

## Terms and Conditions for SPI4 Qualified External 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 580 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.

CERISE is committed to promoting the widespread use of SPI4 to help FSPs improve their social performance. To ensure high quality results, CERISE strongly encourages SPI4 users to get trained on how to apply the questionnaire and become SPI4 Qualified Auditors.

CERISE distinguishes between external and internal auditors. SPI4 Qualified External Auditors are persons who come and accompany the SPI4 audits of financial service providers. 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.

**SPI4 Qualified External Auditors must continuously provide high quality support to FSPs.** Therefore, in exchange for the use of the SPI4 and to maintain their SPI4 Qualification, External Auditors are requested to comply with the following statements:

- SPI4 may only be applied to FSPs that have **agreed to participate** in a social performance audit.
- External Auditors must **inform CERISE** when conducting an audit.
- External Auditors must always use the **most recent version** of the tool (always available on [CERISE's website](#)).
- External Auditors must agree to **follow the [Standards of Use](#)** when doing an audit.
- Within 4 weeks of completing the audit, External Auditors agree to **send at least the completed SPI4 questionnaire and APR tool to CERISE**, provided the FSP agrees to share these results with CERISE. On a non-compulsory basis, External Auditors can also share action plan, narrative report, exit meeting presentation, etc.

*All documents are kept anonymous by CERISE, who only uses the data on a confidential basis to create benchmarks (presented as averages scores by dimension by region and profit/non-profit status). This allows FSPs to compare their results with those of their peer group. This process also allows CERISE to provide individual benchmarks upon request, update training and auditing materials, and keep auditors informed on learning from SPI4 experiences.*

- The documents prepared by External Auditors must comply with the following **minimum quality criteria**:
  - The SPI4 must be **completed** with **detailed comments** that provide **relevant evidence** to justify answers and show **understanding of the rationale** for the indicators;
  - The scoring must be **coherent**;
  - The action plan should guide the FSP in **improving its practices** and make specific **recommendations** to technical resources.
- CERISE reserves the right to perform an additional quality check, by **contacting the FSP** after an audit conducted by an External Auditor.
- External Auditors must **conduct at least one SPI4 audit every two years**.

- External Auditors can **organize SPI4 trainings** and events about the tool (i.e. seminars, peer-exchanges, etc.). They must inform CERISE of training sessions, supply the list of participants and provide feedback on the training. This allows CERISE to track outreach and provide auditors with the most up-to-date training materials. Training modules for using the SPI4 are available from CERISE upon request.
- The SPI4 cannot be used for purely commercial purposes. External Auditors may be hired to conduct an assessment but must inform the FSP (and the contractor) of the origin of the SPI tool, and charge a reasonable fee (i.e. acceptable for the FSP and in line with support to ethical & responsible finance in the country of operation).
- The name and logo “CERISE” can only be used with the **explicit agreement** of CERISE.
- External Auditors agree to communicate any **suggestion for improvement** to CERISE.
- External Auditors agree to maintain contact with CERISE, **by responding to CERISE’s requests for updates, surveys, virtual meetings, etc.**
- External Auditors must **inform CERISE when changing email contact**.
- **Regarding their collaboration with FSPs**, External Auditors are expected to comply with the following:
  - **Transparency throughout the process:** External Auditors shall keep the FSP informed of their work and share all the final documents produced.
  - **Confidentiality of data:** External Auditors must respect the confidential nature of information gathered during the audit.
  - **Efficiency:** External Auditors shall strive to be as efficient as possible, to reduce the time and cost for the FSP.
  - **Full completion of the process:** External Auditors shall complete the full SPI4 process within the timeframe established with the FSP. Full completion of the process means completing the SPI4 questionnaire and producing at least an action plan in compliance with CERISE’s quality criteria mentioned above.
  - **Freedom of choice:** External Auditors must respect the right of FSPs to freely choose the tools they want to use for social performance management. External Auditors shall not impose any one approach to social performance management.
  - **Conflict of interest:** External Auditors shall avoid any conflicts of interest by pressuring the FSP to apply a specific approach or methodology that would result in direct employment of the External Auditors, and/or be misaligned with the FSP’s priorities.

In the case of non-compliance with these Terms and Conditions and the [Standards of Use](#), the SPI4 Qualification can be withdrawn.

SPI4 Qualified External Auditor \_\_\_\_\_

Date \_\_\_\_\_