

# Measuring social impact for better reporting

Guidance for the For-Purpose sector:  
Charities, Not-for-Profits and Social Enterprises

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# Introduction

Welcome to 'Measuring social impact for better reporting – Guidance for the For-Purpose sector: Charities, Not-for-Profits and Social Enterprises'. This guide supports members and others working with for-purpose organisations in their efforts to measure and report on outcomes and impact.

The for-purpose sector is faced with a unique challenge: How best to deploy limited resources to achieve a seemingly infinite need in the community? Allocating these scarce resources to where they can most effectively make a difference is crucial, yet to date much of the internal and external reporting by organisations in the sector has been focused on what they have done – outputs – and financial performance.

There is broad consensus that measuring and reporting outcomes and impact is critical for most for-purpose organisations to strengthen the sector's capacity to deliver fit-for-purpose services and supports, bolster the financial sustainability of for-purpose organisations and maximise the difference the sector is making in people's lives.

To help meet this challenge Chartered Accountants Australia and New Zealand (CA ANZ) has published this guide to assist members, volunteer directors and other stakeholders apply their skills to measuring and reporting social impact. It provides insights, practical tips and links to a range of resources to set you on your impact measurement and reporting journey.

Chartered Accountants Australia and New Zealand is a strong supporter of the for-purpose sector and understands the crucial role it plays in communities across Australia and New Zealand. In their roles as advisors, auditors, employees and volunteers, Chartered Accountants make a difference in many social enterprises, charities and other not-for-profit organisations, helping to them to achieve their purpose.

"On behalf of CA ANZ I extend my appreciation and acknowledge the members of the CA ANZ Charities & Not-for-Profit Sector Committee and others who contributed their expertise, insights and experiences to this guide's development."

**Karen McWilliams FCA, CA ANZ Sustainability and Business Reform Leader**

# About this guide

This guide is designed to assist accountants navigate from measuring and reporting financial performance to measuring and reporting outcomes and impact.

Accountants already have many of the skills needed to contribute to measuring and reporting outcomes and impact. However, transferring these skills to the social impact space, with its unique terminology, myriad frameworks and resourcing challenges can seem daunting. This guide is designed to assist accountants bridge the gap by providing practical guidance on the process of applying the theory of outcomes to create meaningful reporting.

This guide is driven by member questions that focus on external reporting. Charities in New Zealand are required by the accounting standards to report their service performance (non-financial information which explains why the charity exists and how it is moving towards its goals), and this may be mirrored in Australia in due course. There is also increasing demand for outcomes and impact reporting from many stakeholders including funders, donors, volunteers, employees, clients, customers and corporate partners.

However outcomes measurement isn't only an external communication tool, it's critical to inform internal decision making to enhance the efficiency and effectiveness of for-purpose organisations. It is widely accepted that for-purpose organisations which have embedded outcomes into their governance, strategy, monitoring and decision-making are more likely to be effective in delivering on their mission and can be more financially sustainable than those informed by outputs and financial measures alone.

If your organisation isn't already measuring and reporting on outcomes and impact, using this guide could be your first step towards becoming an outcomes-led organisation. It provides practical steps on how to measure and report outcomes and impact, and throughout the guide there are references to in-depth resources and tools to assist you transition to an outcomes-led organisation.

*"As an accountant who has worked in and around the human services sector for 30 years I know the difference accountants can make to successfully implementing outcomes measurement and reporting. Tools like this one are crucial to support their endeavours to enhance the effectiveness of the for-purpose sector."*

**Professor David Gilchrist FCA, University of Western Australia and member of CA Director, Centre for Public Value, University of Western Australia and member of CA ANZ Charities & Not-for-Profit Sector Committee**

# Glossary

If you're starting out in outcomes measurement and the for-purpose sector it's important to understand common meanings for key terms<sup>1</sup>.

<b>Attribution</b>	The extent to which changes can be considered a direct result of a program, initiative or intervention.
<b>Baseline</b>	Measurement of the situation before an intervention, activity or program, against which progress can be assessed or compared.
<b>Charity</b>	An organisation registered as a charity under the Charities Act 2005 (New Zealand) or the Charities Act 2013 (Cth) (Australia). Charities Services regulates charities in New Zealand, and the Australian Charities and Not-for-profits Commission (ACNC) in Australia. Charities are a sub-set of the Not-For-Profit sector
<b>Impact</b>	The longer-term sustained social, economic, and/or environmental outcomes or consequences of a program or organisation's activities.
<b>Impact investment</b>	Investing with the intention of generating a positive social or environmental impact alongside a financial return.
<b>Impact model</b>	A visual representation of the logic of how an activity will lead to social or environmental change.  Impact models include: theory of change, logic model, program logic, program theory, causal model, outcomes hierarchy, results chain, or intervention logic. Often the term 'theory of change' is used as an umbrella term for all impact models.
<b>Impact report</b>	An impact report is a commonly used term to describe information that explains the outcomes an organisation or program is seeking to achieve or has achieved. Outcomes are usually identified as short, medium or long-term, with the longer-term outcomes representing impact.  An impact report may also be referred to as an outcomes report, or in New Zealand as a Statement of Service Performance.
<b>Indicator</b>	Something that is counted or measured as a marker of whether progress is being made on a certain condition or circumstance as the direct result of your activity/organisation, which indicates whether the desired change/impact is being achieved. For example the number of people who report an increase in wellbeing after engaging in your activity.  May also be referred to as a 'metric' or 'measure'.
<b>Key performance indicators</b>	The most important indicators or measures.
<b>Logic model</b>	A visual representation of how a program or organisation will achieve its goals or purpose, including the short, medium and long-term outcomes. This model may also be referred to in practice as a theory of change.
<b>Measure</b>	See indicator.
<b>Metric</b>	See indicator.
<b>Mission</b>	How an organisation will achieve its vision and purpose.
<b>Not-for-Profit (NFP)</b>	A Not-for-Profit organisation is, generally, one which does not distribute profits to members nor distribute net assets upon termination.

<sup>1</sup> This glossary has largely been drawn from definitions provided by:

Akina: [Terms for Talking about Impact](#)

Centre for Social Impact: Roadmap to outcomes measurement

<b>Outcome</b>	The change that happens because of an organisation's activities. Changes can be short, medium or long-term.
<b>Outcomes measurement</b>	A systematic way to assess the extent to which a program or organisation has achieved its intended results.
<b>Outcomes measurement framework</b>	The framework of outcomes, indicators/metrics, data sources and data management developed by an organisation to measure its impact. This may be based on one or more of the many impact measurement methodologies available.
<b>Output</b>	The direct products or services resulting from an activity or program. It is usually expressed as something countable (number of...). For example, the number of people, places, supports or activities your program or organisation has produced.
<b>Philanthropy</b>	Structured giving, generally by high net wealth individuals/families or by organisations, to improve the wellbeing of humanity and the community.
<b>Purpose</b>	Why your organisation exists.
<b>Qualitative data</b>	Measures and descriptions that seek to understand how the world is understood, interpreted and experienced by individuals, groups and organisations. It unpacks the 'why', is often descriptive, relative and subjective. Qualitative data is usually text or narrative. Examples are descriptions based on participant observations, open-ended questions on interviews and surveys and case studies.
<b>Quantitative data</b>	Data that seeks to explain something by using numerical data: how many, much, often; change etc. It is highly structured and based on theory/evidence and usually objective, but can also capture subjective responses (e.g. attitudes, feelings). Examples of quantitative measures are the quantity of goods and services, the cost of goods and services, the time taken to provide goods and services, levels of satisfaction using a rating scale on a questionnaire or survey, and numerical measures for service performance objectives or goals.
<b>Social enterprise</b>	A purpose-driven organisation that earns most of its income from trading, and delivers positive social, cultural and environmental impact. It may be for-profit or not-for-profit provided it invests efforts and resources into its purpose such that public/community benefit outweighs private benefit.
<b>Social impact</b>	The social, cultural or environmental changes, or outcomes, that happen as a consequence of an activity or organisation. It includes intended and unintended social consequences, positive and negative, of activities and any social change processes invoked by these.
<b>Social return on investment</b>	An economic evaluation framework for measuring social, environmental and economic outcomes and that uses monetary values to represent them.
<b>Stakeholder</b>	Any group or individual who can affect, or is affected by, an organisation or its activities. Also, any individual or group that can help define value propositions for the organisation.
<b>Statement of Service Performance</b>	This statement provides information about what an organisation has done during the reporting period in working towards its aims and objectives, together with supporting contextual information. Certain NFP organisations in New Zealand are required to provide service performance information prepared in accordance with the New Zealand External Reporting Board (XRB) standards.
<b>Theory of change</b>	An explicit theory or model of how an activity, program or organisation will achieve the intended or observed outcomes. It articulates the hypothesised causal relationships between a program's activities and its intended outcomes and identifies how and why changes are expected to occur.
<b>Vision</b>	What your organisation seeks to achieve, its overall ideal state. This may be combined with its purpose.

