

## **Principles and Standards for Evaluating Social Accounting**

**S. Sowbarnika<sup>1</sup> and S. Nagarjun<sup>2</sup>**

<sup>1</sup>Phd Scholar, Department of Commerce, PSG College of Arts and Science, Coimbatore, Tamilnadu

<sup>21</sup>Assistant Professor, Department of Commerce, Kristu Jayanti College, Bangalore, Kamataka

### **ABSTRACT**

*Social Accounting and audit establishes a framework for in progress observation, analysis and responsibility to stakeholders each internal and external to the organization. Social Accounting will facilitate a company to research its performance against social, environmental and economic objectives, and make sure that it's operating in accordance with its values. Within the non-public sector, social accounting is aligned with company social responsibility. Social accounting associate degree auditing may be a approach of measurement and coverage on an organization's social and moral performance. a company that takes on associate degree audit is clear and makes itself responsible to its stakeholders. The role of the social auditor in associate degree assurance engagement is comparable to it of a financial auditor. Customers, service users, or purchasers are often committed the social accounting method and thereby feed their views into the organization's designing and measuring method. These people or teams may also request / browse social accounts to understand a lot of regarding organization. Social Accounting are often quite labour intensive, particularly the primary time. If the organization has not done basic strategic planning in it slow, it are often troublesome to progress through the method quickly. This study provides the " Principles and Standards for evaluating Social Accountability". Like ISO 9000 for quality management & ISO 14000 for environmental management, the SA 8000 provides a group of standards for evaluating social responsibility in some areas.*

*Keywords: Social Accounting, ISO, SA, Organization, Customer, Service users.*

### **INTRODUCTION**

Social Accounting and audit establishes a framework for current observation, analysis and answerableness to stakeholders each internal and external to the organization. Social Accounting will facilitate a company to research its performance against social, environmental and economic objectives, and make sure that it's operating in accordance with its values. within the non-public sector, social accounting is aligned with company social responsibility. Social accounting and auditing could be a means of measurement and news on an organization's social and moral performance. a company that takes on an audit is clear and makes itself responsible to its stakeholders. To perform comfortable work, to specific an opinion on the dependableness of the knowledge contained within the report. Social auditor doesn't value the performance of an organization's company social responsibility or property activities. Auditor task is to verify information and gather proof for all vital assertions within the report. reckoning on the pre-defined scope it additionally assess the report's conformity to explicit standards or protocols. additionally the auditor will build specific recommendation to the organization.

### **LITERATURE REVIEW**

Seema Gull1 , Anand Hanchinal2, Salma M. B.3 (2013) Social accounting is bothered with the event of measuring system to observe social performance. property and social responsibility seem to be occupying an area of accelerating importance within the discourse close business and organization. at the same time, social group issues for the manner during which organizations represent themselves with regard to social responsibility and property stimulate a desire for wider responsibility. Social accounting has mature, during a comparatively few years, from a really marginal space of interest and observe to a various and vivacious space of analysis, teaching and observe. Incidentally, a number of this ringing might derive from there being twin sources of literature within the field of accounting on the one hand and finance the broader management and structure studies on the opposite. during this paper we tend to discuss what social accounting is, might and/or ought to be social accounting might have succeeded additional clearly in raising and maintaining a full of life discourse. The paper provides a short introduction to the expansion within the social accounting literature. this text, mistreatment descriptive methodology, firstly, explains social accounting, its goals and

assumptions, then, expressing social profit of accounting info quantity, declares its current position and social accounting implementation.

Hamad Alhumoudi (2017) This paper aims to analyse and discuss the event of external social accounting (ESA). during this paper, the ESA is outlined because the firm's illustration of its operations and their effects on society. The initial development of this idea began in the 1920s and it went through exceptional developments and achievements to gain its current stage at now. This paper have reviewed the literature in development of this idea and it found that there are great developments within the space of ESA coverage, however that conjointly variety of important problems are known together with reporting-performance gaps relating to deficiencies from the revealing follow and social auditing follow. There also are evidences that variety of corporations portray their contribution in ways in which makes them seem generous, whereas, within the majority of cases, this could be established as untrue. This paper contributes to the present literature by gathering several ideas (i.e. CSR, social accounting reporting) underneath the name of external social accounting, that chiefly focus within the coverage of social activities. conjointly it contributes to the literature by providing an outline of the event and its critiques.

