of the SAN email network and multiple copies were made available to Board members and to Regional Coordinators. The initial stock was almost used up by the end of the social accounting period and the SAN Board took the decision soon after to update the wall-chart to include the changes to the SAA process introduced from 1 April 2009 and new, updated case studies.

Sixteen of the 28 Circular recipients had used the wall-chart and rated it with an average score of 7.4.

Issue arising: update and publish revised wall-chart

b. arranging a series of meetings with key people and bodies

Since 2007 SAN has continued to make only modest progress on this activity largely due to the constraints of depending on volunteer time by Board members. The research project (see below) did open up contact with a wider range of agencies and organisations and one Board member joined the Advisory Group for the SROI project of the Cabinet Office. However it has been – and continues to be – difficult for SAN to find the resources to follow-up contacts and opportunities and to ensure that SAN is seen and heard in appropriate places.

In the Regions where local networks have emerged a key feature is to develop a wider range of contacts and partnerships with other bodies. These are not specifically reported within these social accounts but have been alluded to in section 1 e above.

Issue arising: strive to build relationships notwithstanding the current lack of executive capacity

a. setting up an effective administration and management system for handling social auditor applications, including co-ordinating a register of social audit panels

Since December 2007 four new Social Auditors were approved and added to the UK section of the Register while four left the Register for a variety of personal reasons. Two persons who left re-registered after a year. At June 2009 29 UK auditors were on the Register. We were pleased to be able to approve four new overseas Social Auditors, three from Germany and one from India.

The process of managing applications to become approved as a social auditor is now co-ordinated on a regional basis although the final decision to approve is taken, on the recommendation of the person mentoring the applicant, by the Quality and Approvals Sub-committee of the SAN Board.

One of the recommendations of the research project was to prepare a comprehensive Handbook for SAN social auditors - and for applicant auditors – to detail all aspects of role and process of acting as the chair of a social audit panel. The Handbook was completed in February 2009 and circulated at that time to all social auditors on the register and to all known applicant social auditors. The Handbook is only circulated electronically and has been prepared on a "loose-leaf" basis so that various sections may be easily updated or new sections added as required.

We asked Social Auditors about the Handbook and it was given a rating of 8.8. Suggestions for improving it included:
- Update the GFC case-study
- Clarify who sends out Quality Assurance questionnaires (see below)
- Improve "navigation" to be able to locate specific items

And as one auditor commented: "*Needs to be used by auditors for a period and comments sought in the next accounting round*".

Three recently approved social auditors responded to questions about the mentoring and approval process as they had experienced it and gave a positive rating of 4.2 (on a scale of 1 to 5) with no one scoring less than 4.

A major problem is the lack of social audit panels which applicant auditors can attend in order to write sample note and then, later, to chair a first panel with a mentor. This means that there is a backlog of applicants waiting to complete the process which is frustrating both to them and to SAN.

The lack of panels was an issue picked up by five of the 15 comments made by social auditors in answer to a question about how SAN can/should improve the approval process. Other suggestions included:
- That "*all social auditors should have experience of preparing social accounts*"
- That there should be an additional appraisal of the first audit carried out by a newly approved auditor

- That there should be a more formal written feedback by mentors

And two people were concerned that the process remain simple and not become too bureaucratic.

Issue arising: consider how best to manage the mentor/mentee relationship and monitor audit performance after approval

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b. setting up effective systems for implementing the quality assurance process for social auditors

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The main tool of the QA process is a questionnaire sent to all organisations for whom a SAN approved social auditor has chaired a social audit panel giving the organisation the opportunity to comment on the quality and effectiveness of the process. Questionnaires are sent out by the social auditor who has chaired the panel and are returned to the SAN office (or to the auditor direct) and any issues which need to be tackled will be taken up by the Quality and Approvals Sub-Committee. A copy of the returned questionnaire is always forwarded by the office to the auditor for his/her information. During the social accounting period the Sub-Committee had one critical case to deal with. A major problem of this process is that relatively few QA questionnaires are returned. We believe that this is a consequence of organisations not returning them rather than auditors not issuing them.

In order to improve quality assurance from 1 April 2008 SAN introduced a requirement for all social auditors to send their social audit panel notes to another approved social auditor for peer review. As part of their annual return all social auditors have to show which colleagues have reviewed their panel notes and demonstrate that they have undertaken a minimum number (12) of relevant professional development hours during the preceding year.

It remains an aspiration, as soon as resources permit, to introduce a process of random sitting-in on panels by members of the Q & A Committee.

Auditors were asked to rate the effectiveness of the QA system and scored the QA questionnaire at 7.4 and the peer review of notes at 6.7.

Six auditors referred to uncertainty about what happens to the QA questionnaires and whether they are returned as they had not received any feedback. This reinforces our sense that it is organisations which do not send them in rather than auditors who do not issue them. Without resources it is hard to see how SAN can better ensure that these questionnaires are completed but **it is an issue requiring urgent attention**.

Three auditors emphasised (again) the need for more panels to chair – "*practice makes perfect*" – and one reported that "*there is just not enough work…..to really make it worthwhile to maintain my social auditor status*". Two people were uncertain about the peer review of panel notes process but another thought that "*peer reviewing of notes seems to be beginning to work well*". (There is a guidance note on peer reviewing in the SA Handbook).

