



MONITORING POLICY  
OF  
INSTITUTE OF SOCIAL AUDITORS OF INDIA (ISAI)  
(Company Formed by ICAI under Section 8 of the Companies Act, 2013)

**Monitoring Policy**  
**of**  
**Institute of Social Auditors of India (ISAI)**

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## **MONITORING OF MEMBERS**

### **1. Introduction**

In terms of the Bye-Laws adopted by the Governing Board of ISAI, ISAI should have a Monitoring Policy to monitor the professional activities and conduct of members for their adherence to the provisions of the Act, rules, regulations, guidelines issued by the authority as specified in the Bye Laws related to Social Impact Assessors or under the Bye-laws or Code of Conduct for Social Impact Assessors and directions given by the Governing Board.

A member shall submit Annual Return about its activities including ongoing and concluded engagements as a Social Impact Assessor, in the manner and format specified by the ISAI, stating inter alia, the date of commencement and completion of Social Impact Assessment etc. Such Annual Return has to be submitted by the Social Impact Assessor who has undertaken Social Impact Assessment during the financial year.

The Monitoring Committee may review the Annual return and records submitted by the members in accordance with the Monitoring Policy as it may deem fit or as per the directions of the authority.

### **2. Preamble and Objective**

The Governing Board of ISAI has adopted the Bye-laws and in compliance with the requirements of the Bye-laws of the Company, ISAI has formulated Monitoring Policy and formed Monitoring Committee to oversee its implementation.

The Objective of this Policy is to monitor the professional activities and conduct of members for their adherence to the provisions of the Act and relevant rules, regulations and guidelines issued by SEBI related to Social Impact Assessor including

the Bye-laws, the Code of Conduct and directions given by the Governing Board. The Policy provides for:

- a) monitoring of members of ISAI.
- b) the obligations of members to comply with the Monitoring Policy;
- c) submission of Annual Return comprising of details of the entity for which Impact Assessment is conducted, the date of commencement and date of completion of Social Impact Assessment etc in the format prescribed by ISAI.
- d) any change in the KYC of the Social Impact Assessor to be informed to ISAI in the format prescribed by ISAI.
- e) Code of Conduct for Social Impact Assessor provides, inter-alia, that Social Impact Assessor shall perform his work with honesty, integrity, objectivity and impartiality.
- f) storage of information and records;
- g) evaluation of members; and
- h) any other matters that may be specified by the Governing Board to regulate its Members.

### **3. Definitions**

1. In this policy, unless the context otherwise requires,

- a) "Act" means the Companies Act, 2013.
- b) "Authority" means Securities and Exchange Board of India (SEBI).
- c) "Bye-laws" means Bye-laws of ISAI.
- d) "Governing Board" means the Board of Directors of ISAI.
- e) "Company" means Institute of Social Auditors of India (ISAI), a company formed by the Institute of Chartered Accountants of India (ICAI) under section 8 of the Companies Act, 2013.

- f) "Policy" means the Monitoring Policy of ISAI.
- g) "Member" means an individual who is registered with ISAI.

2. All words and expressions used and not defined in this Policy, but defined in the Act shall have the same meaning as assigned to them in the Act.

#### **4. Policy Framework**

##### **4.1 Information to be Submitted**

The Social Impact Assessor are required to report ongoing and concluded engagements as a Social Impact Assessor, in the manner and format specified by ISAI, annually or at such periodical intervals as may be specified by the Board stating inter alia the date of commencement and date of completion of Social Impact Assessment etc .

The reporting requirement for Social Impact Assessor who have not undertaken **any** engagement/assessment will be confined to submission of Static Data as detailed in para mentioned below 4.1.1(i).

##### **4.1.1 Classification of data required for Monitoring**

- i. Static Data
- ii. Dynamic Data

##### **(i)Static Data:**

This consists of information furnished at the time of registration as Social Impact Assessor on registration portal in the website of the Company including details like personal information, educational & professional qualifications, work experience

certificates etc which is less likely to change but is material in terms of the eligibility of the Member to continue as a Social Impact Assessor.

