

THE FOUNDATION POST

Q3, 2016

SHIV NADAR FOUNDATION



Implementing Good Governance
Best Practices for Social Impact Sector



Governance at Shiv Nadar Foundation
Excerpts from our Annual Report



Snapshots
Updates from the Shiv Nadar Foundation



Words from our Donors
Partnerships that Make a Difference

IN THE SPOTLIGHT:

GOVERNANCE

FOR SOCIAL IMPACT ORGANISATIONS

LETTER FROM THE EDITORIAL DESK

The social sector is riddled with challenges that arise from the very nature of the work – from tackling extreme working conditions to facing against unyielding mind-sets and behavioural patterns. More often than not, these tend to shape and define how one operates a social impact organisation.

But just as in business, organisations in the social sector are looking to create some sort of tangible and measurable outcome and hence, there is a lot we can imbibe from the business community in terms of running an operation. One of the most overlooked yet critical aspects of operations is governance.

Good governance can be the crucial difference between a foundation that is able to win and retain the trust of its stakeholders and one that fizzles out due to lack of goodwill even if it is making some serious progress.

From building advocacy to establishing trust and fostering exchange of knowledge, governance spans a wide spectrum of outcomes for social impact organisations. Any organization needs the support of various stakeholders, including and most importantly of the community where it operates.

This is even more necessary in the social sector where the organisation's work impacts the communities and public directly. In this issue of The Foundation Post, we look at the tenets of good governance and how social impact organisations can imbibe it within their internal functions.

“ Any organization needs the support of various stakeholders, including and most importantly of the community where it operates. ”



Implementing Good Governance Practices in the Social Impact Sector

In recent times, social sector organizations have emerged as conscious catalysts in the development discourse. The organizations and initiatives in social sector have grown both in number and influence, garnering a lot of interest from the Government, public and private sectors. While the sector has created noticeable impact on many relevant issues, it is also facing growing scrutiny from various stakeholders to account for integrity of their activities and the impact they create.

With philanthropic contributions

on the rise, along with the newly introduced 2% CSR mandate and emergence of a more socially conscious generation, there is greater need and expectation of transparency and accountability in overall operations of the organizations in the social sector. This has created a need for these organizations to study and emulate practices of 'good governance' from other sectors, which also help in having a better oversight on their own operations.

Good governance plays an important role in establishing

the credibility of the organization, and ensures its accountability towards the society. In the social sector particularly, accountability and transparency are two key tenets of governance that organizations should practice, not only in letter but also in spirit. This will help organizations win the trust of their stakeholders, which in turn, earns them goodwill and better visibility. This way, organizations also attract more and the right people to their cause in the form of donors, volunteers, employees, advisors or trustees.

The nature of governance in social sector organizations is both unique and complex. However, if organizations put their mind to being transparent and accountable, they inch much closer to completing the rest of the journey that 'good governance' entails. A few of the key practices that these organizations can begin to imbibe in their DNA include:



Independent external audit of financial statements like balance sheet, income and expenditure statements, receipts and payments account, etc., exhibiting organization's straightforward and honest approach to handling its finances. Organizations can also make their audited financial statements public to go beyond the basic regulatory framework



Inclusive, independent and in-depth process for the selection of board members, who are better aligned with the organization's vision. Similarly, tenure of membership of the board must be clearly defined. For example, Ford Foundation requires that a majority of its trustees be independent; all trustees serving on the Audit Committee and the Nominating and Governance Committee be independent, and trustees on the Audit Committee satisfy additional standards of independence - placing high value on the independence of its board members



Create a platform for stakeholders, donors and volunteers to have an open dialogue with the organisation. This can be done through organizing annual meetings (like the AGMs for public companies)



Conduct independent social audits that add to the credibility of an organization and help understand how well the trusteeship duties were performed by the governing board. Organizations must voluntarily design a framework of accountability to define its alignment with its mission. This will enable the organization to report on performance, account to stakeholders and make the case for continued investment in their work

This is in no way an exhaustive list but these practices can definitely provide the right start towards creating a more transparent and well-managed organization.