Two auditors saw the need for the QA systems to be more effectively managed but acknowledged that without central resources that is a problem for SAN. Three

emphasised the value of having "*refresher events*" and other opportunities "*to gather and exchange information and views on practice*" (and see section f on CPD below).

Two very specific suggestions were made:
- That the notes of social audit panel meetings should be published alongside the social accounts on the SAN website.
- That no auditor should chair the panel for the same organisation for more than three social accounting cycles.

Issues arising:
Introduce observation of random panels as soon as resources permit
Explore how best to increase the return rate of QA questionnaires
Consider requiring notes of panel meetings to be published alongside social accounts on the website
Consider introducing a guideline that no social auditor should chair the panel of one organisation for more than three consecutive years

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c. reviewing the annual return and ensuring it is completed by all social auditors annually

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The social auditors annual return was revised as part of the process of compiling the SA Handbook (March 2009) and the revised version was circulated for use for the year 2008/09.

All auditors are required to complete returns as a condition of remaining on the Register of SAN approved social auditors. However resource constraints have meant that SAN has not followed through non-submission of annual returns as rigorously as should be expected.

Issue arising: apply stricter sanctions when annual returns are not submitted

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d. revising the social audit panel checklist

Recommendations from the research project included the adoption of revised Principles for SAA and the adoption of a Key Aspects checklist (see Objective Four below). As a consequence the checklist for the Social Audit Panel, now known as the Social Audit Panel Verification checklist, was reviewed and the new version issued in March 2009 to be used with effect from April 2009.

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e. running three SAN master-classes annually (and encouraging regional SAN networks to run others)

See report on Objective One above.

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f. running at least three Continuing Professional Development (CPD) events annually for social auditors (and encouraging regional SAN networks to run others)

During the social accounting period SAN has been unable to meet fully its target of running at least three dedicated CPD events for social auditors each year. Workshops arranged at the conferences in 2007 and 2008 had CPD status as did the

two research project seminars and the launch event, all held in Newcastle in March, April and June 2008. A further one was arranged for 7 May 2009 in Birmingham.

It is regrettable that SAN has been unable to run more such events as there is a strong demand for them from auditors: "*arrange social auditor gatherings and CPD sessions as often as possible*"; "*regular CPD sessions – more frequent – perhaps a planned programme*" but equally there is an understanding of the resource constraints under which SAN operates: "…*unless we get oodles of money for a full-time co-ordinator and money to do things*".

The next scheduled CPD event will take place in November 2009 the day before the SAN conference when auditors will have the opportunity to meet with a group of overseas colleagues to share experiences and learn from each other.

Our SAN in Scotland network continues to have a CPD slot during its quarterly meetings and the West Midlands network held a seminar on measuring economic impact. SAN encourages other Regional networks to include similar opportunities as finding ways for social accounting facilitators as well as social auditors to learn from each other and support professional development is most important.

Other suggestions about how SAN might better support its approved social auditors included:
- A members-only discussion forum on the website
- Updates about what panels have been held and chaired by whom
- Hold a specific CPD event after one year to evaluate the changes to the SAA process introduced in April 2009
- Introduce a six-monthly social auditor newsletter with items about good practice
- Issue audit guidelines for the audit self-verification option

One person summed up the present situation thus: "*I think we are doing a pretty good job in difficult circumstances. The key to all of this is to have a properly resourced process which is able to keep tabs on all aspects…*"

Issues arising:
Continue to arrange as many CPD events as possible within existing resource constraints
Arrange a review event in 2010 to look at how the changes to the SAA process are working
Consider introducing an auditors-only discussion section on the website

…. implementing the successful research proposal:

a) to map the extent to which social accounting and audit is now being used in the social economy sector in Scotland, Merseyside and the North-East of England & Cumbria;

b) to identify which organisations use social accounting and audit on a regular basis and which have only used the process once;

c) to explore in the latter category the factors why they have not persisted with social accounting;

d) to come up with proposals which may make it easier for social economy organisations to use social accounting regularly, including examining how social accounting and business planning can dovetail into a single process; and

e) to discuss with funders and investors whether social accounting can meet their reporting requirements.

The research project was completed by June 2008 and published under the title *Really Telling Accounts!* and launched at an event in Newcastle and again in Scotland at the SAN conference in November. The main purpose of the research was to explore to what extent social accounting and audit has been used by social economy organisations in the North East of England, Cumbria, Merseyside and Scotland; to understand the perceived barriers to expanding its practice and how it may be made more "do-able" and more robust. The research also explored to what extent social accounting might serve as the basis for a common reporting framework by organisations reporting to investors and to funders. A Steering Group provided overall guidance to the research which consisted of: a literature search; a process of identifying 115 social economy organisations which used social accounting to some degree; a preliminary survey of 80 organisations and more in-depth investigation with 61 organisations; 29 case studies; 28 interviews with funding organisations, investors and support bodies; a meeting with Social Return on Investment (SROI) practitioners; and seminars for those funders and investors interviewed (14 participants); and for experienced practitioners of social accounting (24 participants).

The report, which includes a CD containing all the research material, can be seen on the SAN website (www.socialauditnetwork.org.uk) or obtained from the SAN office in Exeter.