# Why measure and report social impact?

## There are two ways of answering this question

Your organisation may be required to report its outcomes and impact by external stakeholders, for example to comply with regulatory requirements, fulfil a funding contract or for a grant acquittal report. Alternatively, you may have received a request – or demand – for outcomes information from donors, funders, clients, impact investors or corporate clients.

So, the simple answer is that reporting may be necessary to fulfil funding or regulatory requirements, or to meet the information expectations of external stakeholders.

## Going deeper the question becomes what can measuring and reporting social impact achieve?

An effective impact or performance report should tell the story of how your organisation is making a difference. This assists in discharging your accountability for the funds and resources entrusted to your organisation in order to provide services, and it helps stakeholders understand how effectively the organisation leverages inputs to create outputs and achieve outcomes that deliver on your purpose. For charities, it also assists in meeting your organisation's obligations with respect to the taxation advantages it receives due to its status as a charity.

Many benefits can accrue to an organisation from a high-quality outcomes and impact report, referred to in New Zealand accounting standards as a Statement of Service Performance. It communicates your value proposition, builds trust, increases engagement and forms a basis for advocacy to strengthen the sector.

Internally, an outcomes measurement and evaluation framework can contribute to better decision making. Outcomes-led organisations focus their strategy, goals and program design on achieving outcomes that align to their purpose. They measure whether they are achieving these outcomes through evidence-based evaluation with a view to continuous improvement. They can benchmark against industry norms or competitors. Clients receive better service and the organisation can engage more deeply with their employees and volunteers who see their work is making a difference and that they are acknowledged for this.

“Our vision at Lifeline is an Australia free from suicide.

At my first AGM as CEO I proudly announced a year of sound financial management. The response was deafening silence until one member asked ‘And how many lives did you save?’ I couldn’t say because I didn’t know.

It was at that moment I realised the importance of measuring and reporting our impact, and we continue to evolve our outcomes measurement framework towards answering that question.”

**David Thomas FCA, Lifeline Northern Beaches and member of CA ANZ Charities & Not-for-Profit Sector Committee**

## A note of caution

Measuring social impact is challenging, requires collaboration and buy-in from across the organisation and can drain resources. Here are some tips to match ambition with practicalities so you maximise the benefits while avoiding common pitfalls.

- Implement financial and activity reporting processes before tackling outcomes measurement – if your organisation isn't financially sustainable and cannot track its outputs, there's little value in attempting to measure outcomes.
- Balance the time and money invested in outcomes reporting with the benefits to your organisation. Investing in an outcomes measurement framework may not be the most pressing priority for your organisation at the moment. Starting small now and building your capability may be more appropriate.
- Consider whether your organisation or program is at a stage where outcomes can be reliably and credibly measured. At an early stage of a program or organisation, it may be more useful and achievable to establish a theory of change and develop an outcomes measurement plan than attempt to measure whether outcomes are being achieved.
- Determine whether developing a theory of change will suffice. For a small organisation with a narrow range of activities, a well-defined theory of change may adequately align activities, outputs and outcomes to your purpose. This will enable you to articulate your outcomes and impact, without incurring the time and cost of developing a full outcomes measurement framework.
- Avoid undertaking work already done. Your organisation's activities may be evaluated elsewhere, for example by the funder or an industry body, or outcome indicators already developed.

- Take care that enthusiasm and ambition don't result in more outcomes indicators than are useful for your organisation and its stakeholders. Be mindful of cost versus benefit and what stakeholders really want to know, and align your ambitions with what resources your organisation should invest.
- Be transparent about your outcomes and avoid overclaiming – outcomes should be attributable to your program or organisation. Take particular care with long-term outcomes.

## Find out more

Between 2016 and 2018 Grant Thornton Australia and the University of Western Australia invested in a three-year research program – The National Outcomes Measurement Research Agenda – designed to build the capacity of Not-for-profits in the area of outcomes specification, measurement and reporting.

Learn about what their research shows, including key considerations when deciding whether you should report outcomes in their report [Outcomes: research into practice](#) page 35 onwards.



# Steps for effective social impact measurement and reporting

The process below indicates key steps to start outcomes measurement and reporting, based on insights from contributors to this guide and other resources.

Although this is set out as a linear process, its likely you won't move through it in an entirely linear way. Learnings, changes in your funding and operations, and a host of other factors mean you may have to redo a step or two, or can progress rapidly forwards.

It's a process of continual enhancement and improvement as your outcomes measurement and reporting matures, and your organisation's challenges evolve.

Don't be put off by the number of steps. Advice commonly heard from those who have been on the journey is to get started, start small, and build from there.

"I see a lot of people who try to solve everything before they start, only to give up because they find it all too difficult. Those that make amazing progress all seem to follow a similar path, they:

- start simple and improve over time
- create a learning environment where people feel safe to contribute (particularly frontline staff and clients)
- are pragmatic – and don't over-complicate (it's hard enough already)."

**Matt Bevan FCA (ICAEW), Uniting NSW.ACT and co-founder of [Social Impact Measurement Network Australia \(SIMNA\)](#)**



# Sleep Well

Introducing Sleep Well, a fictional charity that provides emergency accommodation for the homeless. Sleep Well is used throughout the guide, intentionally simplified to illustrate the basics of outcomes measurement. You'll find more complex examples in the resources referenced throughout this guide.

**Sleep Well's vision is that everyone sleeps in comfort and safety. It's purpose is to alleviate the effects of homelessness, and its mission to provide a safe and comfortable place to sleep for those who would otherwise be without safe shelter.**

Sleep Well provides short term emergency accommodation to people experiencing homelessness at its 25-bed shelter, in a temperature controlled, clean and secure building which is staffed overnight.

Sleep Well collects data about the number of beds available, guests per night, guest demographics, length of stay, safety incidents, and repeat guest visits. It also collects data on number of staff and volunteers, donated funds, and quantities of donated goods and services. It maintains its financial information using accounting software.

The benefits of providing emergency accommodation are well documented in literature. Homelessness is a complex social problem that intersects with a range of other social, economic, health and justice issues. Sleep Well's board, staff and volunteers know longer-term solutions are needed to prevent homelessness. However while homelessness exists, they are confident they provide a valuable service.

**Will Sleep Well and its stakeholders benefit from measuring and reporting outcomes?**

It appears Sleep Well has mature financial and activity reporting processes and is collecting relevant and reliable output data.

It's likely that Sleep Well would benefit from establishing a theory of change or other impact model, to understand and articulate the outcomes from its activities. As a small, single activity organisation this may be sufficient to guide internal decision making and to describe the outcomes to external stakeholders.

See Step 3 below to find out how Sleep Well develops their impact model.

Sleep Well may decide to start measuring impact with one or two indicators of whether they are achieving the intended outcomes.

See Step 4 below to find out how Sleep Well develops their outcome indicators.

It is unlikely Sleep Well and its stakeholders would benefit from implementing a full outcomes measurement framework. The costs would outweigh the benefits, and it could lead to overclaiming attribution for long term outcomes which Sleep Well doesn't influence.

# 1. Clarify why you're reporting

Be clear on why you're identifying, measuring and reporting outcomes and what you want to achieve – before you start. This will inform your approach, resources and timing.

Increased demand for impact reporting is being driven by many factors:

- increased pressure on the for-purpose sector to meet growing social needs requires an informed response on what to fund and what activities to undertake to maximise impact
- widespread acceptance that outcomes reporting helps to inform service and support quality and efficiency
- charities in New Zealand are required to report their service performance, and the Australian Accounting Standards Board (AASB) is working towards a similar requirement in Australia
- funders and philanthropists are increasingly asking for outcome reporting, particularly when entering into multi-year contracts and/or social bonds
- donors, volunteers, current and potential employees, clients and their families want to see how an organisation is making a difference before committing to it
- the governments of New Zealand and Australia are increasing their capacity to evaluate the effectiveness of social sector spending and looking to the social sector to provide information
- for-purpose organisations partnering with or supplying corporates will know corporates are coming under scrutiny to create positive impact on communities and the environment. They are looking to partner with organisations in their supply chain that align with their sustainability goals and report on this.

