



PRESS RELEASE

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ICSI formulates 'Code for Charity Governance'



From L to R: CS (Dr.) Shyam Agrawal, President ICSI, Hon'ble Sadhguru, Founder Isha Foundation and CS Preeti Malhotra, Past President, ICSI & Executive Director, Smart Global Group, releasing the ICSI 'Code for Charity Governance'

Charitable Entities, in their varied forms and formats, being governed by a variety of legislations have played a key role in the growth and development of the nation. However, the recent allegations and revelations as regards misuse of these entities have been eye-openers of sorts.

The Institute of Company Secretaries of India while realising the gap in governance and understanding the need for transparency and full disclosure in such form of organizations has with the help of a dedicated core group, developed a Code titled the '**Code for Charity Governance**'. The intent behind formulation of such a code comprising principles covering almost all areas of governance of such entities is to, while strengthening accountability and internal control systems in such entities, support the higher goals of national governance.

The 'Code for Charity Governance' was recently released during the Golden Jubilee Year - 45th National Convention of Company Secretaries by the Hon'ble Sadhguru, Founder Isha Foundation. It comprises a total of nine (9) guiding principles. Each principle includes a set of guidelines which shall support the achievement of the core principle.

CS (Dr.) Shyam Agrawal, President, of The Institute of Company Secretaries of India (ICSI) while entrusting significance upon the role of various organizations in national governance stated that, "At ICSI, our efforts have always been to redefine the way our corporate practices are undertaken, specifically with stress on improving corporate governance norms. The expectations of the Hon'ble Prime Minister Shri Narendra Modi include ICSI playing a significant role in establishing an honest business culture in the country by 2022. Developing a **Code for Charity Governance** is a step ahead in this regard. Though voluntary in nature, the Institute shall propagate the adoption of the Code by sending it to all the charitable entities across the nation".

While being applicable to all registered entities receiving grants, donations, etc. for carrying out charitable activities for the benefit of the public at large, the objectives of forming the Code include the following:

- To provide for a set of guiding principles and standards for the entities established for charitable purposes irrespective of their format of establishment.
- To provide a set of principles to streamline the existing systems and procedures in place thereby bringing about discipline in the functioning of charitable entities.
- To strengthen transparency, accountability and the internal control systems in these entities.
- To develop a level of comfort and enhance trust for various stakeholders dealing with the charitable entities including corporates and regulatory authorities.
- To urge the Regulators to make appropriate arrangements to facilitate effective monitoring through online filing and digitisation..

The Guiding Principles forming part of the Code pertain to the following areas:

- Vision and Mission
- Adherence to Laws
- Effective Governing Body
- Diversity
- Conflict of Interest
- Disclosures and Transparency
- Community Engagement
- Integrity
- Sustainability.

Considering the fact that charitable entities rely on money from various sources, are accountable to a large number of stakeholders and also a large number of corporates carry out their CSR activities through such entities, a dire need of monitoring is witnessed in such entities. Furthermore, ICSI, in the Code, has suggested the significance of an accreditation process in the form of a certificate from an independent professional confirming the adoption of the said code, for such entities which shall go a long way in giving comfort to the various stakeholders.

The 'Code for Charity Governance' while being voluntary in nature as well as a first of its kind initiative for the charitable entities, as far as the Indian economy is concerned, falls in line with its belief to "THINK GLOBALLY, ACT LOCALLY AND GOVERNANCE FOR ALL, GOVERNANCE BY ALL". Through the Code, the ICSI shall also urge the regulators to take necessary steps for enabling an e-filing regime for such entities.

About ICSI: About The Institute of Company Secretaries of India, (ICSI): The Institute of Company Secretaries of India, (ICSI) is premier national professional body set up under an Act of Parliament, i.e., Company Secretaries Act, 1980, for the regulation and development of the profession of Company Secretaries in India. The Institute functions under the jurisdiction of Ministry of Corporate Affairs, Government of India. The Institute, being a pro-active body, focuses on top-quality education to students of Company Secretaries Course and best quality set standards for CS members. There are currently over 52,000 members and around 4 Lakh students.

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