

Social Audit against other audits forms

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Abstract

Social audit is often misunderstood as another form of control to determine the accuracy of financial or statistical reports also on the accurate facts or datas they present. A financial audit focuses on financial information and review their accounting principles and the concept of social audit is more comprehensive, and it includes a larger space than the traditional audit. In general, social control is a process that has to do with measuring, understanding and improving the social performance of the operations of an organization. In particular, it seeks to involve all stakeholders in this process. Social audit measures social performance in order to make improvements and report exactly what is done.

Governments more and more every day, are facing a growing demand: to be more responsive to social and community aspect is looking increasingly his right to be informed and to influence decision-making governments. Faced with these requirements, the executive and legislative powers are looking for new ways to evaluate their performance. Civil society organizations take "Social Audit" to monitor and verify the requirements of the social performance of organizations and institutions. Social audit is a tool through which government departments can plan, manage and measure the non-financial activities by monitoring the social consequences of departments and operations of the entity. Social audit is an independent assessment of the performance of an organization, it relates to achieving its social goals. It is an instrument of social responsibility of an organization. Social audit is a process that enables the evaluation of the organization and highlighting the social benefits, economic and environmental.

Key words: Social audit; Social benefits; Independent assessment of the performance; Ethics; Responsibilities of the organization.

1. Introduction to Social Audit

Social audit can be considered as being in extreme spectrum audit functions. Over the centuries, audit functions have grown and evolved from ancient type which can be called vigilance audit which was mainly concerned with the detection of fraud. Then came, in the chronological order, regularity audit, audit of justice, value for money audit, performance audit.

Social audit is a way of measuring, understanding, reporting and ultimately improving the social and ethical performance of the organization. A social audit helps to reduce the gaps between intention and reality, between efficiency and effectiveness. This is a technique to understand, measure, verify, report and improve social performance of the organization.

SA is a management and accountability tool, a mechanism that can increase the capacity of the organization to:

1. To assess their impact on the parties.
2. Determines how well they follow the values they espouse.
3. Improve strategic planning process, identifying potential problems before they arise.
4. Increase their accountability to the groups they serve and depend.

Social audit provides a systematic assessment on a regular basis and the impact of non-financial objectives of the organization through its performance monitoring and views of its stakeholders. Social audit requires the involvement of stakeholders such as employees, customers, financiers, contractors, suppliers, etc.. This is a way to measure the extent to which an organization survives depending on common values and objectives that it has put in place this mbjetese.

The purpose of a social audit is to document and manage a factual respecting the needs of society, the environment, shareholders and employees. Put greater focus on compliance with labor law, environmental impact, abuse and assault in the workplace, working conditions and health safety. Unlike financial audit, social audit, review the performance of a department, the community core values and distribution of benefits among social groups, which is achieved through the principles of governance. Social audit adds another dimension to the main performance measurements, create social wealth, in the form of useful networking and administration accountability and transparency to stakeholders. The creation of social wealth is one of the keys and contributions of SA.

SA increases accountability because of the strong emphasis on openness and accountability for governing bodies, the information provided must be truthful and accurate. It uses external verification to certify that this report is comprehensive and complete. An audit conducted by the outside can add credibility. What makes it special social audit should be seen in how the entity's performance improved over time in relation to its mission, values and objectives. SA helps re-orientation and re-focus priorities becoming a useful tool to help restore priorities in line with community expectations. It increases trust in social institutions, enabling you to act with greater confidence in social areas that have been neglected in the past or they have been given a lower priority.

Some social audit objectives are:

1. Evaluation of physical and financial gaps between needs and available resources for local development.
2. Creating awareness among beneficiaries and local social service providers and productive.
3. Increasing the efficiency and effectiveness of local development programs.
4. Review of various political decisions, keeping in view the interests of the first stakeholders (shareholders) and priorities, particularly those of the rural poor.
5. Estimate opportunity cost for stakeholders not get timely access to public services.

Social audit information collected through research methods that include accounting, surveys and case studies. The goals of the organization are the starting point from which impact indicators are defined, the stakeholders are identified and research tools designed in detail.

Collecting information is an ongoing process that is often done in one year resulting in ushrimor and accounting organization and preparation of an annual social audit report. Social audit process requires a permanent commitment, but with a clear commitment period of a key person within the organization. The social audit acts together with others in the organization and designs, coordinates, analyzes and documents the information gathered during the process. Experience has shown that it is important to provide training for social auditor during the first few years. If you are well trained, social auditors in different organizations can become self-supporting in subsequent years.