## Mandatory reporting

If you're reporting to fulfil a requirement or funding agreement, are you clear on:

- who you are reporting to
- what you have to report
- how and when you have to report
- whether you have to report at program or organisational level?

The answer varies between organisation, funder, agreement and jurisdiction. Examples may include a requirement to present:

- an impact evaluation report as required by your organisation's governing documents or rules
- a grant acquittal for a funded activity, which may be satisfied by describing outcomes and quantifying outputs of funded activities (eg participation rates), and presenting audited financial information
- a report to meet the conditions of a multi-year funding agreement which may require quantitative and qualitative outcomes data
- a Service Performance Report in accordance with the XRB standards.

## New Zealand specific requirements

### Tier 1 and 2 charities

For annual financial reports covering periods beginning on after 1 January 2022, Tier 1 and 2 charities need to provide service performance information in their financial report, describing what the charity has done during the reporting period in working towards its broader aims and objectives. To do this they need to select an appropriate and meaningful mix of performance measures and/or descriptions so as to provide users of its general purpose financial report with sufficient, but not excessive, information about its service performance for the period.

#### Learn more:

- [PBE FRS 48 Service Performance Reporting](#)
- [Larger New Zealand charities - are you ready to report service performance information?](#)

### Tier 3 and 4 charities

Tier 3 and 4 charities have had to include a Statement of Service Performance in their Performance Report since 31 March 2016 balance dates, to provide non-financial information to help readers understand what the charity did during the financial year. It is about answering two key questions:

- what did we do?
- when did we do it?

**Tier 3 charity:** Must *describe* what the entity is seeking to achieve, and *describe and quantify* (to the extent practicable) the significant activities the entity has undertaken or what it has achieved.

**Tier 4 charity:** Must *describe* and *quantify* (as far as possible) the main activities undertaken.

#### Learn more:

- [Reporting Requirements for Tier 3 Not-for-Profit Entities](#)
- [Reporting Requirements for Tier 4 Not-for-Profit Entities](#)

## Australian specific requirements

### Tier 1 and 2 charities

Australian charities are required to complete and submit an Annual Information Statement to the ACNC. This includes information about a charity's purpose, programs and employees, as well as some financial information depending on size.

#### Learn more:

- [ACNC](#)

### Tier 3 and 4 charities

The Australian Accounting Standards Board (AASB) in May 2023 indicated it will reactivate its project to develop a service performance reporting pronouncement, based on PBE FRS 48.

#### Learn more:

- [AASB's service performance reporting project](#)

## Voluntary reporting

Many for-purpose organisations measure and report outcomes and impact voluntarily, or more comprehensively than required by their compliance obligations. What, when and how to measure and report is a matter of professional judgement, so clarity at this stage is critical so your outcomes measurement and reporting is fit for purpose and the benefits outweigh the investment.

Consider who you're reporting to, and what you want to achieve.

- Which stakeholders are you reporting to, what information matters to them and how might the information you provide influence future resourcing?
  - See the next section on stakeholder mapping, engagement and materiality to find out more.
- How will you use the impact information, what do you want to achieve?
  - Is it to communicate your story more clearly with funding providers and other external stakeholders, is this at organisational and/or program level? Will you report quantitative outcomes data, or is it sufficient to describe your outcomes and support this with output data and case studies?
  - Are you aiming for a full outcomes measurement framework to inform strategy, resource allocation, program design and monitoring, or seeking to start with identifying outcomes at organisational level and perhaps measuring one or two outcomes?

## Plan your measurement and reporting

It's important to also think about the practicalities, so you can plan and scope your outcomes measurement and reporting project.

- Can you learn from how others in your sector and community are reporting?
- Is your organisation ready for outcomes reporting or is there work on financial and output data processes to be done first?
- Is there outcomes measurement capability to build your framework within your current employees or volunteers, or can you attract it pro-bono, for example from a university?
- Do your staff and volunteers have the necessary skills to collect, analyse and report on outcomes data?
- Do you have a timeframe for developing and implementing your reporting framework? Is there a deadline? Are your outcomes identifiable and reportable within traditional reporting timeframes or are they likely to be reported over extended periods?
- Will you be able to aggregate service and support outcomes for individual clients in order to present an organisation-level report?
- What format and medium will you use for reporting?
- Have you considered the costs versus benefits of measuring and reporting outcomes? Are your ambitions costed, do the benefits outweigh the costs?
- Will you need to engage external consultants and/or purchase software?

### **You should now have sufficient information to scope your project, and the resources needed.**

At this stage you should have a reasonably clear idea of the extent of your project, whether you intend to start small with a theory of change, and one or two outcomes measures, or whether you are seeking to develop an outcomes measurement framework for internal and external purposes, or something in between.

This can form the basis for a business case if you decide the project requires additional resources (e.g. external expertise, software). You may need to refine this later, once you have identified the data needed and how it is to be collected in step 4, and how it will be reported in step 5.

**Learn more:** if you are preparing a Statement of Service Performance to comply with PBE FRS 48 *Service Performance Reporting* - or planning for a similar report - the XRB has provided two guides tailored to assist you through the process of planning and collecting data for reporting:

[Staff guidance: Key areas for Tier 1 & 2 public benefit entities to consider when applying PBE FRS 48 Service Performance Reporting](#)

[Explanatory Guide A10: Guidance for entities applying PBE FRS 48 Service Performance Reporting](#)

## 2. Map your stakeholders

Mapping and engaging with stakeholders is essential for successful outcomes measurement and reporting. Your stakeholders will tell you what outcomes matter, how to measure them and how and when to collect the data.

### Map your stakeholders and build engagement

Start by mapping out **all** your stakeholders.

#### Stakeholder groups

##### Internal Stakeholders

Board, organisational leadership, finance team and other administration staff, program staff, volunteers

##### External Stakeholders

Clients and their families, customers, funders, donors, impact investors, partners and alliances, consultants and technology providers, community, government, councils, policy groups and industry bodies

- Identify the stakeholders – internal and external – you plan to report to. Find out what matters most to them – the material outcomes. You'll need to engage with your stakeholders to find this out.
  - This will assist you to prioritise the outcomes that are most important to your stakeholders and focus on these.
  - You may need to prioritise certain stakeholders and their interests, to avoid being overwhelmed.
  - You may also need to negotiate with your stakeholders to ensure the outcomes being measured are most likely to achieve their information needs. Not all stakeholders will necessarily be aware of what outcomes need to be measured in order to assess the efficiency and effectiveness of the organisation's work.

- Identify the stakeholders who can assist with determining outcomes and indicators.
  - This is likely to include frontline employees and volunteers as they usually know what works, and will often be the ones collecting the data.
  - Include those with a lived experience – your clients and their families. They can tell you what makes a difference for them. Ensure you communicate the purpose and constraints effectively to ensure the stakeholders are not left with unrealistic expectations.
  - Include a range of perspectives so you can assemble a complete picture.
- Engage the board/governing body and your people.
  - Collaboration is key to successfully implementing outcomes measurement and reporting.
  - You'll need buy-in to support the project, identify outcomes and indicators, collect the data, and implement changes as the organisation transitions to being outcomes-led.
  - Think about how you can engage them early.

**Learn more:** see Centre for Social Impact's (CSI's) [Roadmap to Social Impact](#) for practical guidance on stakeholder mapping and engagement.

### Tips for success

Jillian Pennington is Data & Insights Manager at Wild Bamboo, a specialist charitable organisation providing tech solutions to assist New Zealand charities report their service performance.

Hamilton based Jillian leads Wild Bamboo's newly created data services platform Tūtohi, an online data platform helping organisations in the social sector tell their story and show their impact. Jillian's says that systems and technology can leverage data effectively. Her tip is to think ahead and be inclusive, and draws on her experience to highlight key areas to consider:

- more voices and perspectives makes for better results – include a diversity of stakeholders and opinions
- getting clarity/agreement as to answers to the core questions can be difficult – so engage early
- think about systems early to ensure data capture is adequate for reporting. Consider whether you should bring in external providers like Wild Bamboo
- linking outputs (e.g. what we did) to outcomes (e.g. impact of what we did) can be challenging – there are lots of resources available to help, use them
- keep feedback tight, and include the people who will be capturing data.