Main findings from the survey of organisations

➢ Of the 70 organisations which had kept social accounts, 52 had them audited. 17 of these did it more than once and 14 now practice social accounting and audit regularly

➢ Older, more established organisations are more likely to keep social accounts regularly

➢ It is essential that organisations get "buy-in" to the process across their whole organisation

- Most organisations start social accounting to "hear what stakeholders really think" and "to prove or demonstrate social value"
- 65% of the organisations developed social accounting and audit as part of a training programme and most had used a SAN training manual
- Organisations were more likely to complete the process if they "made space" for it
- A significant number of organisations which had used social accounting but had never completed the process to the social audit stage reported similar benefits to those organisations which had completed their accounting and audit
- The main problems were the time it takes to keep social accounts and write the report
- Other problems were: managing the social accounting material, writing the social accounts and formulating the questions for consultation with stakeholders
- Organisations wanted financial support towards the work involved in social accounting and its acceptance as a reporting framework

Main findings from the funders and investors

- All of the interviewees had heard of social accounting and audit – to varying degrees
- The audit process was considered to be sufficiently rigorous by 57% but a number wanted greater rigor
- Half of the interviewees have either a standard reporting framework or agree one with the organisations; with only 3 requiring some form of social report
- The reporting information they receive tends to be mainly quantitative, meeting the basic reporting requirements but not giving "anything deeper"
- Most of the interviewees (93%) felt that some form of social accounting and audit system should be a requirement
- A similar number were interested in the development of a common reporting framework

Proposals and recommendations

About the Social Accounting process…

o Social accounting and audit (SAA) should continue to develop links with Social Return on Investment (SROI) as a complementary process and build on shared key principles to develop a common verification process
o There should be a distinction between Organisational Objectives – how an organisation affects the people and the planet; and Key Aspects – how an organisation is managed.
o The Key Aspects include human resources; good governance and accountability; asset lock and use of profits; financial sustainability; environmental sustainability; and economic impact
o Impact mapping of the Organisational Objectives should be introduced as well as an expectation to report on the social, environmental and economic impacts for each Organisational Objective
o Prioritising the Organisational Objectives can be a practical way of managing the scope of social accounts
o Consideration should be given to developing social accounting "kits" for organisations with similar objectives
o "Key" stakeholders should be re-defined as being those organisations and individuals being consulted and involved in a particular social accounting cycle

o   More consideration should be given to analysing stakeholders and the relationships that an organisation has with them
o   Social accounting and audit should eventually become compulsory for those organisations in receipt of funding provided that resources for this are made available

All the proposals with regard to the SA process were adopted and implemented as from 1 April 2009 (see Updates on page 20); discussions continue with the SROI Network; a first SA Kit (for Community Transport Organisations) will be launched at the SAN conference in November 2009. Making social accounting compulsory remains an aspiration

About the Social Audit…

o   The verification process using the social audit panel should be based on the key principles and consider the performance and impact of the organisation against its Organisational Objectives and the Key Aspects
o   There should be three different cost bands of verification determined by the degree of investigation requested
o   Organisations whose social accounts have been audited should receive a SAN "charter-mark"
o   All audited social accounts should be placed on the SAN website and be publicly available
o   A comprehensive Handbook should be written for social auditors
o   All SAN approved Social Auditors should go through accredited training
o   SAN has to ensure the quality standards of the Social Auditors through peer review and continuing professional development

A new verification check-list was introduced from 1 April 2009 along with the three cost bands and use of the SAN logo as a charter-mark. Placing social accounts on the SAN website is dependent on the revamp underway; the SA Handbook was issued in February 2009. Two CPD events have been arranged during 2009 but resources do not yet permit peer-reviewing of panels.

About using Social Accounting and Audit as a Common Reporting Framework…

o   The Key Aspects should be discussed further and the checklist developed with a view to its more widespread use
o   A Working Party should be formed with SAN and funders, investors and contractors to develop a Common Reporting Framework to be piloted

Discussions have been held about the possible adoption by others of the Key Aspects check-list but no progress has been made on a pilot project for a common reporting framework.

About promoting and developing the practice of Social Accounting and Audit…

o   ***SAN should***…make the robustness of the verification process more widely known; raise the profile of social accounting and audit; consider a new strap line and logo; revamp the website
o   ***The government and funders should***…recognise the audit process and consider applying it; provide resources for the further development of social accounting in terms of quality standards, website development and training

This is all work in progress, mostly hampered by SAN's lack of resources.

The substantive recommendations about the SAA process were agreed and adopted by SAN and updates to the Manual and CD prepared (see Objective One d. above) and the changes implemented as from 1 April 2009. SAN hopes that by 1 April 2010 these changes will be fully adopted and used by all organisations using social accounting and audit.

As part of the stakeholder consultation process we asked all those who had been associated with the research project how they rated the importance of the various proposals and recommendations. 55 questionnaires were circulated and 14 completed ones received.

The most important recommendation was seen to be developing SAA and SROI as complementary processes, followed by the importance of ensuring quality standards for the audit process and getting government and other bodies to recognise social accounting and audit.