To continue as Social Impact Assessor after registration, the member has to comply with the following norms on an ongoing basis:

- a) The member shall hold valid NISM certificate.
- b) The member shall pay Annual membership fees to ISAI as prescribed from time to time.
- c) The member shall submit Annual Return in the format and in the manner as prescribed by ISAI.
- d) The member shall not possess any of following disqualifications:
  - i. The member should not have been convicted for any offence involving moral turpitude or have been found guilty of any fraud or misfeasance or misappropriation of funds, criminal conspiracy, breach of trust or any of breach of duty under any law for the time being in force.
  - ii. Should not have been found guilty by any Regulator or Statutory Authorities under the relevant laws.
  - iii. The member has been declared as an undischarged insolvent or have applied to be adjudged as Bankrupt.

### **Periodicity of submission**

Static data shall be provided by the Social Impact Assessor in the following events:

- a) At the time of enrolment;
- b) Updation of static data annually;
- c) Updation of static data if there is a change; and
- d) At the time of renewal of membership.

Any change in the Static Data will need to be advised immediately to ISAI, but in no

case later than **15 days** of the above change having occurred or its having come to the knowledge of the Member in the format prescribed by ISAI as **Annexure A**.

In all cases, the Social Impact Assessor will be required to update/confirm the information available in the registration portal of ISAI at the time of his annual renewal of Membership.

**(ii) Dynamic Data:**

Every Social Impact Assessor is required to report each social impact assessment/assignment undertaken by him/her annually in the prescribed format of Annual Return (**Annexure- B**).

**Periodicity of submission**

The Social Impact Assessor registered/enrolled with ISAI has to submit Annual Return as on 31<sup>st</sup> March within **30 days** of end of the every financial year or as may be prescribed by the Governing Board from time to time.

Apart from the above, the Social Impact Assessor will be required to report within **24 hours**:

- a) Any warnings or penalties imposed by the authority/ any institution.
- b) Initiation of legal action against the member.

**4.2 Manner / Format of Submission of Information**

Annual return will be submitted by Social Impact Assessor on the formats placed at **Annexure B**.

**4.3 Obligations to comply with the Monitoring Policy**

- a) Every Member registered/enrolled as Social Impact Assessor is obliged to

comply with the requirements of the Monitoring Policy.

- b) The Monitoring Committee may review the information and records submitted by the Social Impact Assessor with the objective of monitoring the professional activities and conduct of each member and may call for any additional information.
- c) Falsification, misreporting or non-reporting of information required under the Monitoring Policy or sought separately by the Monitoring Committee or any other competent authority may lead to initiation of Disciplinary Proceedings against the member.
- d) The guidelines set out here should be strictly adhered to, failing which action against the Professional may be recommended by the Monitoring Committee to the Disciplinary Committee of ISAI.

#### **4.4 Inspection**

The Monitoring Committee may carry out an inspection of a Member's records wherever deemed necessary, with or without prior notice to the member depending on the urgency. The report of the inspection will be placed before the Monitoring Committee, which would take appropriate steps/action, as warranted.

#### **4.5 Storage of Information and Records**

The data collected by ISAI shall be stored and recorded in a physical and/or digital form for a period of 8 years, having due regard for:

- a) ensuring the privacy of members and confidentiality of information received except when disclosure of information is required by the Authority or by law;
- b) in a non-discriminatory; and
- c) with proper safeguards.



## **4.6 Evaluation of Members**

The information obtained from member may be analyzed to verify whether the Social Impact Assessment were conducted in adherence to the provisions of the Act, rules, regulations, guidelines issued by SEBI related to Social Impact Assessor or under the Bye-laws or Code of Conduct and directions given by the Governing Board.

The information collected from the members may be evaluated on Quantitative and Qualitative Parameters, with a weightage of 30:70 being assigned to the two respectively for facilitating the assessment.