## Materiality

**Materiality is as important to outcomes measurement and reporting as it is to financial reporting.**

- It's important the outcomes you identify are material – they are the things that really matter to stakeholders to assist their decision making.
- By focusing on material issues you can avoid unnecessary measurement work and cluttering the reports with things that don't matter.
- Outcome indicators and measurement methods can seem less precise than financial information – so focus on whether the information provided is materiality correct, and where appropriate disclose any assumptions and uncertainties.

### Defining materiality

There is no single definition of materiality in impact measurement; commonly a material outcome is regarded as one that is relevant to a stakeholder group, and significant enough to warrant measuring.

The [XRB Explanatory Guide 10](#) explains materiality as: "An item is material if excluding it or misstating **it would affect the decisions and assessments** that users make concerning the service performance of an entity."

Social Value International in [The Principles](#) explains materiality as: "Establish the boundaries of what information and evidence must be included in an account of value to give a true and fair picture, and one that is based on the evidence from stakeholders so **decisions taken focus on the changes that matter.**"

## 3. Identify outcomes

Outcomes are the connection between activities and purpose, together they tell the story of the change you are seeking.

The key to identifying outcomes is articulating a clear causal pathway linking inputs and activities to the difference they make. Typically impact organisations do this by establishing an impact model/theory of change; a visual representation of how activities logically connect to intended outcomes and impact. This is a very important step in the case where outcomes are likely to take an extended period to become manifest. The longer it takes outcomes to be achieved, the more important a robust, evidence-based theory of change.

A robust theory of change assists an organisation to focus on achieving its purpose. It's the basis for measuring performance and helps an organisation demonstrate its social impact to external stakeholders. It also assists the board and managers to answer questions such as what could we be doing differently, and what could we be doing better.

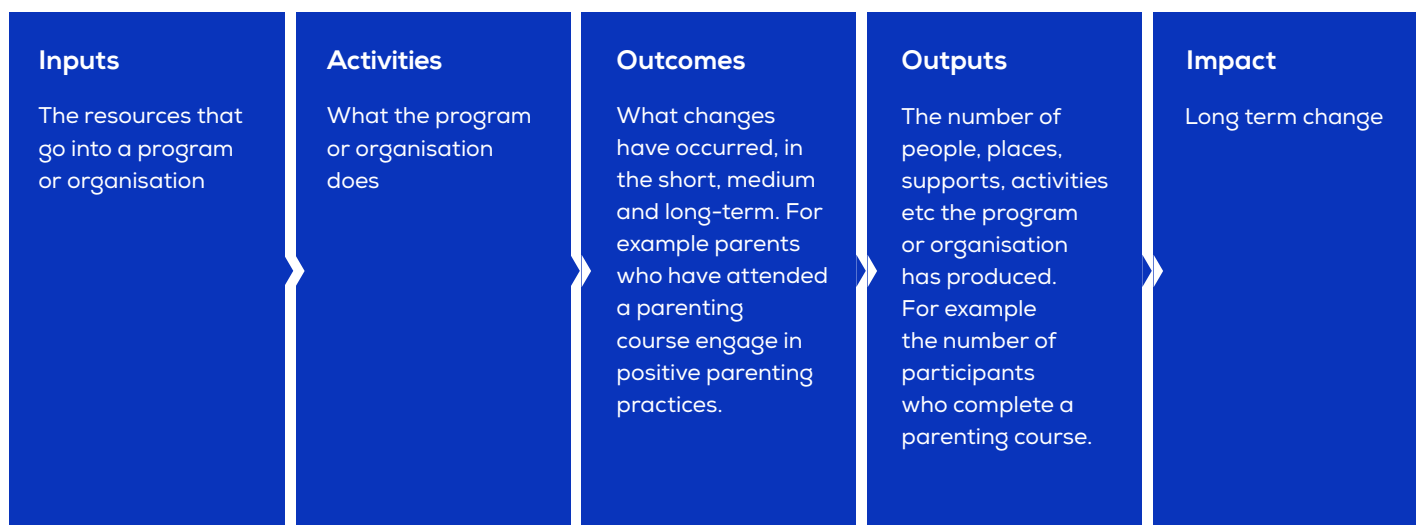
### **Connect your activities to your purpose**

While it's relatively easy to report outputs, reporting outcomes and impact can be challenging and complex.

- It relies on applying evaluation theory using one or more impact models to identify the causal connections between inputs, activities, outputs, outcomes and impact.
- A deep understanding of the context, environment and stakeholders that will affect change is needed; the project team must include people with intimate knowledge of the program and its goals.
- A variety of perspectives is needed, so collaboration with stakeholders from across your organisation and outside including clients, is essential.
- Your people are busy, respect that you're adding to their workload and get their buy-in to the improvements the process will have or funding it may bring.
- Collecting, analysing and reporting outcomes data can be complex and require a set of special skills – skills that are not likely to be present in an organisation that has not pursued outcomes reporting before.
- Change can happen over long timeframes, and progress isn't always apparent.
- It can be confronting – organisations that embark on this exercise may find some of their activities and programs don't achieve the intended outcomes and may result in unintended negative outcomes.



## Articulate a causal pathway to change



Outcomes can be changes in knowledge, attitudes, values, behaviours or conditions, at the individual or program level, organisation or community level, or across a population or sector.

Before developing your theory of change, consider:

- are you clear on your vision, mission and purpose, and the goals of your programs and activities?
  - Charities have a charitable purpose, normally set out in its governing document or rules, and this must be at the core of all activities. Other NFPs, and social enterprises, should also have a clear vision, mission and purpose.
- what is your reporting level?
  - A theory of change can be developed at organisational or program level.
  - If your organisation is not too complex, there may only be need for a theory of change articulated at organisational level.
  - Larger, more complex organisations are likely to develop a theory of change for multiple programs or strategies, which can be aggregated for external reporting purposes. For example [The Fred Hollows Foundation NZ](#) presents its impact model for four pillars in its Annual Report.

- Have you planned to collaborate so stakeholders will be engaged in the process, there is agreement on the material outcomes and frontline employees see outcomes measurement is meaningful?

“My number one tip is to make it meaningful for frontline staff and clients – don’t focus on your corporate office needs.”

**Matt Bevan FCA (ICAEW)**  
 Uniting NSW.ACT and co-founder of [SIMNA](#)

## Impact models

This section introduces two commonly used impact models; theory of change and logic model and provides links to resources to explore these and other impact models in more detail.

## Theory of change

Although the term ‘theory of change’ is often used generically for any type of impact model, in the social impact literature technically it is a model that articulates how a program or organisation achieves outcomes, through a visual representation of how a program or organisation should work. It includes the change model – the changes the program intends to achieve – and action model – the activities that will achieve the outcomes. It should also identify enablers – the internal and external elements that provide critical support for your program.

To develop your theory of change, start with defining your program or organisation’s main activity - what you do, and the intended long-term outcomes.

Then outline the action model and activities -the processes or activities you will undertake to achieve the change. From this articulate your change model – the changes that will result from your program

It’s important to also consider the enablers – what supports you to deliver your program and achieve your goals. These are likely to be internal and external.

This approach to developing a theory of change model is adapted from CSI’s Roadmap to social impact

### Example theory of change

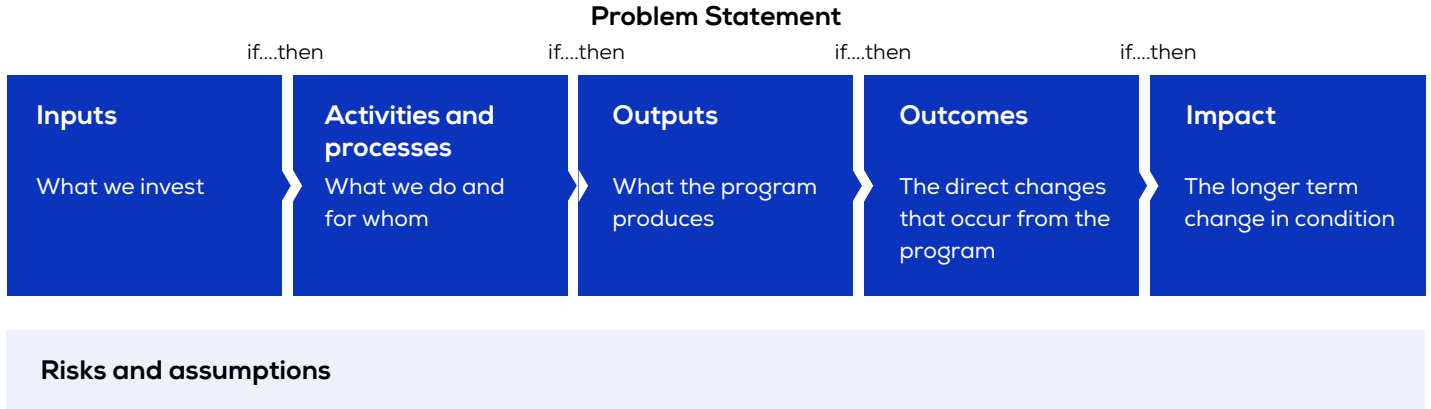
Frances Carter CA works for [Conservation Capital](#), a for-purpose organisation which facilitates innovative commercial conservation enterprise and related investment financing. Frances uses a theory of change to establish whether a project is likely to achieve its planned impact.