When a community takes a social audit, especially for the first time, it often benefit from the assistance of intermediary organizations such as NGOs, which can provide training on social audit process; provide access to the information required to conduct social audit, assist in collating and disseminating information to the community, finding documents for social audit and pursuit of public officials in connection with the proposed changes or remedial actions.

These NGOs are using social audits as a tool to assess and improve their program activities and overall performance. Theoretically Social Audit covers three different situations:

1. An analysis conducted by an independent auditor.
2. An analysis conducted by internal corporate auditors.
3. An inspection conducted by independent auditors.

These three situations generally follow one another over time, as the company builds its social policy. First, an independent auditor examines the situation and make recommendations. Then, the company creates an organized structure and monitors its social policy. In the end, when the policy is running smoothly, the company orders an independent inspection, whose findings are usually published financial statements.

Identification of actors in general is the first duty of an auditor. However, a social audit does not examine each stakeholder group separately. Interested parties should be considered as a whole, because their concerns are not limited to the protection of their immediate interests. As a result, social auditor will work in social policy components of the company, and for each subject, social auditors will analyze the expectations of all stakeholders. The scope of social audit will include the following components of the organization's social policy as:

- a. Ethics: social policy of the organization must submit the organization's participation in a series of activities that are not considered offensive to stakeholders. Thus, the organization's social policy should have value which should express respect. Being fair, good and responsible, is a reason in itself.
- b. Work: Policies should enhance training, career planning, rewards and advantages related to merit rewards, balance between work and family life and an environment with no discrimination, in order to create the environment that contribute social policy the development of employees.
- c. Environment: Social policy should contribute to reducing the harm caused to the environment.
- d. Human rights: Human rights must be part of the social policy of the organization.
The organization must not violate human rights.
- e. Community: Policies include partnerships with local voluntary organizations, with financial institutions, and employee involvement. Organizations can start a project such as the regeneration of a slum plagued by poverty, unemployment, low education, and communal tensions. Thus, investments in its local community should be a component of the organization's social policy.
- f. Society: social policy of the organization must invest or develop partnerships across the community. For example, namely to establish partnerships with charities to market products giving a small percentage of sales to charity.
- g. Compliance: Policies to deal with changing rules related to its labor force, its products, its administration and its relations. Thus, social policy should contain provisions that identify all legal obligations and the means to fulfill them.

By performing these functions, the need arises of publication of the results of AS, which are necessary for the public as:

1. SA added value. It gives the company a reference that is much appreciated by investors and consumers.
2. SA reduces risks. In a globalized world, where information takes only a few minutes to spread across international markets, transparent and ethical behavior should be an integral part of every organization's strategy.
3. SA is a modern management tool. It is a valuable tool to manage the company, measured and published practice and social responsibility.
4. SA is an evaluation tool. Market analysts, investors now include AS in the list of documents needed to assess the risks of a company.
5. SA is innovative. Publication of annual social audit means that the old approach to change indifferent to pleasure and welfare of employees and customers, for a modern look, with the company's objectives include social and environmental responsibility.

2. Users of SA and who benefits from social audit

Social audit has not owners but only beneficiary. Social audit results numerous benefits. These audit reports to determine the impact of society and identify areas in which work well and which areas are lacking. Other benefits include feedback from individuals key and organizations a

single document drawn up that contains all the information needed to advertise the company and apply for grants and funding.

AS benefit from all groups involved in the activities of the company. They may be shareholders, employees, customers, community, state, local administration, competitors, banks, investors, etc.. Relationship between organization and stakeholders is the essence of the concept of AS. There are two versions of stakeholder theory, which shows this relation:

1. Between organization and stakeholders, which is guaranteed by the company and means taking responsibility and duty to disseminate information on the activities of the organization. In this case, SA represents a way to bridge the gap between the responsibilities of the organization and dissemination of information.
2. The organization identifies himself or interested parties to give credibility in relation to external agents. In this case, the information becomes one of the most important elements to manage the relationship with users, in order to gain their support and approval.

This audit provides useful information for directors to make decisions about social programs. AS is a tool that helps managers to understand and anticipate the concerns of interested parties. This tool provides essential information about the interests, perspectives and expectations of the parties and facilitating the interdependence that exists between the entity and society. Preparation of SA stimulates employees to participate in social activities and projects, improving internal communication and integration between managers and staff. SA integrating existing management systems, employee responsible, every day take effective decisions taking into account the concerns of stakeholders.

