**TEMPLATE SPI4 AUDIT REPORT**

**General considerations and recommendations for writing the summary report.**

Language This report is first and foremost for the MFI management. Therefore it should initially be written in the native language used by the staff of the MFI. . After the report has been vetted internally, it can be translated into English, which will allow the results to be shared more easily among other stakeholders, such as MIX, the networks, investors, and other external stakeholders. CERISE encourages the auditors to send it a copy in both languages.

Organization The summary should be well structured, to facilitate easy and fast reading.

Pictures Blocks of text are impersonal and not very tempting to read. Pictures of clients and the MFI staff give the reader a glimpse of reality.

Length It’s a **summary**, not a detailed report! Focus on the most important information. The reader wants a quick overview of the MFI’s results.

Audience Remember the different people who will read the summary (investors, microfinance experts, practitioners, networks, TA-providers, general public) and tailor your prose to what they need to know.

**Communication strategy of SPI results and summary**

1. Ask for MFI management to validate the summary.
2. Propose MFI management to send results (the SPI4 questionnaire, not just the summary) to the MIX in order to report on the Social Performance indicators.
3. Disseminate the summary:
* Internal stakeholders: board of directors, staff, clients
* External stakeholders: donors, investors, technical assistance providers, partner organizations, parent organization
* Local and regional networks
* Resource centers (e.g. Microfinance Gateway, Social Performance Task Force Blog, etc.)

**Social Performance of [Name of MFI]**

[Country, Month Year]

**Introduction**

*Summarize the organization’s approach and reasons for applying SPI4 in a few sentences.*

The social audit of MFI-A was conducted using SPI4, a comprehensive social audit tool that allows MFIs to evaluate their level of implementation of the Universal Standards of Social Performance (Universal Standards). The SPI4 assesses a MFI’s strengths and weaknesses on both Social Performance Management (SPM) and on client protection, with the goal of using this information to help the MFI improve its management systems and practices over time. The SPI4 includes a “core” module that consists of:

* The Universal Standards for Social Performance Management - a comprehensive manual of best practices created by and for people in microfinance as a resource to help financial institutions achieve their social goals.
* Smart Campaign Client Protection Certification Standards - the minimum standards that clients should expect to receive when doing business with a financial institution. All of the Smart certification standards and their associated indicators are incorporated into the USSPM.

*If you opted for additional lenses, state which lenses and explain why. Otherwise, delete this section*

* Green microfinance: A set of additional indicators for institutions with an environmental focus (developed by the members of the European Microfinance Platform).
* Poverty: Additional indicators for institutions whose mission includes the goal of reducing or alleviating poverty (from Truelift and the Grameen Foundation)
* SPI3: Additional indicators for users of the previous version of this tool (SPI3) in order to permit comparison between the results obtained from SPI4 and the results of previous social audits using SPI3.

This report summarizes the findings of the SPI4 audit, conducted by *name* from *DATE* to *DATE*.

 [feel free to add pictures of the MFI, clients]

**Description of the MFI**

*Provide a brief description of the MFI giving details not contained in the Introduction above, including social objectives, areas of operations, methodology and services provided (financial and non-financial). Describe the MFI’s context, history and any particularities. Please mention any key partners, affiliations or parent organization.*

**Key Social data** <Month Year>





**Universal Standards Results by Dimensions**

**Define and monitor social goals (XX%)**

Microfinance was developed to serve populations excluded from the conventional financial sector - populations that often include the poor and vulnerable, as well as persons rejected by banks or living in unbanked regions. Microfinance institutions with a double bottom line seek not only to offer financial services to these excluded populations, but also to create benefits in their clients' lives. The standards, practices, and indicators in Dimension 1 help an institution answer the two critical questions: 1) "Is my institution reaching its target population?" and 2) "Are our clients' lives improving?" Specifically, Dimension 1 states that an institution must have a clear strategy that describes the institution's social goals, how the institution's work contributes to achieving those goals, and how the institution will measure its actual progress toward those goals.

*Summarize the MFI’s activities and efforts to date in addressing the 2 standards in Dimension 1. Start with the positive results, i.e., those standards on which the MFI obtained a (very) good score. Mention special efforts or particular circumstances that explain why the MFI obtained these results and if there are any initiatives pending whose implementation will influence this score in the near future. Conclude with recommendations and areas of improvement i.e. those standards for which the MFI did not obtain a good score. Either address each of the standards in separate paragraphs or summarize the whole dimension in one paragraph.*



**Commitment to social goals (XX%)**

Buy-in at all levels of an organization is critical to successful implementation of the institution's strategy. Dimension 2 covers the practices that an institution can put in place to ensure that its board members, management, and all employees are committed to the institution's social goals. This Dimension focuses on how the institution can support and prepare its internal stakeholders for success in terms of implementing the institution’s social goals as well as how each level of the organization can do its part to hold the institution accountable to its mission and help it achieve its goals.