We also asked respondents if they had made use of the research findings or if they had influenced thinking:

Two people emphasised the importance of combining SROI with SAA but another warned against SAN allowing SROI "*to determine the agenda and influence SAN's process and actions to too great an extent*"

Others reported that they had started using the new aspects and were using the research to promote SAA but one person did wonder: "*the changes have to be easily understood and accessible and I am not sure that is happening at the moment outside of the main SAN practitioners*". One person was concerned about "*growing bureaucracy in the SAN SAA process*" while another emphasised the importance of getting social accountants "*taking stock of a wide range of possible indicators before deciding on the scope*".

We also asked about how such research can be used to make an impact. The greatest number of comments (6) referred to making sure the work was effectively disseminated and publicised – especially to "*those in pow*er". One person suggested working "*with the Third Sector to promote positive aspects and to view social accounting not only as a positive management tool but also as a Badge of honour*". Another emphasised that SAA is "*impact assessment of the organisation as a **whole***" and explained that SAA is "*about organisational orientation/change while SROI is about project orientation*"

Since the completion and publication of the research work SAN has held a further meeting (in March 2009) with representatives of the SROI Network to take forward ideas of complementarity and collaboration. Both SAN and SROI have now adopted new key principles which, while not identical, share a lot of common ground. An attempt has been made to summarise in tabular form where the two processes are similar and where they differ with the aim of allowing organisations to do the necessary planning and ground work which would permit them to both prepare social accounts **and** do SROI calculations. That was still work in progress in June 2009 but SAN believes it could be an important step towards ensuring that the SAN mantra "*as well as, not instead of*" is more easily adopted by organisations faced with both processes.

The meeting also started to explore whether SROI should/would introduce a external audit of SROI reports and whether SAN approved auditors might become approved

to audit both social accounts and SROI reports. This was still work in process at the time these social accounts were drafted in June 2009.

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Background note to SAA and SROI

During 2008 when SAN was nearing the completion of its research project the governments in London and Edinburgh both announced their support for a major initiative to develop Social Return on Investment as the way in which third sector organisations should report on their "social value". This support was backed up by significant financial resources (circa £1m) over a three year period. Although there had been an early ministerial announcement about interest in SROI in England the scale of the government support took everybody – and especially SAN – by surprise, particularly in Scotland where there had been no prior consultation with bodies engaged in impact measurement and reporting and where the Scottish Government was at the time paying for the Scottish end of the SAN research work. SAN's response to this has been to emphasise the findings of the research project that SAA and SROI should be seen as complementary – hence the mantra *"as well as, not instead of"* – and to be willing to collaborate with the SROI project as a member of the Advisory Group in England and as a partner in Scotland where the focus of our involvement will be on the potential audit function and role.

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Issue arising: continue to emphasise how SAA and SROI can fit together

b. researching how the various existing social accounting tools fit into the social accounting framework

In the previous social accounts we reported on the **Made to Measure framework** which was awarded a 'Supporting Performance Prize' in 2007 by the Performance Hub. This piece of work was able to demonstrate the need for an all-embracing approach to making available the growing range of quality and impact tool(s) which organisations can use.

In the Spring of 2009 SAN started to build on this work and shaped up a proposal called "**The lego approach to social accounting**" to submit to the Big Lottery Research Programme. This proposal was being assessed by BLF at the time of preparing these social accounts.[1]

Issue arising: pursue further the "lego" approach and submit tomother possible funding bodies

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[1] The application was unsuccessful.

Objective 5: To promote, establish and operate other projects, schemes and programmes which advance the understanding and practice of social accounting and audit

No Activities were listed in the SAN plan under this Objective and SAN as a UK body has not initiated any new projects, schemes or programmes during this social accounting period. Instead SAN's regional networks have developed a number activities in their regions and these were referred to in section Objective One e. above.

However one project, which although led by SAN in Scotland, is as much a SAN UK initiative is the SAA India Programme. This two year programme is being funded by the Lloyds TSB Foundation for Scotland and is a partnership between SAN and the Centre for Social Initiative and Management (CSIM) which has offices in Hyderabad, Chennai, Bangalore and Pune. The programme includes running three master-classes, running social auditor workshops and (hopefully) approving several more Indian colleagues as social auditors; and working with two clusters of organisations supporting them to prepare social accounts. The first master-classes were held in Hyderabad (March 2008) and in Chennai (January 2009), nine organisations in the first cluster will have prepared social accounts to be presented to social audit panels by October/November 2009 when the first Social Auditor workshop and the third master-class will also take place.

Issue arising: identify and resource new projects and programmes under this Objective

Objective 6: To ensure that SAN can be financially self-sustaining in terms of administrative overheads by the end of 2007 by…

[Some of the information relevant to this Objective can be found in the Key Aspects check-list (see below)]

a. building ordinary membership to 100 during 2007 and an additional 50 annually thereafter

SAN has not achieved these ambitious targets set in 2007 and at March 2009 ordinary membership totalled just 24. In part this is a consequence of some original ordinary members having become social auditor members; however mostly it is because SAN has not undertaken a specific membership drive. During 2009 the Board agreed that the role of and benefits for ordinary members should be reviewed and an appropriate strategy agreed (see Key Aspects checklist)

b. building the register of social auditors to 60 by the end of 2009

At March 2009 there were 35 SAN approved social auditors (including those based overseas) with around another 10 people in the approval process. Increasing the number of approved auditors depends partly on the demand for social audit panels generally and, more specifically, having sufficient panels for would-be social auditors to attend and then to chair for the first time with a mentor. To date the flow of panels has not been sufficient to meet the demand of those wishing to become approved as social auditors.