One of Conservation Capital’s programs is Mwenzi Capital, and a simplified version of its theory of change is presented here.

<b>Who you are</b>	<b>Mwenzi Capital</b>			
<b>What you do</b>	Provide the opportunity for communities and /or conservation entities to have an ownership stake in businesses which have operations that rely on the natural capital of which the communities/entities protect. Therefore, using sustainable market mechanisms and private sector investment to drive to social equity and environmental impact, instead of donor funding.			
<b>Action model</b>	Use Nature Stewardship Bonds to make structured investments in businesses on behalf of targeted beneficiaries, in the form of Payments for Ecosystem Services (PES).			
<b>Activities</b>	Build a grant-capitalised fund	Select appropriate local partners and nature-based businesses	Develop structured investments in existing, nature-based businesses on behalf of local communities and/or conservation entities.	Link bond returns to business revenue and health of the natural assets which the business is reliant on.
<b>Change model</b>	Unlock the potential for nature-based businesses to scale up their operations			
<b>Changes you hope to see (outcomes)</b>	Enhance conservation by linking conservation activities with business activities (e.g. nature-based tourism, PES)		Disrupt poverty cycles by returning a financial yield that supports the owners and employees of the businesses and the communities in which they operate	
<b>Enablers</b>	Investors, governments, owners and managers of nature-based businesses, local organisations.			

## Logic model

This impact model visually represents how a program or organisation will achieve its goals, by providing a detailed representation of inputs, activities, outputs, outcomes and impact, and the ‘if-what’ relationship between them. It should also articulate the risks and assumptions – the external conditions which could affect progress.

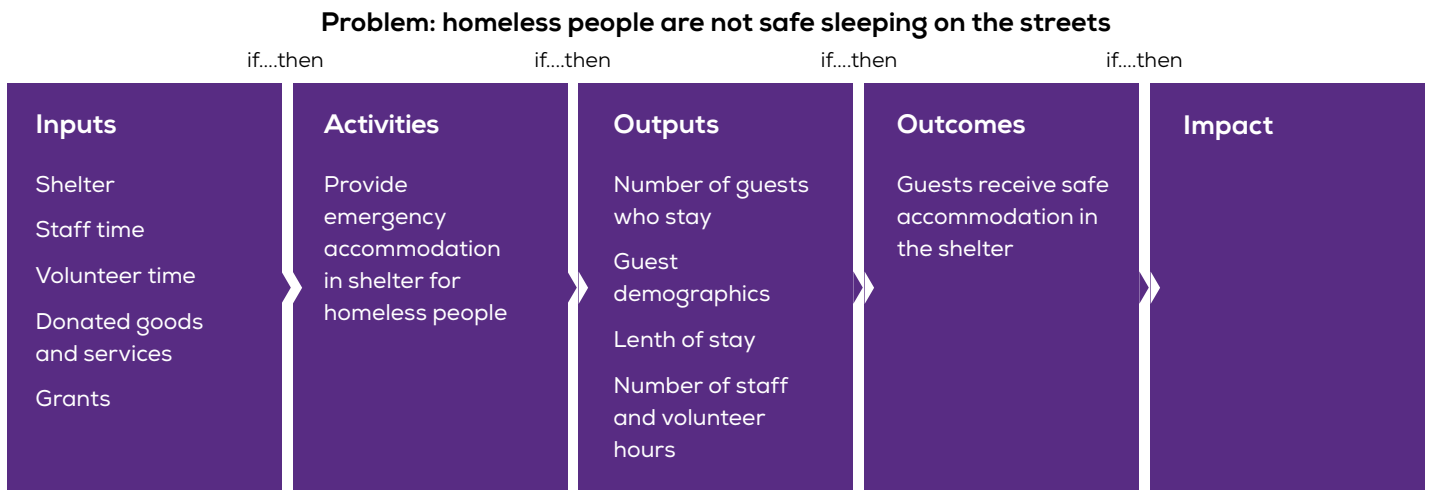


The logic model presented above has been adapted from CSI’s Roadmap to social impact

### Example logic model

To illustrate, a logic model has been developed for Sleep Well, the fictional charity offering emergency accommodation.

### Sleep Well logic model



<p><b>Risks:</b></p> <p>Providing emergency accommodation masks the need for permanent solutions to homelessness, and/or those who are homeless are less inclined to seek permanent accommodation.</p>	<p><b>Assumptions:</b></p> <ul style="list-style-type: none"> <li>Safety includes physical safety from protection from physical harm such as assault, the effects of cold and heat and psychological safety from being able to sleep without being concerned about physical harm.</li> <li>Guests would sleep on the streets or in another shelter if they weren’t at Sleep Well’s shelter.</li> </ul>
--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

In this example the final column on Impact has not been completed – emergency accommodation doesn't provide a long-term solution to homelessness. Claiming long term outcomes/impact risks overclaiming achievements that can't be attributed to Sleep Well's activities.

### Is this useful to Sleep Well?

The logic model articulates the outcomes from Sleep Well's activities, and demonstrates this aligns with their vision, mission and purpose. This articulation can form the basis of simple outcomes reporting to the board and externally.

Articulation of the program logic may also prompt Sleep Well to consider other strategies to create longer term outcomes and further their purpose. Currently they provide emergency accommodation to alleviate the effects of homelessness, which has the short-term outcome of keeping their guests safe while at the shelter. An example of a strategy they might consider to create longer term change could be to partner with an agency that places people in stable accommodation with appropriate support.

### Learn more:

There are many resources that can assist you to develop an impact model. You may also find other organisations in your sector have published their impact model which could help inform yours.

- The Impact Initiative<sup>4</sup> has published a [simple guide](#) to help social enterprises and other impact organisations draft an impact model, including practical steps on how to go about this
- The CSI's [Roadmap to Social Impact](#) includes a worked example on developing a theory of change and a logic model, and tips on how to develop these. This guide also elaborates on how these are used in program design and evaluation.

<sup>4</sup>The Impact Initiative is a partnership between the Department of Internal Affairs on behalf of the New Zealand Government and The Ākina Foundation. They are supported in partnership with the Community Enterprise Network Trust (CENT)

## 4. Measure the outcomes

The aim of outcomes measurement is to identify what outcomes were achieved, and for whom, and what worked best, and why.

If you're initiating outcome and impact reporting for a small organisation and have established a theory of change in which you've articulated outcomes, this may be enough to get started if it satisfies external reporting needs, and focuses the organisation on purpose.

Alternatively, you may be aiming to start measuring one or two outcomes, or establishing a comprehensive outcomes measurement framework to be used as the basis for internal decision making and external reporting. Whether you're starting small or developing a full framework, selecting relevant indicators that can be measured reliably is the next step.

### Select the outcomes you'll measure

Be pragmatic in determining which outcomes you'll measure and how you will measure them.

- Which outcomes and what information about those outcomes matters most to your stakeholders?
- Which of these material outcomes will you measure?
  - Will you start with measuring all material outcomes, or prioritise the most important, or easiest to measure, or all of them?

*“When beginning to think about impact reporting, most organisations find it difficult to clearly define the impact of their operations. But that's ok because we all need to start from somewhere, and it's an evolving journey over time. Establish the impact model, pick one outcome, one indicator and start measuring from there.”*

**Anthony Rohan CA, Fairground and member of CA ANZ Charities & Not-for-Profit Sector Committee**

### Identify and select indicators

If your aim is to measure outcomes, you'll need to identify one or more indicators to measure each outcome.

