SPI4 Auditor Qualification Process for Auditors

> The SPI4 – Social Performance Indicators 4 – is a social performance assessment tool for responsible and inclusive financial service providers (FSP). The SPI4 allows FSPs to evaluate their level of implementation of the Universal Standards for Responsible and Inclusive Finance, which include the Smart Campaign Client Protection Principles.
> SPI has been developed by CERISE and its partners since 2001, with constant feedback from SPI users using an iterative, collaborative approach. Since 2003, more than 600 FSPs have used the SPI to help assess and improve their practices. The fourth version, SPI4, was launched in January 2014 and updated in July 2016. Since May 2020, SPI4 is available online through the SPI web application.

CERISE promotes the widespread use of SPI4 to help financial service providers (FSPs) improve their social performance. This is why the tool can be accessed for **free** through **CERISE's website** (Excel version·to be phased out by end 2020) and **SPI online**.

To get the most out of a SPI4 audit, CERISE strongly encourages all SPI4 users to get trained on how to use the SPI4 and interpret the indicators. CERISE offers an **SPI4 Auditor Qualification** status to users who want to validate their training and auditing experience.

Why become an SPI4 Qualified Auditor
- Perform reliable audits with quality results
- Support efficiently the process of the audit for an FSP and guide teams to get accurate and useful results to improve practices, share with their Board and other stakeholders
- Deepen understanding about how to use the results for strategic decision·making
- Supervise SPI4 audits
- Conduct SPI4 and SPM awareness·raising trainings
- Be part of the CERISE SPI4 community with privileged access to SPI4 training materials
- Contribute to shaping the knowledge and learning around social performance management and the Universal Standards

A list of all SPI4 Qualified Auditors is publicly available on the CERISE website.

Who can become an SPI4 Qualified Auditor?
Training is open to all who are interested based on a CV showing experience in the field of FSP management or assessment and plans to use SPI4 in a near future.
External auditors are **experts in the sector, available to support FSPs** in SPM and conduct SPI audits with different FSPs. They can be independent consultants, staff of technical assistance firms, national professional associations, national or regional networks, staff of investment firms who may use the tool in their due diligence, raters who can conduct SPI4 as an add·on to a social rating, regulators, etc. **FSP employees cannot be qualified upon request[1].**

> To know more about rights and duties of SPI4 Qualified Auditors, please refer to the Terms and Conditions available on CERISE website.

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[1] As of November 2022, Cerise no longer offers individual qualifications for internal auditors employed within FSPs.

How do I become an SPI4 Qualified Auditor?

Auditor qualification is a two-stage process that involves training and on-site audit. The process is mandatory for all auditors.

Stage 1: training and mock SPI4

1. **Send your CV to CERISE**. This will allow CERISE to know more about your background and possible experience in matter of SPM and evaluation.

2. **Complete administrative steps** to launch the qualification process:
   - Sign the **Terms of Reference** (the contract between you and CERISE that frames the qualification process);
   - **Proceed to the payment** of the qualification fees *(find more on the costs below)*;
   - Schedule planning of the next steps.

3. Train in SPI in virtual:
   a) **Complete the [free SPI4 e-learning module on RIF Academy platform](#)**.
   b) **Watch a [live demo (or recording) of the SPI web application](#)** and answer the evaluation questionnaire.
   c) **Watch the [SPI4 APR Estimation Tool Tutorial](#)** and complete a practical exercise.

   <u>OR</u> attend an <u>in-person</u> SPI4 training. *Find more information about trainings on page 3.*

4. **Download [SPI4 Audit Guide](#)**, **consult the [Step by Step Guide to SPI online](#)**, and **fill in a mock SPI4 through SPI web application** based on a desk review, fictional data, or a case study that can be provided by CERISE. You <u>must</u> complete the entire tool: Organization Information and Questionnaire. You must also <u>provide evidence</u> in the comments section to justify the answers.

5. **Send your mock SPI4 ([SPIflat](#) file format) to CERISE** for review. Evidence will be assessed by CERISE and must be consistent with the guidance provided in the SPI4 Audit Guide. CERISE will contact you once the review is complete, usually within a couple of weeks.