c. selling at least 30 manuals per month

During the financial year ended 31 March 2009 SAN had sold circa 15 manuals per month (see page 6) by which time the stock of manuals was significantly depleted such that the same level of sales could not be anticipated for 2009/10. At the same time SAN has issued Updates to the Manual and CD which are available to download free of charge. Discussions have also focussed on what will succeed the current Manual and CD – probably making them available on-line with regular updates. This will be an important action point for 2010/11.

d. making a profit of at least £1000 per master-class

During the financial year 2008/09 SAN achieved its profit target for master-classes overall. However experience has shown that it is not always possible to achieve the numbers to generate the target profit. In general SAN has taken the view that it is important to run the classes and workshops as often as possible and try and ensure that they at least do break even.

e. making a profit of at least £2500 from the annual conferences

Both conferences reported in these social accounts returned the target profit.

f. identifying potential funding sources to realise the SAN plan and make applications as appropriate for core and/or development finance and for the research proposals

During the social accounting period SAN has prepared two substantial funding applications for programmes of the Big Lottery Fund but both have been unsuccessful. A smaller application to the Network for Social Change proved successful and the funds cam on stream during 2009/10. Until receipt of the NSC grant SAN has been dependent for meeting its core costs on sales of manuals, membership fees and surplus generated from various projects and programmes, including the "tithes" paid by persons undertaking work on behalf of SAN (see page 6).

g. preparing social accounts annually

These are the second set of social accounts prepared by SAN.

Issues arising:
Finalise the format for the next generation of resource materials to follow the Manual & CD and its Updates
Review the SAN business model to re-configure how best to generate the resources required to sustain the services provided by SAN and improve them as identified throughout these social accounts

7.4   SAN's Objectives

Social Auditor members and SAN's Ordinary members were asked to rank the five existing SAN Objectives in order of priority and this revealed agreement between the two categories of member with Objective One being seen as the most important with Objective Three coming a clear second:

	Objectives	SAM	OM
1	To promote, facilitate and encourage the use of social accounting and audit, especially within the social enterprise, social economy and community organisation sectors, through the sharing of information and experience	1.5 **1st**	1.5 **1st**
2	To lobby and influence other bodies and institutions on behalf of the Social Audit Network	3.2 **3rd**	3.3 **3rd**
3	To establish and administer a process to approve persons who are deemed competent to act as social auditors and To identify and arrange or provide appropriate training and continuing personal development for social auditors and social accounting trainers and facilitators	2.3 **2nd**	2.5 **2nd**
4	To undertake research and consultation to develop agreed common standards which may be applied in respect of i) the content of a set of social accounts; ii) the processes used in gathering information for and preparing social accounts; and iii) the methods by which social accounts can be verified as trustworthy	3.3 **4th**	3.6 **4th**
5	To promote, establish and operate other projects, schemes and programmes which advance the understanding and practice of social accounting and audit	4.2 **5th**	4.1 **5th**

Members were also asked to flag up future objectives or services:
- Secure resources to "up" SAN's game – become a more professional and financially sustainable organisation – develop image brand and website – increase staffing
- Create a blended approach to SAA and SROI – define alignment to SROI - communicate how SAA is well established and different from SROI – hold to the "*as well as, not instead of*" mantra
- Make SAN and the SAA process more visible – accessible and valuable to all social economy organisations – raise the profile of SAN and SAA
- Enter into partnerships – build strategic partnerships
- Reduce environmental impact
- Encourage learning where people revisit their social accounts over years to see if material change in their organisation has been influenced by social accounting
- Ensure information is easily accessible and regularly updated - help members feel they are getting more of a service from SAN
- Directly influence commissioning practice in favour of reporting social, economic and environmental benefit
- Further develop regional networks

Issues arising:
Raise the profile of SAN and SAA and build strategic partnerships
Continue to emphasise the difference of SAA from SROI while at the same time exploring how the two processes can combine in a complementary fashion

8   Key Aspects

The Key Aspects checklist is attached as Appendix B.

Specific actions points to emerge from that are:

Draft and adopt job descriptions for volunteer workers
Draft and adopt an equal opportunities policy
Review strategy as regards Ordinary Members
Draft and adopt an environmental policy with especial reference to transport and travel
Draft and adopt a purchasing policy
Consider putting in place a system of identifying volunteer time contributed to running SAN and quantifying that

9   Compliance

SAN has no compliance matters to report other than those covered in the Key Aspects check-list.