*Summarize the MFI’s activities and efforts according to the 3 standards.*



**Design products that meet clients’ needs (XX%)**

Microfinance has the potential to give the poor and excluded access to financial services. But outreach to a target a population is not enough; products and services must be adapted to clients' needs if they are going to create benefits for clients. Microfinance services, however, have too often been standardized: small loans, monthly repayments, solidarity group guarantees. Providing high-quality services that are well-adapted to clients - i.e. suitable to the local context, diversified, efficient and transparent - requires innovative rollout techniques and a proactive strategy that may combine access to financial and non-financial services. Dimension 3 discusses the various ways that institutions can gather information on clients' needs and preferences, and adapt their products and services accordingly. Dimension 3 incorporates verbatim all Smart Campaign client protection certification standards related to client protection principle one, "Appropriate product design and delivery."

*Summarize the MFI’s activities and efforts according to the 2 standards.*



**Treat clients responsibly (XX%)**

At a minimum, all financial institutions, even those who do not have social goals, have a moral responsibility not to harm clients. Dimension 4 covers the practices an institution can put in place to ensure it does not harm clients. Specifically, the standards in Dimension 4 address prevention of client over-indebtedness, transparency, fair and respectful treatment of clients, ensuring the privacy of client data, and mechanisms to resolve client complaints. All language in Dimension 4 was incorporated verbatim into the SPI4 from the Smart Campaign client protection certification standards for principles two, three, five, six, and seven (respectively, Prevention of Over-indebtedness, Transparency, Fair and Respectful Treatment of Clients, Privacy of Client Data, and Mechanisms for Complaint Resolution).

<Picture of customer>

*You may want to include a quote from one of the customers or other MFI stakeholders (directors, board members, loan officers, etc.) or provide details on an example of good practice.*

*Summarize the MFIs activities and efforts according to the 5 standards.*



**Treat employees responsibly (XX%)**

Responsible treatment of employees is critical to a successful institution for two main reasons. First, because offering employment is an important benefit that an institution brings to its community, and second, because how employees are treated by the financial institution has a huge impact on how those employees treat the institution’s clients. Dimension 5 focuses on how an institution can create a fair, safe, and supportive working environment, and how it can provide employees with the information they need to succeed in their jobs.

*Summarize the MFIs activities and efforts according to the 3 standards.*



**Balance financial and social performance (XX%)**

All financial institutions with a double bottom line must seek balanced financial and social performance. Institutions must ensure their sustainability (financial performance) in order to be able to continue serving their target clients with products and services that create benefits in the clients’ lives (social performance). For this reason, Dimension 6 focuses on the institution’s decision making around key financial topics e.g., growth targets, profit targets and allocation, selection of financing sources, remuneration of employees) that are also crucial to maintaining a client focus. Dimension 6 incorporates verbatim all Smart Campaign client protection certification standards related to client protection principle four, "Responsible Pricing."

*Summarize the MFIs activities and efforts according to the 4 standards.*



**Conclusion and Recommendations**

*Summarize by emphasizing the MFI’s main strengths and identifying* ***one or two (not more!)*** *key areas of improvement. Propose very concrete steps and actions for the MFI, addressing the one or two key issues, which could serve as the basis for a SPM focus in its next business plan. These should be the top two priority issues as seen by the social auditor, taking into account the results of the SPI4, the institution’s mission and strategic priorities, and their available budget for improvements.*

**Action Plan Proposal**

*Using your knowledge of the results of the SPI4, the salient issues in the local context, the institution’s strategic priorities, and the institution’s willingness and ability to allocate budget towards SPM improvements, the social auditors should develop an Action Plan for the MFI that lists all the main areas of improvement. These follow up actions should be prioritized in order of importance/ feasibility beginning with those areas that would be very important to address and not too expensive to fix. This Action Plan should be vetted with the institution’s senior management ideally in order to obtain buy-in for and approval of addressing the highest priority items in the next budgetary cycle.*

**Optional Reports**

*SPI4 allows different reports, so feel free to include below any of those that are relevant for your MFI. However, at a minimum, this section of the report should present the summaries and information generated by the USSPM report feature available on the landing page within SPI4.*



**Client protection principles results (optional)**

*Paragraph that summarizes overall practice in Client Protection Principles. Example: [FI NAME] meets the standards of care in three of the seven principles, with exceptional practices in fair and respectful treatment of clients, despite a gap in one of the indicators under this principle. Small adjustments are needed to meet the standards in the areas of responsible pricing, fair and respectful treatment of clients, privacy of client data and slightly bigger adjustments will be necessary to meet the standards for transparency, primarily due to the use of flat balance pricing.*



**Appropriate product design and delivery**

[Summary of Principle in Practice]



**Prevention of over-indebtedness**

[Summary of Principle in Practice]



**Transparency**

[Summary of Principle in Practice]



**Responsible Pricing**

[Summary of Principle in Practice]



**Fair and respectful treatment of clients**

[Summary of Principle in Practice]



**Privacy of client data**

[Summary of Principle in Practice]



**Mechanisms for Complaints Resolution**

[Summary of Principle in Practice]



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**Scoring Legend**

**Green Index (Optional) (XX%)**

*The Green Index was created to allow those MFIs with environmental awareness as part of their mission to evaluate their level of implementation of practices related to the three standards to strong environmental performance. These standards and their associated indicators were developed in conjunction with the members of the European Microfinance Platform.*

*Give a short introduction to this optional dimension and summarize the MFIs activities and efforts according to the 3 standards.*

[Field example/illustration required here]