Suppliers and investors learn how the company faces its responsibilities in relation to human resources and the environment, which is a good indicator of how a company is run. AS tells customers its philosophy and quality of product or service offered, showing how the company has chosen to make himself known.

The state also benefits through the identification and formulation of social policies. The information generated by an AS can provide crucial insights about ethical performance of departments and institutions as very interested parties perceive the services provided by the entity. AS units in the state legislature and executive bodies helps to identify problem areas and provides an opportunity to take a proactive approach to finding solutions.

A social audit can meet the annual financial audit of the organization, providing clear and concise in working towards social objectives. Results can be entered into the organization's strategic review and planning processes to improve overall performance and social impact. In addition to serving as a management tool, social audits can be used for marketing promotion and protection purposes. Many of these are key factors towards community initiatives. Social audit methodologies can be tailored to provide comparable information base and enabling the social, environmental and economic initiatives of the organization.

Social audit is a method used by companies to investigate whether the organization is working in accordance with social goals, and economic and environmental principles and values expressed au. Social audit is similar to the corporate social responsibility which itself regulates its positive impact on society. Although an audit can provide recommendations in a social audit, the auditor can not convey his opinion and judgment of the organization. Its role is to remain independent and impartial. The auditor must fulfill the purpose of collecting evidence and data, and report its findings. To be effective, social auditor should have the right to:

1. Seek clarification from the implementing agency in connection with any decision-making activity, scheme, revenues and expenses incurred by the agency;
2. Consider and scrutinize existing schemes and local activities of the Agency;
3. Entry records and documents relating to the development activities undertaken by the implementing agency or by any other government department.

To transmit a social audit organization followed several steps: preparation, planning, keeping accounts (evidence), reporting and audit.

Preparation: Before starting work, the audit learns about social status such as: requirements necessary to perform an audit, management guides for the process and what he needs to carry out social audit. This process occurs in preparatory process of keeping records.

a. Planning: The first step is SA. In this process, the company identifies and clarifies its goals, aspirations, values and missions. Planning stage analysis is a type of organization, including its tasks, why and how the organization has undertaken these tasks, who works and who benefits from the organization. Identification and clarification of these elements is essential for organizations to determine the extent of SA boundaries.

b. Keeping records (accounts), is the second step of the process. In this step the organization is focused on auditing and the benefits that come from it. Before deciding, the company implemented a program to collect appropriate information from key individuals as shareholders about how well objectives are achieved, goals and aspirations. At the end of this step, the data are compiled and analyzed.

c. Reporting and audit, is the third and final step. Now the company produces the data collected from the second step in a document VTEM which it serves as a draft for SA. SA panel composed of people outside the organization and unrelated to it, examine data and check if the information collected is appropriate, if the report is accurate and correct. Once the panel approves the findings of the report, the report validates the organization's key members as shareholders.

Social auditing is enabled through community participation in local planning. SA encourages local democracy by enhancing the benefit of vulnerable groups. AS promotes collective decision-making and allocation of responsibilities and develop human resources.

SA is a great promise as a management tool, but there remain some potential problems:

- a. The reporting organization may deliberately limit the scope of the audit in order to avoid controversy.
- b. The process can be managed "Within" at the expense of some external actors.
- c. Some actors can be significantly excluded.
- d. Organizations can use arbitrary or inappropriate indicators to assess the results.
- e. Standards, auditor independence and integrity may be open to question.

Therefore it is necessary to generally accepted Assurance Standard (AA1000).

3. importance of SA on public service audit

In chronological way, we can consider the regularity audit, audit of justice, value for money audit and performance audit, as important elements in achieving the "3" in the audit (economy,

efficiency and effectiveness). While auditing the state is concerned, the value of money audit and performance audit.

In SA, it goes beyond these areas and examines the impact of specific government activities in certain sections of society which are in contact with government agencies. In a welfare state, the government has a general obligation for the welfare of the people. This is translated in its concern for improving the quality of life by improving living standards, health, education. Symptoms of social problems which must be addressed through a program and its cause is almost always exists on several levels. In the first level, the symptom of the problem may be the high rate of disease and its cause may be the lack of adequate living space, sanitary facilities etc.. In the second level, the level can be the cause of insufficient income to the families concerned. At the third level, symptom to be treated will be inadequate level of income and its cause may be a lack of education and training which prohibit the head of the family from getting and keeping a skilled workforce to ensure sufficient income family.