10 Main conclusions and recommendations: issues arising from the social accounts to be considered by SAN

Vision, Mission, Objectives & Activities, and Values

✓ *Review the statement of Vision, Mission, Organisational objectives & activities and Values in the light of the findings of these social accounts and as part of a planned strategic review to develop a new SAN plan for the future. The next social audit cycle will work from any changes made.*

✓ *consider adopting additional values about minimising environmental impact and striving for quality in the provision of services*

Objective One
✓ *Set a target to raise the confirmed Circular recipient list to at least 1500 by a date to be agreed by the SAN Board*
✓ *Include a link to a PDF version of the Circular in the monthly message*
✓ *Seek to develop an effective means of tracking the engagement with SAA of the Circular readers*

✓ *Take action to minimise the environmental impact of the conference*
✓ *Provide more information about workshops before the conference*
✓ *Don't pack too many "stories from the field" into one workshop – and hear about the real difference SAA can make*
✓ *Allow time – and space – for networking*
✓ *Consider trying to find out what conference attendees did as a result of attending*

✓ *Update (or drop?) the register of members from the website*
✓ *Carry through and implement the review and revamp of the website*

✓ *Sort out the directory of social accounts*
✓ *Consider issues of copyright and intellectual capital in respect of the Manual, CD, Updates and the Social Audit Statement*

✓ *identify and appoint Regional Coordinators for N Ireland, East Midlands and the South-East by the end of 2009*
✓ *Identify good regional practices and improve liaison and communication between regions*
✓ *Continue the quest for resources to provide SAN with a paid executive capacity*

✓ *Consider building in time for 1-to-1 consultations during master-classes*
✓ *Ensure that the master-class and SA workshop lesson plans plus ppt are regularly reviewed and available to all SAN trainers and facilitators*
✓ *Consider more longitudinal follow-through of participants to gauge impact*
✓ *Update the Good Food Co-op case-study*
✓ *Consider introducing an exercise about outputs, outcomes and impacts*

✓ *Set up a recording system for inquiries when resources permit*

Objective Two

✓ *Update and publish revised wall-chart*
✓ *Strive to build relationships notwithstanding the current lack of executive capacity*

Objective Three

✓   *Consider how best to manage the mentor/mentee relationship and monitor audit performance after approval*

✓   *Introduce observation of random panels as soon as resources permit*
✓   *Explore how best to increase the return rate of QA questionnaires*
✓   *Consider requiring notes of panel meetings to be published alongside social accounts on the website*
✓   *Consider introducing a guideline that no social auditor should chair the panel of one organisation for more than three consecutive years*

✓   *Issue arising: apply stricter sanctions when annual returns are not submitted*

✓   *Continue to arrange as many CPD events as possible within existing resource constraints*
✓   *Arrange a review event in 2010 to look at how the changes to the SAA process are working*
✓   *Consider introducing an auditors-only discussion section on the website*

Objective Four

✓   *Continue to emphasise how SAA and SROI can fit together*

✓   *Issue arising: pursue further the "lego" approach and submit tomother possible funding bodies*

Objective Five

✓   *Identify and resource new projects and programmes under this Objective*

Objective Six

✓   *Finalise the format for the next generation of resource materials to follow the Manual & CD and its Updates*
✓   *Review the SAN business model to re-configure how best to generate the resources required to sustain the services provided by SAN and improve them as identified throughout these social accounts*

Priorities for the future

✓   *Raise the profile of SAN and SAA and build strategic partnerships*
✓   *Continue to emphasise the difference of SAA from SROI while at the same time exploring how the two processes can combine in a complementary fashion*

Key Aspects checklist

✓   *Draft and adopt job descriptions for volunteer workers*
✓   *Draft and adopt an equal opportunities policy*
✓   *Review strategy as regards Ordinary Members*
✓   *Draft and adopt an environmental policy with especial reference to transport and travel*

- ✓ *Draft and adopt a purchasing policy*
- ✓ *Consider putting in place a system of identifying volunteer time contributed to running SAN and quantifying that*

The Social Accounting process – Scope and Methodology

- ✓ *Continue to explore ways of increasing stakeholder response rates and participation in the consultations for future social accounts.*
- ✓ *Consider what other stakeholder consultation methods to employ to improve response rates, especially with regard to Circular recipients and social auditor members.*

11   Plans for reporting to and dialogue with stakeholders

A summary version of these social accounts, once audited, will be circulated to all those stakeholders who were consulted for these social accounts, including with the SAN Circular and in the conference pack for the SAN conference 2009 on 13 November. The full Social Accounts and Appendices will be available on the SAN website.

It is the intention of the Board to ensure that some of the *key issues are discussed with stakeholders at future CPD events* for social auditors and at the SAN conference. It is also the aim of SAN to *introduce an ongoing process of consulting stakeholders* at events and other opportunities during the year. However that will depend – as with so much else – on successfully acquiring greater executive and administrative resources for SAN.

12   Plans for the next Social Accounting Cycle

The SAN Board is committed to preparing its next social accounts for the financial year 2009/10 and would hope that they will be audited during the summer of 2010.

Follow-up of issues raised in previous Social Accounts (December 2007)