At the end of the day, an organization's willingness to adopt good governance practices will be driven more by its vision for future than by any regulatory framework or external pressure. Today, having

good governance practices in place is not only important, but indispensable. The sooner the organizations realize this, the more they will be able to generate awareness towards their cause, and achieve sustainable impact.



Governance at SHIV NADAR FOUNDATION

An organisation's governance practices are crucial in ensuring that its operations are managed responsibly and ethically. Here are some key practices adopted by the Shiv Nadar Foundation.

1 REPORTING TO STAKEHOLDERS

All philanthropic units and related transactions are independently audited by Price Waterhouse. Post this, Grant Thornton reviews and conducts agreed-upon procedures on consolidated financials of the Foundation to ensure accuracy, disclosure and transparency.

2 GENERAL PRINCIPLES OF GOVERNANCE

Decision-making and governance at the Foundation comply with the charter documents of the trust and the objectives, principles and policies established by the Board of Trustees ("Board"). The Board regularly reviews the governance framework to ensure continued best practices.

3 RISK ASSESSMENT

Written risk reports are submitted to the Board of the Foundation. These reports provide the basis on which the Board retains oversight and management of its responsibilities in these areas.

4 MONITORING ACTIVITIES

The result of activities and attainment of annual goals is assessed monthly by Executive Team and quarterly by Board of Trustees meetings. Monthly management and Board reporting includes both actual and forecast data compared to the goals and actual results of the previous periods.

5 CONTROL FUNCTIONS

The Board assesses and ensures the appropriateness and effectiveness of Group's internal control and risk management. Internal audit assists the Board in assessing and ensuring the appropriateness and effectiveness of the Group's internal control and risk management by performing internal audits in the Group's support functions and legally independent units.

**These are excerpts from the governance report of the Shiv Nadar Foundation which is a part of the Annual Report. To read the full annual report, please visit the website. www.ShivNadarFoundation.org*

Snapshots

Kiran Nadar Museum of Art @ Tate Modern, London

“You Can’t Please All”, a retrospective exhibition of Indian artist Bhupen Khakhar opened on June 1st at the Tate Modern, London, with the support and partnership of KNMA. Mrs. Kiran Nadar, Chairperson, KNMA and Ms. Roobina Karode, Director & Chief Curator, KNMA were present at the opening of this momentous occasion that shows KNMA’s unflinching commitment to South Asian art. According to Mrs. Kiran Nadar, “Bhupen Khakhar’s work is immensely significant in the pantheon of Indian art and we are delighted

to be lending important works from the KNMA collection to the Tate show. KNMA is committed to showcasing the best Indian

art around the world and also facilitating exhibitions of Indian artists to expose them to wider and more diverse audiences.”



SSN College of Engineering celebrates College Day

“Strive to be role models and in your own right instead of having others as your role model” said Shri. C Sylendra Babu, IPS, ADGP, Coastal Security Group, Tamil Nadu, addressing students of SSN College of Engineering as the Chief Guest and Mr. Srikanth

Venkataraman, Associate Director, Cognizant, was the Guest of Honor at its Twentieth College Day celebrations held on April 18th, 2016.

During the function, SSN College of Engineering conferred 342

medals for co-curricular and academic achievements. Additionally, 52 special awards to sportspersons along with the overall and individual championships in athletics for men and women were also given.



Shiv Nadar University holds Second Convocation Ceremony

Shiv Nadar University held its second Convocation ceremony on May 7th. Dr. Raghuram Rajan, Governor, Reserve Bank of India and Ms. Vanitha Narayanan, Managing Director, IBM India addressed the graduating students.

A total of 223 undergraduate and 64 post-graduate degrees were awarded to students who successfully completed the Bachelor's and Master's Degree programs.