Laurie Mook (2014) The purpose of this writing is to improve a non-profit-making integrated social accounting (NISA) model that takes in consideration the definite objectives of non-profit-making organizations their specific characteristics and their economic, social and environmental impacts. The abstract framework includes process social accounting, setting the boundaries of the coverage entity, distinctive the objectives of non-profit-making coverage, distinctive the users of the accounts and their info desires, and considering the queries that got to be answered so as to grasp if the organization is achieving its goals. From the framework, the NISA model is developed, incorporating four elements: (1) economic and human resources; (2) economic, social and environmental worth creation; (3) internal systems and processes; and (4) structure learning, growth and innovation. Overall, the model provides a mechanism to handle each practical and strategic responsibility considerations of the organization, its effectiveness and potency, and to drive behavior through feedback and readjustment. During this method, accounting plays a vital role in shaping the 'reality' of the organization.

## METHODOLOGY

Secondary information is collected from already existing sources in numerous organization brochures & records. Secondary information for the study were collected from the magazines, websites previous studies. To satisfy the objectives, the study used qualitative analysis. The descriptive study was done through review of existing literature that helped in validation and extraction of the vital variables and factors. Information was collected from secondary sources. Secondary sources were magazines, websites, books, workplace executives, and company information

## KEY PRINCIPLES

The following are the key principles of the social accounting method per the Social Audit Network (SAN), a network providing help to third sector or social economy organizations throughout the united kingdom and internationally

### According to SAN, social accounting ought to be:

- Multi-perspective: Encompassing the views of individuals and teams that are necessary to the organization.
- Comprehensive: Comprehensive of all activities of a company.
- Comparative: Ready to be viewed within the light of different organizations and addressing an equivalent problems among same organization overtime.
- Regular: Done on an current basis at regular intervals.
- Verified: Checked by folks external to the organization.
- Disclosed: Readily on the market to others within and outdoors of the organization.

## Standards for evaluating Social Accountability

- Child Labor: Corporations might not support the utilization of child labor. The Social accountability International (SAI) customary defines child labor because the work of anyone below 15years older, unless minimum age law stipulates the next age for work.
- Forced labor: Corporations might not support the utilization of forced labor.
- Health & Safety: Corporations should give a secure & healthy operating surroundings for his or her staff.
- Freedom of Association & right to collective Bargaining: Corporations should respect the proper of all staff to make trade unions of their alternative & to bargain jointly.
- Discrimination: Corporations might not cooperate in or support discrimination in employing, compensation, access to coaching, promotion, termination or retirement supported race, caste, national origin, religion, disability, gender, sexual orientation, union membership or political affiliation.
- Disciplinary Practices: Corporations might not interact in or support the utilization of penalization, mental or physical coercion or verbal abuse.
- Working Hours: Corporations should comply with applicable laws and business standards on operating hours.
- Compensation: Corporations should make sure that wages obtained a regular operating week meet atleast legal or business minimum standards.
- Management System: High management should outline the company's policy for social accountability and labor conditions to confirm that it includes a commitment to evolve to all or any needs of this customary & national applicable laws.

## CONCLUSION

Social Accounting is quite labor intensive, particularly the primary time. If the organization has not done basic strategic planning in your time, it is troublesome to progress through the method rapidly. though participating in a very social accounting method is seen as a commitment to improvement, social accounting isn't expressly recognized by funders and lenders. The social accounting method isn't notably helpful for benchmarking, because the queries asked and ways for locating the answers are left to every individual organization to come to a decision. However, there are some organizations that are investigation news to a standard framework. For achieving the standards there are some resources required they are: Leadership, Proficiencies or skills, Staff time, Courses, Support .The SAN Social Accounting and Audit Manual and also the AA1000 Assurance customary are accessible to help organizations within the method.

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