Objective One

Issue	Response
A consultation about the SAN Circular should be re-run in 2008, aiming to get a wider response.	The consultation took place in April/May 2009 as part of the data collection for the second social accounts
Workshops at the conference should be better tailored to specific interests and levels of understanding of SAA.	We believe we made some progress on this but in the feedback from the 2008 conference some people asked for fuller information about the workshops to be made available *before* the conference
Conference workshop presenters should be better briefed.	This remains an ongoing issue – sometimes it is not so much how the presenters are briefed but how they interpret the brief!
More networking time should be allowed for at the conference	This was factored into '07 and '08 but was made difficult in '08 because of space limitations at the venue. There has of course to be a sensible balance between networking and other conference activities
The range of views about the website from highly complimentary to quite critical should be acknowledged and taken into consideration when it is possible to undertake a further revamp of the website.	The website has continued to evolve and to take on some of the many suggestions made. In early 2009 SAN received funds to permit a website revamp to be undertaken and a brief was issued in June 2009.
The best way of making social accounts available to interested parties should be reviewed.	Little progress has been made on this beyond agreeing a) that the SAN website should either hold the social accounts or have a clear link to an appropriate website and b) introducing the requirement from 1 April that all social accounts audited by a SAN auditor should be made available via the SAN website. We plan for all this to finally be implemented after the review/revamp of the website now in hand.
SAN should press ahead with building the regional networks and identifying coordinators for all the remaining regions.	Some progress has been made. However, we are still seeking people to take on the RC role in N Ireland and East Midlands and to also in London & the South East.
SAN should develop a recording mechanism for inquiries received in order to monitor both volume and quality of response.	It has not been possible to do this, given the low level of administrative capacity available to SAN

Objective Two

Issue	Response
As a matter of urgency SAN must devote more time and resources to building contacts with key agencies and people.	A significant amount of contact-building did happen as part of the research project. However, the SAN Board is acutely aware of the need to raise the profile of SAN and SAA and to ensure that SAN is

	seen and heard in various national and regional situations. The lack of a paid executive capacity makes this difficult although Board members do what they can either as part of the day-to-day jobs or in a voluntary capacity

Objective Three

SAN should a) develop an improved system of managing the approval process for social auditors and implement it as matter of urgency and b) consider introducing a feedback process for mentees so that where there is dissatisfaction in a particular instance it can be dealt with.	The approval process is now managed on a regional basis although the Quality & Approval Sub-committee retains the final decisions. This does mean that it is more effectively managed in some regions than others and there remain problems in linking would-be auditors with panels to sit on, write shadow notes and chair for the first time with a mentor. With paid executive capacity SAN would be able to better manage the process and co-ordinate it nationally. Mentors are required to feedback to mentees using the social auditor check-list. However there is probably still scope to formalise this a bit although we believe the new SA Handbook should help make the process clearer to follow and give both mentor and mentees the information they require.
SAN should introduce routine peer review of social audit panel notes.	This was introduced with effect from 1 April 2008
As soon as resources permit SAN should introduce a process of random attendance at social audit panel meetings by members of the Quality and Approvals Sub-committee.	Resources have not yet permitted but it remains an aspiration in order to strengthen the quality and uniformity of the audit process
SAN should try and ensure that at least three CPD events are arranged each year for SAN approved social auditors.	This was achieved in 2008 as the research project seminars were designated as CPD events and the SAN conference is also so designated. However, without central resources it is problematic for SAN to arrange additional events – which ideally should be located at various venues around the country so making it easy for auditors to attend

Objective Six

SAN should review its strategy for recruiting ordinary members.	This has not happened and the number of Ordinary Members has reduced, not increased. The review is therefore even more urgent
SAN should take all necessary steps to ensure some core funding is received before the end of 2008.	This was not achieved. However, early in 2009 SAN received a grant from the Network for Social Change which will contribute importantly to

	strengthening SAN's core capacity. Nonetheless the quest for adequate continuing core funding continues well into 2009.
Environment	
SAN should develop an environmental policy, especially in respect its travel footprint	This has not been done and *should be a very high priority*. Some Board members have been examining their own travel methods and been switching from air to rail whenever possible.
The Social Accounting process	
SAN should explore how to better generate stakeholder response to consultations in its next social accounting cycle, including more face to face consultation and a facility on the website.	The stakeholder consultations for the second social accounts did not include any face to face discussion or interviews as SAN simply did not have the resource to do that, nor to build it into ongoing work in between social accounting cycles. Nonetheless response rates were improved upon those of 2007 although in our view, given our stakeholder groups, we might expect yet better responses from social auditor members and SAN Circular recipients in particular.

3

1   Human Resources

		Number			Date/Details/Comment
1.1	**Number of employees:** Full-time Part-time Occasional Volunteer	0 0 0 2			However one member of the CEU team effectively works for SAN part-time One volunteer puts the monthly SAN Circular together, another manages the website; The directors are all volunteers and are active both as directors and in some cases also as Regional Coordinators
1.2	**Number of members**	51			Plus 8 overseas associate members

		Y	**N**	**NA**	
1.3	**Policies and Procedures in place:**				
	a. employee contracts			x	
	b. employee job descriptions			x	But SAN should consider adopting job descriptions for its volunteer workers (eg: website manager and circular editor)
	c. staff appraisals			x	
	d. grievance procedures	x			SAN has in place grievance procedures for aspirant social auditors who are not recommended for approval and in respect of organisations dissatisfied with how their social audit panel has been handled
	e. disciplinary procedures			x	
	f. equal opportunities		x		Maybe SAN should consider adopting an equal opportunities policy
	g. other, such as family friendly policy:		x		
1.4	**Investors in People**		x		

		Y	N	NA	Date/Details/Comment
1.5	**Consultations:**				*[It is expected that organizations will from time to time consult their workers as part of the social accounting process both about the Key Aspects and about performance and impact in respect of the Organisational Objectives. Please attach blank questionnaires used in respect of Key Aspects + summaries of findings as appropriate]*
	a. with paid employees			x	
	b. with volunteers		x		But all volunteers were included in the consultations for the social accounts wearing other hats.
	c. other			x	

Additional information

2 Good Governance and Accountability

		Y	N	NA	Date/Details/Comment
2.1	**Legal form of organization:** **Constitution (tick appropriate):** Sole trader ☐ Association ☐ Partnership ☐ Company limited by shares ☐ Company limited by guarantee √ Industrial and Provident Society ☐ Credit Union ☐ Community Interest Company ☐ Workers Co-operative ☐ Charitable status ☐ Housing Association ☐ Other ☐ What?.................				