Public services are designed to meet certain social obligations by providing certain public services such as water, electricity, transport, etc., which are essential to meet social obligations entirety. Their responsibility is to operate efficiently and economically. The fact that their activities may be subsidized by the state to get public services at reasonable rates, it helps to function efficiently and within economic constraints under which they must operate.

Public services, as well as all public companies have obligations to other internal and external social over economic and efficient operation and the need to adapt to the general concerns of the states to improve the quality of life. But the community is not happy about the quality of direct service he receives from the public service. Community in particular, would like to know things such as long-term plans for expansion and diversification enterprise which will have impact on the local economy. He will want to know something about its effect on the stability of local employment levels, local taxes paid by him; generosity of its contribution to local employment, hiring and promotion practices of paid, water pollution and noise, energy and water consumption; appearance of plants, traffic flow, impact on local policy, research and contribution to import substitution, etc. support for local industries. These are obligations of the various internal and external social which have come under the scrutiny of social auditing. AS of public services is a step forward efficiency audit, which will be mainly concerned with the assessment, the main function of how effectively the enterprise is being downloaded.

Problems faced by the social auditor are partly dependent and partly out of his control. It should never be forgotten from that social welfare programs are intended to bring about social change. Measuring inputs or outputs can not meet the requirements of effective social audit. A social audit should have a more positive approach. He does not criticize a nutrition program on the grounds that it does not meet the nutrient standards set by the World Health Organization. Often he may even be able to justify the criticism of not achieving the objectives set out in the program. He has to look at the positive social changes brought about and in some cases their costs.

Social auditor should face some problems which are beyond its control. Not all social welfare programs are well designed and based on valid assumptions. Some programs do not cover problems at the first symptoms, but at levels far. Others ignore the need for a software package. For example, a program to improve rural health should be part of a well-designed project that contains several individual programs that deal with issues related to rural housing, rural water supply, education, nutrition, rural rural pollution, trade and industry to manufacture etc. And when a program is well designed, it does not make the task easier social auditors, because, in the

preparation of social audit report on a program, it should consider how related programs are progressing.

SA of public services and public enterprises, faced with problems of a reliable information system. You should therefore keep detailed evidence of what they do. But in practice there are often cases where such data are kept, but do not provide a complete picture of the problems that catches SA. Social audit can be done effectively if the auditor intends his work with the greatest care the right economic or efficient

Conclusions

Business in the information age is witnessing a complete transformation. First, the use of internet and intranet has created a new way to make the sale of products. Second, corporate policies to a whole range of stakeholders have become an essential element of the company's long-term growth. While most companies are aware of the new situation, very few are fully integrated into the way they do business.

Thanks to the creation of a social policy most companies already have elements of this policy, but often these are part of independent regulation and practices. Most of the time, they are part of a unique, they are not managed by senior executives so powerful, they are not reviewed before business decisions, and they are not used in ways that will produce benefits their complete.

The first work that auditors should do, is to conduct an independent social audit, to prevent problems in terms of social side. The audit will identify stakeholders, will explain the components of a social policy that would address the concerns of these stakeholders at each level defense or productive, and to make recommendations on appropriate measures to build social policy. The company should be fully included in the audit.

Independent social audit is neither an inspection nor is it a situation where the auditor provides a solution. The auditor works in the collection of sufficient information and solutions. The auditor gives suggestions, information together to create a whole picture of the social situation, and advises the company to build its social policy.

Social auditor should be connected at the time of the creation of the social program in an organization so that, with his knowledge and experience in the field, he may recommend appropriate methodology to assess social change, and in terms of monitoring personnel and human resources. He may be able to highlight factors which can distort the program and its evaluation. Especially when it is initiated by the community or civil society actors, the implementation of a social audit may require considerable technical support, especially in obtaining and analyzing data.

All this, however, is far from what can be done in practice today. Difficulties facing insurmountable social audit and many state organizations have prevented them from taking the social audit valid.

The main difficulty, as noted above, is the lack of existence of adequate accounting systems and reporting, as well as the non-existence of public accurate data that is a problem. Access to public records is crucial for a social audit process. Making data can often depend on the intervention of officials.

SA if not treated with honesty, can provoke emotions and can potentially lead to conflict with those who are audited. It is necessary to anticipate the potential need for conflict management

and to remind all participants that the primary purpose is not to assign blame, but to bring about improvements.

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