An indicator is a measurable marker of whether progress is being made on a certain condition or circumstance as the direct result of your activity/organisation, which indicates whether the desired outcome is being achieved.

#### **A word on terminology:**

Indicators and data can be objective (quantitative) or subjective (qualitative). The terminology of evaluation may seem slightly different to the terminology of accounting in this respect. Quantitative data can be based on organisational data, such as how many participants in a program have found employment while in a program, or on surveys such as the result of a well-being survey where participants rate their well-being on a scale or 1-10. Qualitative data is typically based on interviews or focus groups and asks individual participants about how they feel, for example how do you feel as a result of participating in the program. These form the case studies which validate and add depth to the quantitative data.

Best practice is to collect and report both quantitative and qualitative data.

“My tip is to start with something you already have or can obtain relatively easily and work from there. If you start small you can scale up as you build your knowledge and skills.”

**Thomas Griffiths FCA, BaptistCare and member of the CA ANZ NSW NFP committee**

It can be challenging to identify and select appropriate indicators to measure material outcomes. Again, be pragmatic when selecting indicators and data collection methods. Consider:

- whether you already have organisational data that is relevant as an indicator of whether an outcome is being achieved
- whether there are data banks you can select indicators from
  - There may be suitable indicator banks and surveys from industry bodies, government or academia appropriate to your organisation that could be a starting point. For example, see the data banks listed in:
    - [The Impact Initiative guide: Choosing impact indicators](#)
    - [CSI: The Compass](#) (page 26)
- whether other tools or frameworks will assist if you need to develop your own indicators
  - If the resources listed above aren't relevant to your organisation, or there are gaps in your data needs, there may be other tools and frameworks you can use to identify relevant indicators. Some tools also assist in developing survey questions, and links to where data can be sourced. For example:
    - [The Impact Initiative guide: Indicator canvas](#)
    - [CSI's Roadmap to Social Impact](#): Appendix 4 Logframe matrix

- whether your organisation has the capability and capacity to collect the outcomes data
  - When selecting indicators, consider who will collect the data, whether they have the necessary skills, and whether there is a significant risk of misrepresentation and/or misreporting.
  - Do your frontline employees have the skills and processes in place to collect data, or do you need to include training and efficient data collection processes in your planning?
- whether surveys will be an effective data collection tool for your organisation
  - Do you want to design and distribute surveys? If so, will the stakeholders you want to survey respond?
- whether the data collected be aggregated, if required.

“Although it can be difficult for charities and NFPs to select appropriate, meaningful performance measures, once they have at least some in place it empowers them to understand their business better so they can make informed decisions.”

**Ruth Sio-Lokam, CA, Akono Advisory Ltd and Vice-Chair of CA ANZ Charities & Not-for-Profit Sector Committee**

### Example indicator canvas

The Impact Initiative’s indicator canvas is a tool to assist organisations to identify the main outcomes

and impacts they seek to achieve, and determine what and how to measure them. It has been applied to Sleep Well, the fictional charity offering emergency accommodation.

### Sleep Well indicator canvas

<b>1. Outcome</b>  Guests receive safe and comfortable accommodation in the shelter	<b>2. Indicator</b>  How safe and comfortable guests found accommodation in the shelter	<b>3. Questions</b>  How safe did you feel in the shelter, on a scale of 1–10?  How comfortable was the temperature in the shelter, on a scale of 1–10?	<b>4. Existing data</b>  Guest date of stay, and demographics  Number of safety incidents recorded by shelter staff  Shelter bed utilisation  Repeat visits	<b>5. Compare</b>  Not known	<b>6. How often</b>  As the guest is about to leave the shelter	<b>7. Data storage</b>  In our secure onedrive, with the guest demographic information
-------------------------------------------------------------------------------------------	-----------------------------------------------------------------------------------------------	---------------------------------------------------------------------------------------------------------------------------------------------------------------------	-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	------------------------------------	-----------------------------------------------------------------------	----------------------------------------------------------------------------------------------

Format extracted from The Impact Initiative guide: [Indicator canvas](#)

Apply the same principles when selecting outcome indicators as for financial indicators.

- Focus on indicators that measure the things that matter to your stakeholders (the material issues), as these are where evidence-based measurement will aid decision making about the most important issues.
- Focus on the indicators that will give your stakeholders the most useful information, and can be measured reliably.
- Select SMART indicators:
  - specific
  - measurable
  - attainable
  - relevant
  - timebound.

**Learn more:**

Australian Unity and Social Ventures Australia collaborated to [develop a framework](#) to define, measure and value the community and social impact it creates.

### Have a data management plan

To operationalise outcomes measurement, you’ll need a data management plan that outlines how and when data will be collected and how it will be stored. The sophistication of the process and controls will depend on how complex and sensitive the data is, your reporting requirements and whether the information will be reviewed or audited.

- Your people are likely to already be very busy, and may not be familiar with data management.
  - Make it easy for them by incorporating the data capture in existing processes wherever possible and educate them on how to collect the data and where to store it securely.
  - Consider whether it’s necessary to have data collected only by skilled personnel.
- Consider whether it’s more appropriate to take a sample rather than collect data across the whole population.
- If you haven’t already, you’ll also need to consider whether you need to implement or extend a technology solution to assist in data collection and storage.

“Our mission is to prevent suicide. Our programs are developed and delivered by mental health professionals, we’re now harnessing their expertise to identify the indicators of a suicide prevented and a life saved, and they will be the ones who assess and record against this indicator after a client interaction.”

**David Thomas FCA, Lifeline Northern Beaches and member of CA ANZ Charities & Not-for-Profit Sector Committee**

**Example indicator canvas**

The Impact Initiative’s indicator canvas has been applied to Sleep Well, the fictional charity offering emergency accommodation. This includes columns on how the data will be collected and managed.

**Sleep Well indicator canvas**

<p><b>1. Outcome</b></p> <p>Guests receive safe and comfortable accommodation in the shelter</p>	<p><b>2. Indicator</b></p> <p>How safe and comfortable guests found accommodation in the shelter</p>	<p><b>3. Questions</b></p> <p>How safe did you feel in the shelter, on a scale of 1-10?</p> <p>How comfortable was the temperature in the shelter, on a scale of 1-10?</p>	<p><b>4. Existing data</b></p> <p>Guest date of stay, and demographics</p> <p>Number of safety incidents recorded by shelter staff</p> <p>Shelter bed utilisation</p> <p>Repeat visits</p>	<p><b>5. Compare</b></p> <p>Not known</p>	<p><b>6. How often</b></p> <p>As the guest is about to leave the shelter</p>	<p><b>7. Data storage</b></p> <p>In our secure onedrive, with the guest demographic information</p>
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Format extracted from The Impact Initiative guide: [Indicator canvas](#)

**Reviewing data processes and controls**

- Identify the data that must be collected, following your stakeholder engagement and impact model.
- Ensure all those required to provide input are identified and are clear on what they need to provide.
- Define your governance processes around data collection.
- Assess the strength of your organisation’s data collection processes and systems and identify any required changes.
- Ensure adequate data control processes are in place to ensure complete and accurate data is gathered, and that adequate assurance can be provided. This includes addressing the risk associated with data manipulation (e.g. collecting staff may have an interest in the outcome being reported).
- Create a process to collect all data on your progress against your baselines and targets.
- Develop an audit trail to be prepared for assurance or audit of your impact or performance report.

Adapted from the Chartered Accountant’s [Sustainability Roadmap](#) from Chartered Accountants Worldwide



### **Surveys: time for the expert?**

If you are designing and distributing surveys as part of your data collection take care.

You may be able to access established, pre-tested surveys – if so, ensure they are from a credible source and carefully follow instructions to retain their integrity.

If you are designing your own survey you may need to bring in expertise to ensure your survey is culturally appropriate and the data collection method is theoretically sound.

You may also need ethical or other approvals to contact program participants and collect their responses and data. And you'll need to ensure you have the appropriate consents and privacy policies and procedures in place.

**Learn more:** see CSI's [Roadmap to Social Impact](#) for guidance on quantitative and qualitative data design and collection.

# 5. Incorporate outcomes into meaningful reporting

Now you have the data, how are you going to communicate it? This will be driven by your considerations of why you're reporting in step 1, and your stakeholder analysis in step 2.