### **4.6.1 Quantitative:**

- a) Frequency of submission of reports.
- b) Delay in submission of information.
- c) Deviation from timelines prescribed under law/regulation.
- d) Transactions conducted with stakeholders/3<sup>rd</sup> parties.
- e) No. of Warnings/Strictures/Penalties imposed till date of return.
- f) No. of incorrect submissions/ data falsifications, etc.
- g) No. of Disciplinary cases initiated, if any, with outcomes.
- h) No. of grievances raised, if any, with outcomes.
- i) Outcome of Inspection, if any.

### **4.6.2 Qualitative:**

- a) Review of steps taken by the Social Impact Assessor.
- b) Violations, if any, of Rules/Circular/Notifications issued by SEBI related to Social Impact Assessor.
- c) Effectiveness and timeliness of follow-up measures.
- d) Implication and impact of grievances received, if any.
- e) Outcome of steps taken for Social Impact Assessment.
- f) Result of Disciplinary Action, if any.
- g) Details of Imprisonment, Debarments, Suit(s) filed against Social Impact

Assessor /Member by the competent authority, if any, with the reasons therefor and status.

In addition to the above, the conduct of the member which impacts the ethical behavior and integrity, the same shall be referred to Disciplinary Committee for appropriate action.

Evaluation criteria for Social Impact Assessor who have undertaken assignments would cover the above factors.

#### **4.7 Review of the Monitoring Policy**

The implementation of the Policy will be monitored and reviewed by the Monitoring Committee and by the Governing Board of ISAI.

The Monitoring Policy may be amended from time to time by the Governing Board and will remain in force till further instructions of the Governing Board of ISAI.

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Annexure A  
Reporting the Change in Static Data

Name:

ISAI Membership Number:

Address for Correspondence:

Email/Mobile:

Reporting Format for Static Data:

Sr. No.	Particulars of Change	Date of Change	Reason for Change	Implications, if any, on Current/ Concluded Social Impact Assessment

Remarks:

Date:

Name and Signature of Social Impact Assessor

### Explanatory Notes:

1. Static Data consists of information furnished at the time of enrolment/registration, which is less likely to change but is material in terms of the eligibility of the Member to continue as a Social Impact Assessor.
2. Any change in the Static Data will need to be advised immediately to the ISAI, but in no case later than 15 days of the above change having occurred or its having come to the knowledge of the Member.
3. In all cases, Social Impact Assessor will be required to submit a fresh Status report to the ISAI at the time of his annual renewal of Membership.
4. Periodicity of Submission:

Static data shall be provided by the Social Impact Assessor in the following events:

- a) At the time of enrolment.
- b) Updation of static data annually.
- c) Updation of static data if there is a change.
- d) At the time of renewal of membership.

5. Periodicity of submission of Changes in Static Data:

Immediately on any change in Static Data, as defined earlier, but in any case not later than **15 days** of the occurrence of the change on the format given above.

**Annexure B**

**Reporting Format**

**Annual Return by Social Impact Assessor**

**Financial year (1 April 20\_\_ to 31<sup>st</sup> March \_\_)**

**Details of Social Impact Assessor**

Name of Social Impact Assessor	
Membership Number of Social Impact Assessor	
Address of correspondence	
Mobile number	
E-mail	
Date of passing NISM Series XXIII: Social Auditors Certification Examination/ NISM Series XXIII: Social Impact Assessors Certification Examination	
Date of allotment of membership	

**Details of Social Impact Assessment Entity where Social Impact Assessor is associated/employed**

Name of Social Impact Assessment Entity	
Social Impact Assessment Entity Registration Number	
Address of correspondence	
Mobile number	
E-mail	
Nature of engagement (Proprietor/ Partner/ Associate/	

Director/Trustee/Employee)	
Name of Social Enterprise of which Social Impact Assessment was conducted	
Details of any pending proceedings whether civil or criminal or by any Regulatory Authority and punishments awarded in the last 3 years including the status of pending proceedings to be disclosed on Annual basis (if any)	
Fees paid (Amount)	
Date of Fees payment	

*\*Add the details of the Social Impact Assessment Entities where the Social Impact Assessor is associated/employed*

**Date:**  
**Place:**

**Name and Signatures of Social Impact Assessor**  
**Membership Number**