More than 90% of the graduating students have received job offers from coveted recruiters and several students have been selected by world's

leading universities including Duke University's Fuqua School of Business; University Of Massachusetts, Boston; University Of Illinois; and University of Texas, Arlington.

Shiv Nadar University also conferred an Honorary

Doctorate on Mr. Deepak Parekh, Chairman, HDFC for his outstanding contribution to the Banking and Financial Services sector and his pioneering initiatives in corporate philanthropy and social commitment.



First Batch of VidyaGyan Graduates with Stellar Results

The founding class of VidyaGyan graduated this year, registering a 100 percent pass rate and achieving stellar results in their XII board examinations. Of the 187 students that appeared for the board examination, a whopping 139 students scored above 80 percent, out of which 53 students scored above 90 percent.

Commenting on the results, Bishwajit Banerjee, the Principal of VidyaGyan, Bulandshahr said, "71 students have scored over 91 percent marks in English language and 3 students scored 98 percent. This is remarkable, considering that these students studied in Hindi medium schools till Class V and only started learning English when they joined VidyaGyan in Class VI."

Roshni Nadar Malhotra,

Trustee Shiv Nadar Foundation and Chairperson, VidyaGyan, said, "VidyaGyan is very close to my heart and we started the journey with the hope of creating leaders from rural India and maybe even a Prime Minister for the country someday. The last seven years have been an exhilarating experience of making top quality education accessible to disadvantaged communities, where the impact is dramatic and exponential. We are heartened by the

achievement of our founding batch and can already see a multiplier effect where the VidyaGyan children are inspiring several others within their communities to follow their path."

Every year, VidyaGyan handpicks 200 rural toppers from 250,000 applicants across 75 districts of Uttar Pradesh (UP). These children come from families with an annual income of less than one lac per annum.



WORDS FROM OUR DONORS



HT Parekh
FOUNDATION
An HDFC Initiative

“ The Shiv Nadar Foundation has an outstanding and inspirational team that seeks the very best for its students. Our experience with them has been extremely positive and we are impressed by SNF’s continuous endeavour to achieve the highest level of honesty, transparency and governance. ”

HT Parekh Foundation

To commemorate the enormous contribution of late Shri HT Parekh, Founder Chairman of HDFC, to the development of housing finance and other financial sectors in India, HDFC incorporated the **H T Parekh Foundation (Foundation)** in October 2012. The Foundation was formed with the aim to undertake, pursue and be concerned with the welfare, betterment and advancement of society. It works across a range of social interventions with the key focus areas for support being Education, Healthcare, Water and Sanitation, Child Welfare and Welfare of the Differently Abled.



Australian High Commission

“ The Australian High Commission values its partnership with the Shiv Nadar Foundation. SNF is a reliable partner and the Australian High Commission has been impressed with the results of the Direct Aid Program-funded coaching and support program for students at SNF’s Bulandshahr Campus. The Committee is looking forward to working with SNF again and seeing the results of the communication and capacity building project at SNF’s Sitapur campus. ”

Australian High Commission

The Direct Aid Program (DAP), under the aegis of the **Australian High Commission**, provides grants for sustainable projects and activities that support development and strengthen communities in India. Over the past decade, DAP has built linkages and fostered relationships between Australia and these communities.



Vahani Scholarship:

“VidyaGyan is truly an exemplary institution, filling the void in the mammoth task of educating India’s masses. India needs many more VidyaGyans. The school should be treated as a model to be replicated in every state. Education is the key to the growth and development of any country. An educated youth would be a great resource and strength for our country. Kudos to the Shiv Nadar Foundation.”

Vahani Scholarship is a non-profit organisation that recognises the importance of opening doors for the exceptionally brilliant underprivileged children in India. It aims to send Indian students who come from extenuating circumstances to top universities in India and abroad. By creating a close-knit community of scholars with exceptional talent, it aims to create leaders who will be the inspiration and agents of change in their local communities.

SHIV NADAR FOUNDATION

www.shivnadarfoundation.org

Connect with us!

foundationconnect@shivnadarfoundation.org