Whether you are reporting to external or internal stakeholders, or both, your report(s) needs to communicate what stakeholders need to know in a format they can easily use.

When determining how to report, it's important you apply the same considerations as for financial

reporting or management accounting information. Focus on providing material information and consider the cost versus benefit of providing the information. Be transparent and balanced, reporting both intended and unintended impact, and positive and negative outcomes.

**Social Value International's 8 principles of social value provide valuable guidance on the basic building blocks of measuring and reporting social impact.**

## The Principles:

Find out more about each of the Principles



- + Principle 1: Involve Stakeholders
- + Principle 2: Understand What Changes
- + Principle 3: Value the Things That Matter
- + Principle 4: Only Include What Is Material
- + Principle 5: Do Not Overclaim
- + Principle 6: Be Transparent
- + Principle 7: Verify the Result
- + Principle 8: Be Responsive

Social Value International: [The 8 principles of social value](#)

**New Zealand accounting standard PBE**

**FRS 48** requires relevant organisations to apply these qualitative characteristics to impact or performance information, and it is best practice for all reporting:

**Qualitative characteristics**

- Relevance
- Faithful representation
- Understanding
- Timeliness
- Comparability
- Verifiability

**Constraints**

- Materiality
- Cost-benefit
- Balance between the qualitative characteristics

**Principles of good external reporting**

The XRB's principles of good disclosure in performance reports are relevant for Tier 1 and 2 entities, and form useful guidance for any for-purpose organisation reporting outcomes and impact

**Principles**

- Contextual information
  - Why the entity exists
  - What it intends to achieve in broad terms
  - How it goes about this
- Information about what the entity has done
  - Select appropriate performance measures and/or descriptions
  - Based on activities, achievements, outcomes, or impacts
  - Requirement to select the service performance information that is most appropriate and meaningful to the users
- Disclose judgements
  - How was the service performance information presented selected?"

**Learn more:** Staff guidance: [Key areas for Tier 1 & 2 public benefit entities to consider when applying PBE FRS 48 Service Performance Reporting](#)

Also think about the communication format, channels and whether you should use reporting software – the same things you'd think about for financial reports.

- Will an impact or performance report – probably within your annual report – become your core communication tool with external stakeholders, and therefore worth significant investment of time and resources in copywriting and design? Or is a simple PDF reporting outputs and outcomes more suited to your needs?
- Is it appropriate to build a reporting framework so reports can be repurposed in different ways? For example, external reporting could be in your annual report, on your website, via bespoke reports for specific stakeholders and via social media.
- If your plan includes detailed evaluation reports, will these cascade through to board reports and other internal and external reporting?
- Should you include a description of your theory of change so the reader understands what and why you are reporting the content you are reporting?
- If your plan includes detailed evaluation reports, will these cascade through to governance reports and other internal and external reporting?
- Do you align internal and external reporting, so outcome data is collected, reported and acted on internally throughout the year, and consolidated into an external year-end report?
- Does your impact/outcomes report align with your financial report?
- Do your reports balance qualitative and quantitative data and case studies?
- Have you used diagrams, charts, dashboards and other graphics to communicate effectively with the audience?
- Have you focused on material information, tailored to what's important to the stakeholders using the report?
- Is your internal and external reporting built into your reporting processes and systems?

CA ANZ's flagship guide, [Enhancing Not-for-Profit and Charity Reporting](#), assists organisations in the NFP and charity sector in their ongoing efforts to attain best practice in their annual, financial and performance reports. Part A contains guidance and checklists to enhance reporting, and the dedicated Part B's for Australia and New Zealand focus on the reporting requirements in each country.

## Where to find examples of good impact or performance reports

The [New Zealand Charity Reporting Awards](#), organised by CA ANZ, celebrate best practice among registered charities in adopting reporting which provides greater transparency and consistency across the sector.

- **Winner 2023 Tier 1 and 2: [The Fred Hollows Foundation NZ](#)**

The Consolidated Statement of Service Performance on pages 25 to 37 illustrates the Foundation's approach to identifying, measuring and reporting outcomes and impact.

- The Statement of Service Performance communicates vision, purpose and strategy through four strategic pillars.
- A Programme Results Framework explains the goal of each strategic pillar, and illustrates how these logically link to the desired outcomes and align with the vision.
- The activities and outputs relating to each pillar are quantified and the link to outcomes explained.

*"At the Fred Hollows Foundation our first SSP was pretty basic, we've now lifted our game considerably to much better reporting. My advice to others starting out is to take it step by step, focus on why your organisation exists and what are the most important measures. Then improve incrementally from there."*

**Craig Fisher FCA, Board Chair The Fred Hollows Foundation NZ**

- **Winner Tier 3: [Parent Aid North West](#)**

Parent Aid North West is a repeat Tier 3 winner. The charity has invested in identifying and measuring outcomes (see page 11) and these are communicated through its high-quality report that effectively tells its story, going well beyond compliance with the minimum content required of a Tier 3 organisation.

*"Everyone within our organisation strives for excellence in service and reporting standards, and these awards are a wonderful recognition of the achievements."*

**Suzanne McCracken, Parent Aid North West**

- **[Good practice in reporting about performance](#)**

prepared by the Office of the Auditor-General, Audit New Zealand, and The Treasury provides examples of good practice in performance reporting, and analyses what makes these examples good practice.

Australian Unity was awarded the Australian Financial Review's ESG Metrics Innovator Award 2022. Its [Impact Report](#) is based on the outcomes measurement framework it developed with Social Value International.

Social Impact Measurement Network Australia (SIMNA) 2022 [award winners](#). SIMNA's annual awards are for Australian for-purpose organisations and funders based on their work in the social impact measurement space across four categories:

- Excellence Award to recognise a social impact measurement initiative that promotes best practice and leads by example
- Innovation Award to recognise a social impact measurement initiative that promotes emerging or innovative approaches
- Collaboration Award to recognise a social impact measurement initiative that promotes strong collaboration
- Leading Funder Award to look across an investment or grant-making portfolio to see how Social Impact Measurement is structuring and informing decision-making.

## Alternative reporting frameworks

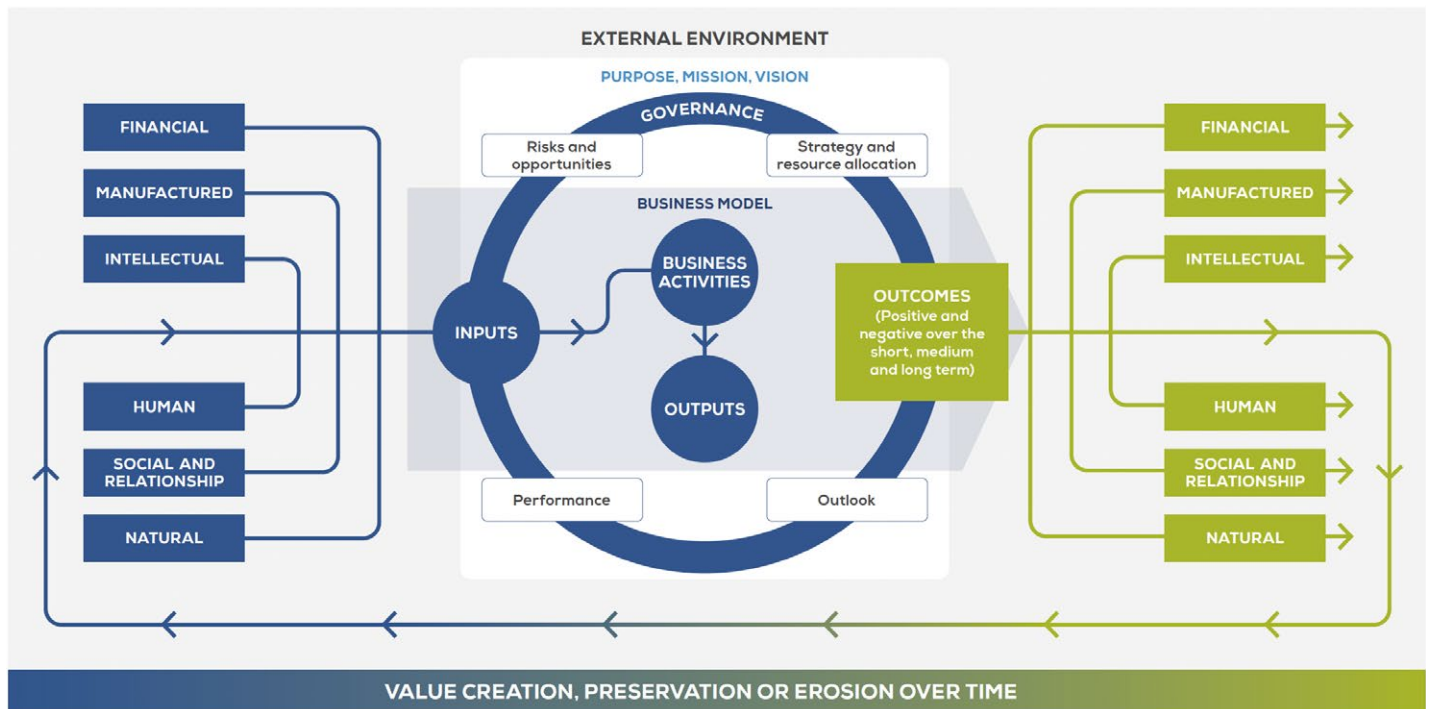
There are many ways impact can be reported, and the frameworks below highlight alternatives.