Stage 2: on-site audit

6. Under CERISE's virtual supervision, **conduct one SPI4 assessment with an FSP** within 12 months of completing Stage 1. CERISE provides virtual support during the preparation stage and "help desk" support during the field audit. You must **fill in the audit online and send other draft audit reports to CERISE for review: an action plan, a narrative report and the completed APR Estimation Tool**. These documents must be validated by CERISE <u>before</u> sending them to the audited FSP. Under exceptional circumstances, draft documents may be shared prior to validation, if authorized by CERISE. In this case, all FSP's feedback must be shared with CERISE.

7. **CERISE will review the documents** and will provide you with comments, request additional information or explanations, etc. If this is the case, you will need to update the documents according to CERISE's comments. As part of the qualification process, CERISE may also sometimes contact the audited FSP for feedback on the quality of the auditor's work. CERISE will contact you once the review is complete, usually within a couple of weeks.

8. After these exchanges, **if CERISE considers your assessment satisfactory[2], then the process is validated**. You will have to **sign the [Terms and Conditions for SPI4 Qualified Auditors](#)** and send them to CERISE. You will also have to send the final documents to the audited FSP.

9. Receive **Qualified Auditor Certificate** from CERISE. Your profile and picture are added to CERISE's website.

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[2] If you do not receive a satisfactory performance review after your first audit, you will have a second opportunity, provided you conduct and finalize the second SPI4 audit within 6 months of the first. If the performance review is satisfactory after the second audit, you will become a qualified auditor. Otherwise, you will not be qualified.

How does CERISE evaluate the results of my on-site audit?

During the review (step 8), CERISE checks the quality of your answers and justifications in the SPI4 tool and the others mandatory documents. This is to assess the audit process and objectiveness of your analysis.

Auditors must fill in the audit online and send the APR Estimation Tool, an action plan and narrative report to CERISE. To validate the qualification process for external auditors, CERISE expects a full SPI4 completed with **detailed comments** that provide **relevant evidence** to justify answers and show **understanding of the rationale** for the indicators. Scoring must be **coherent**. The action plan should guide the FSP in **improving its practices** and make specific **recommendations** to technical resources. The narrative report must be **well documented**. Those requirements aim to ensure that SPI4 Qualified External Auditors will be able to continuously provide high quality support to FSPs in the future.

What is the cost of the qualification process?

The cost of the qualification process (not including the training on Stage 1 as costs are variable for the training) is **2,000 EUR per auditor**. This price has been defined according to the level of time and effort on the part of CERISE to provide candidates with tailored support during the process (see support by CERISE above).

Information about the training (two options):

1. SPI4 e-learning module:

Completing the e-learning module may be enough to validate the first step of the SPI4 auditor qualification process for people who have knowledge of Universal Standards and are experienced in assessment, or in FSP management (this is based on the CV received by CERISE).

The e-learning aims to introduce learners to the SPI4 audit tool and audit process. The e-learning addresses how to define social performance and SPM, explains what the SPI4 is used for and helps the learner to understand the SPI4 audit process. The course also guides the participants to identify resources to conduct an audit and improve practices. In general, the course takes at least 2 hours to complete, assuming the learner takes the time to explore the resources referred to in the module (websites documents, etc.). After completing this e-learning module, the learner may have enough familiarity with the SPI4 to conduct a mock SPI4 social audit.

2. In-person SPI4 training:

The in-person training curricula is 12 hours. Typically, a training happens over the course of 2 or 2.5 days. However, it may take place in as little as one day (for those who are fully trained on the Universal Standards, or Smart assessor) or as many as 5, if the training includes a field visit for a SPI4 audit to a FSP. The in-person training addresses the entire SPI4 tool and provides trainees an opportunity to apply the SPI4 through a series of case studies. The training details how to use the results, define priorities and an action plan, and find the resources to guide the implementation of improved SPM. The training ends with an exam (multiple-choice questionnaire).

How long is my qualification good for?

You are considered a qualified auditor as long as you are **using the tool actively** and in **compliance with Terms and Conditions** and **Standards of Use**. You must **conduct at least one SPI4 audit every two years**. Also, you must **stay in touch with CERISE** by responding to CERISE's requests for updates. If CERISE updates the SPI tool in significant ways, CERISE will contact you to tell you that a refresher training is required to retain your qualified auditor status.

Can my qualification be withdrawn?

Qualification can be withdrawn in the case of non-compliance with Terms and Conditions and Standards of Use. For more details, please refer to these documents.

Where can I get more information?

For any question regarding the SPI4 Auditor Qualification Process or your specific situation, please contact CERISE: **spi4@cerise-spm.org**