



Auditing Social and Sustainability Reports with the AA1000 Assurance Standard

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Why audit?

- It's all about providing assurance
 - reliability
 - credibility
 - accountability



The accountability - sustainability link

- Accountability is both a driver of sustainability and an element of it.

“Accountability strengthens sustainability by building and perpetuating the shared trust that is necessary for organizations to take a long term view of sustainability.”

Why is accountability important?

- business is experiencing historically low levels of trust
- affects employee morale, investor confidence, public support, license to operate, government response, etc.
- It is not enough for an organization to be contributing to sustainability -- it must be seen to be doing so

How can organizations demonstrate accountability?

- Meaningful stakeholder dialogue
- Responsive business style
- Continuous improvement in sustainability performance
- Performance reporting that is fair, accurate, relevant, transparent *and credible*

The AccountAbility 1000 Assurance Standard

- First open-source standard for evaluating an organization's sustainability reporting.
- Compatible with various content standards, e.g. Global Reporting Initiative
- Requires auditors to disclose their competencies and relationships with the client

The Accountability Commitment to *Inclusivity*

- Identify and understand its social, environmental and economic performance, and Stakeholders' views on these,
- Consider and coherently respond to aspirations and needs of Stakeholders,
- Provide an account to its Stakeholders for its decisions, actions and impacts.

Principles of the AA1000 AS

- Materiality
- Completeness
- Responsiveness



Materiality

- The organization shall include in its report, the information about its sustainability performance that stakeholders require to make informed judgements, decisions and actions.

Completeness

- The organization shall identify and understand material aspects of its sustainability performance.

Responsiveness

- The organization shall
 - respond to stakeholder concerns;
 - establish policies, targets and indicators;
 - allocate adequate resources to implement these; and
 - communicate the above in its report in a way that is timely and accessible to stakeholders.

The assurance provider's role

- evaluate the extent to which the organization has applied these principles
- key function is evaluating evidence and robustness of underlying systems
- both quantitative and qualitative information
- levels of assurance may vary

Next steps to accountability

- Help your clients understand the links between accountability, sustainability and business goals
- Learn more about the AA1000 Assurance Standard
www.theaccountabilityproject.ca
- Seek AccountAbility certification

Why should business care about sustainability?

“...because you can’t have successful companies in a failed world”

David Ticoll, Globe and Mail, February 14, 2003

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