### Integrated reporting

Integrated reporting is another approach used by some NFPs, particularly those not engaged in the

social sector. Although integrated reporting was developed with capital market participants in mind, it's value creation and outcomes focus can be equally valuable for NFP's seeking to report outcomes and value creation to their stakeholders. It is also beneficial in embedding integrated thinking and an outcomes mindset through the organisation.

The diagram<sup>1</sup> below depicts the value creation process.



<sup>1</sup> Extracted from <https://www.integratedreporting.org/wp-content/uploads/2021/01/InternationalIntegratedReportingFramework.pdf> Copyright © 2022 The IFRS Foundation.

Learn more: [integratedreporting.org](https://www.integratedreporting.org)

For an example Integrated Report refer to CA ANZ's [Annual Report 2023](#). Page 21 illustrates how inputs and activities lead to outputs and outcomes, with more detailed information on outcomes, and how these are measured, on the pages that follow.

### Social return on investment (SROI)

This is an economic evaluation framework for measuring social, environmental and economic outcomes that uses monetary values to represent them.

For an example SROI Report refer to [BaptistCare NSW and ACT](#).

**Learn more:** If you are interested in finding out more about the SROI framework, tools are available including from Social Value International [SROI Value Map](#).

### United Nations Sustainable Development Goals (SDGs)

Reporting against the SDGs doesn't replace impact reporting, but may supplement it.

The 2030 Sustainable Development Goals (SDGs), adopted by the United Nations in 2015, provide a global lens for people, planet, prosperity, peace and partnership. For-purpose organisations that report their contribution to achieving the SDGs may find this assists when seeking funding, for example, from organisations that want to collaborate with partners that align with particular SDGs.

**Find out more:** [Purpose, people and planet: an environmental and social approach to sustainability in not-for-profits and charities](#)

### The Royal Flying Doctor Service (RFDS)

Queensland section is one example of a for-purpose organisation aligned to the SDGs. Two years ago the section conducted an in-depth review of their mission, purpose, and activities to create a vision for its 100-year anniversary in 2028. In parallel to this forward planning, they also hired a consultant to assess how they aligned to the UN's SDGs.

*"In fact, we were already aligned to five SDGs without fully appreciating it."*

**Russell Postle, FCA Chair of the RFDS Queensland section and Chair of CA ANZ Charities & Not-for-Profit Sector Committee**

### Karori Sanctuary Trust/Zealandia

Karori Sanctuary Trust/Zealandia is another New Zealand Charity Reporting Awards winner, and an example of an NFP which aligns its strategy and impact with the SDGs in its [annual report](#) (page 5). It also applies the principles of integrated reporting on page 6, and articulates its outcomes throughout.



## 6. Enhance and expand your outcomes measurement and reporting

Now you've started, keep going with a program of continuous improvement.

If you're not already thinking about how to build further, here are some suggestions.

- Keep learning.
  - Consider joining a community of practice
  - Access resources and updates from the organisations mentioned in this guide or others
    - there are many excellent resources available and many are referenced in this guide, or linked within the references provided.
- Obtain feedback from internal and external stakeholders on your reporting to identify improvements.
- If you started with a theory of change and/or measuring one or two outcomes, consider building on this as you build knowledge and skills so you can grow into more and better measures.
- Operationalise the program logic: base KPIs and goals on outcomes.
- Include outcomes and impact in governance reports and strategy to embed an evaluation mindset and transition to an outcomes-led organisation.

*As you go, keep expectations realistic – don't be disheartened if your indicators don't show linear improvement year on year – this is the nature of the sector. And use the data you collect, the aim is to enhance decision making.*

### Consider joining a community of practice:

[Social Impact Measurement Network Australia](#) (SIMNA) – Members have access to resources, events and training

CA ANZ [discussion groups](#) (Australia) or [special interest groups](#) (New Zealand)

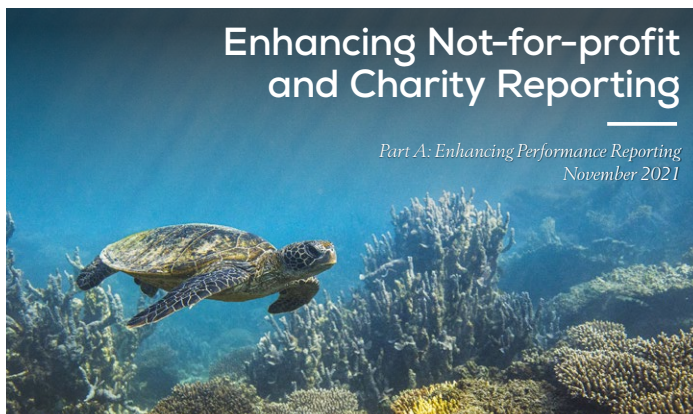
[NFP community](#) in My CA

# Appendix: Other CA ANZ publications

This guide supplements the suite of tools and resources that CA ANZ provides to support NFPs and charities, including:

## [Enhancing Not-for-Profit and Charity Reporting](#)

CA ANZ's flagship guide, Enhancing Not-for-Profit and Charity Reporting, assists organisations in the NFP and charity sector in their ongoing efforts to attain best practice in their annual, financial and performance reports.



## [Guidance for not-for-profit reporting in New Zealand April 2023](#)

This guide provides an overview of the statutory financial reporting requirements in New Zealand for some common types of charities and NFPs.



## [Purpose, people and planet: an environmental and social approach to sustainability in not-for-profits and charities](#)

For-purpose entities aren't just coming under pressure to measure their outcomes and demonstrate how they are achieving their core purpose, they are also coming under scrutiny on how they do this. This playbook provides insights from NFPs that are already taking steps to incorporate an environmental and social lens and practical recommendations to assist others to start.



## [NFP Insight: Preparing for a successful audit](#)

Top tips to help NFPs prepare for a successful audit.





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**Australian Unity:** [Impact Report](#) 2022

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**K. Muir, S. Bennett:** [The Compass: Your Guide to Social Impact Measurement](#) The Centre for Social Impact 2014

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**Office of the Auditor-General, Audit New Zealand, and the Treasury:** [Good practice in reporting about performance](#)

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**Parent Aid North West:** [Performance Report](#) 2022

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**I. Ramia, A. Powell, K. Stratton, C. Stokes, A. Meltzer, K. Muir:** [Roadmap to outcomes measurement. Your step-by-step guide to planning, measuring and communicating social impact](#) Centre for Social Impact 2021

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[Social Impact Measurement Network Australia](#)

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**Social Value International:** [SROI Value Map](#)

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**Social Value International:** [The 8 principles of social value](#) 2021

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**Social Value International:** [The Principles](#)

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**Social Ventures Australia:** [Measuring the 'S' in ESG](#) 2022

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**The Fred Hollows Foundation NZ:** [Performance Reports](#)

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**The Impact Initiative:** [Impact Indicators](#)

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**The Impact Initiative:** [Indicator Canvas](#)

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**The Impact Initiative:** [Terms for Talking about Impact](#)

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**XRB: Explanatory Guide A10:** Guidance for entities applying PBE FRS 48 Service Performance Reporting 2019

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**XRB:** [PBE FRS 48 Service Performance Reporting](#)

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**XRB Staff Guidance:** [Key areas for Tier 1 & 2 public benefit entities to consider when applying PBE FRS 48 Service Performance Reporting](#) 2022

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