2

No.	Item				Comments
2.2	**Appropriate annual return filed**	x			*[please state to which regulatory body and date of filing]* Companies House 29/04/09
2.3	**Annual General Meeting held**	x			*[please state date and attendance]* 4 December 2007 – 18 members and 2 others attended 7 November 2008 – 17members and 1 other attended
2.4	**Regular Board/Management Committee meetings**	x			*[please state number of meetings in year]* Between December 2007 and April 2009 the SAN Board has met on 7 occasions
2.5	**Annual Report published**	x			Annual report is published each year at the AGM and is available on the SAN website
2.6	**Membership increased/decreased**				*[delete as appropriate and give numbers]* At the time of the previous social accounts (December 2007 SAN had 27 social auditor members and 32 ordinary members; at April 2009 there were 27 social auditor members and 24 ordinary members. Targets sets to increase both categories of membership have not been met.
2.7	**Social Accounts prepared**	x			
2.8	**Social Accounts verified by Social Audit Panel**	x			The social audit panel has been arranged for 1 October 2009
2.9	**Social Accounts reported to Stakeholders**	x			*[explain how]* The 2007 social accounts were reported to stakeholders via the SAN Circular and via the SAN website. The same methods will be used for these social accounts
2.10	**Consultations:**				*[please attach blank questionnaires used + summaries of consultations undertaken]*
	a. with members of the organisation	x			See appendices to social accounts
	b. with members of the Board or Management Committee		x		See section on Scope in social accounts
	c. with Advisory Body members (if appropriate)			x	

2.11	Other quality systems used		x	[please list if any]

Additional information

3   Asset Lock and Use of Surplus

		Y	N	NA	Date/Details/Comment
3.1	**Asset Lock in constitution**	x			*[please give paragraph reference]* Memo para 4
3.2	**Use of surplus:**				*[please tick all relevant in current year]*
	a. no surplus made				
	b. to reserves or re-investment	x			
	c. to charitable purposes				
	d. to employee bonuses				
	e. to directors' emoluments				
	f. to other				*[please explain]*

Additional information

4   Financial Sustainability

		Y	N	NA	Date/Details/Comment
4.1	**Annual Accounts prepared and filed**	x			*[please state with which regulatory body filed]* Companies House
4.2	**Balance sheet strengthened**	x			*[please delete as appropriate]*
4.3	**Profit/loss for year**	x			*[please delete as appropriate and give figure]* £6,802 (2007/08 loss of £7,318)

Additional information *[please attach a summary of latest audited accounts]*
Accounts for year ending 31 March 2008 attached as Appendix C to the social accounts

5   Environmental Sustainability

		Y	N	NA	Date/Details/Comment
5.1	**Environmental policy in place**		x		*[please attach]* SAN had made a commitment in previous social accounts to develop an environmental policy but this has not been done. However for items a, c, d, e, and f SAN follows the practice of the CEU office which hosts SAN. There is no SAN specific report available for these social accounts.
5.2	**Reports on environmental practices available:**				*[please attach reports if available]*
	a. energy use: heat and light		x		
	b. energy use: transport		x		This is an area where SAN should have a specific policy and be able to report on practice
	c. consumption of materials		x		
	d. re-use of materials		x		

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		Y	N	NA	Date/Details/Comment
	e. recycling of materials		x		
	f. waste disposal		x		
5.3	**Carbon footprint calculated**		x		*[please attach]*
5.4	**Other**				*[please list and attach as appropriate]*

Additional information
[Organisations may elect to prepare a brief separate report outlining their Environmental Policies and Practices, or may refer to specific, recognized environmental standards they have adopted. Alternatively they may submit a completed Green Office checklist (file CD 40 in the 2005 SA Manual CD Rom)

6 Local Financial and Economic Impacts in the Community

		Y	N	NA	Date/Details/Comment
6.1	**Purchasing policies defined**		x		*[please attach]* This an area where SAN should make a commitment to develop a policy
6.2	**Report on effect of purchasing policies available**		x		*[please attach]*
6.3	**Local multiplier effect of organization calculated**			x	*[please attach]*
6.4	**Savings to public purse calculated**		x		*[please attach as appropriate]*
6.5	**Value of volunteer contribution**		x		*[please attach as appropriate]* This is an area where SAN could usefully make calculations in the future given its dependence on the voluntary contribution of Board members
6.6	**Total inward investment attracted**		x		*[please attach as appropriate]*

6.7	**Cash and in-kind contributions to the community**	x	*[please attach as appropriate]*
6.8	**Other financial and economic impact calculations:**	x	*[please describe and/or attach summary reports as appropriate]*

Additional information *[please refer to CD file 42 in the 2005 SA Manual CD rom]*