

# What is social accounting?

Social responsibility and accounting  
developers association

**4<sup>th</sup> Summer Academy**

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# Familiar ? 😊

- monitoring goals is difficult?
  - increase urban and rural interaction? promote entrepreneurship? develop new cooperation? project activities are innovative?
- indicators do not measure the "right" things?
- interest groups do not understand our activities?
- people do not adequately commit themselves to goals?
- the majority of activity results remain unseen?

# What is social accounting?

- a method for measuring and presenting social and communal results
- of benefit to
  - ideological organizations (village associations, action groups, village coalitions etc.)
  - the public sector
  - social welfare enterprises and other joint economic organizations
  - private enterprises
  - projects etc.

# Why is it worthwhile to do social accounting?

- to produce added value
- to add credibility to your activities
- to make unseen results visible
- to present social capital
- to produce quality, and to function as a tool of development
- to commit people
- to influence values and opinions through information
- to raise awareness of your own activities
- to present the particular values of your own activities

# Characteristics of social accounting

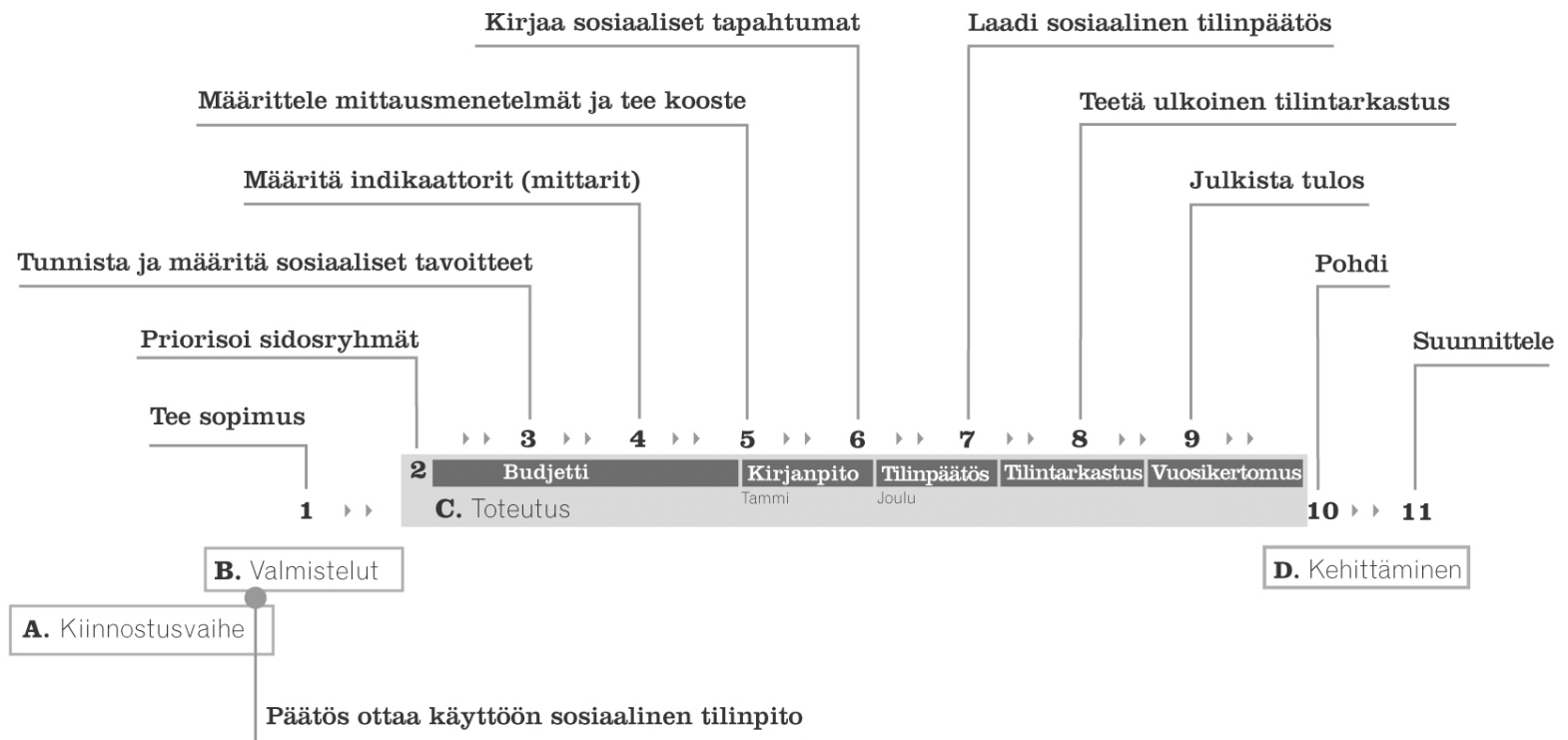
- **Methodicalness**
  - Budget - bookkeeping – closing of accounts – auditing
- **Regularity**
  - continuous and repeating year after year
- **Balance**
  - between quality and quantity
- **Transparency**
  - gains and losses are presented without embellishment

# Characteristics of social accounting

- **Credibility**
  - facts are recorded, there is a receipt of all transactions, and bookkeeping is checked by auditing
- **Comparability**
  - to the previous year and others in the same field of business
- **Availability**
  - accessible to interest groups and interested parties
- **Learning**
  - an information base for conscious development based on information

# Social accounting process (SoT)

## SoT • Neljä vaihetta, yksitoista askelta



# Important in social accounting

- to implement the SoT process step-by-step
- to draft from the SoT a clear commissioning contract
- to choose the year's most important interest groups
- to prioritize the key goals of the organisation
- to define indicators for each goal



# Important in social accounting

- to formulate indicators to be measurable and perfectly clear!
- to use creativity
- to decide on the methods used for making each measurement
- to gather information and to monitor the progress constantly
- to gather the information of receipts for closing of accounts
- to conduct an outside audit

# Important in social accounting

- to publish the closing of accounts
- to combine social closing of accounts with the yearly report
- to analyse implemented work and results
- to plan the next year and to involve people in it
- to constantly develop the SoT