Introduction

This policy provides the National Foundation for Corporate Governance (NFCG) with a specified process and a formal set of criteria with which to assess, evaluate and approve proposals submitted by institutions, which seek recognition as Centres for Corporate Governance (“Centres”) and which apply for accreditation to NFCG to take up programmes for promoting corporate governance in India, which would include amongst others certified training programmes for future directors, research project of national relevance and advocacy. On selection and accreditation, these Centres shall be called National Centres of Corporate Governance (NCCG). It prescribes initial qualitative thresholds these Centres have to meet and, the standards to be maintained for continued recognition. Accredited Centres are expected to incorporate these standards into their working operations. The specific requirements and minimal levels of acceptable performance for each standard would be judged within the context of the institutional setting and the purposes to be achieved. The policy seeks to identify only national institutes of high repute as National Centres of Corporate Governance and aims to support and assist them in maintaining very high standards in the corporate governance programmes they take up, so that they gain international recognition within a period of 5 years.

Rationale of Accreditation

An institute shall be accredited on the basis of its ability to meet the standards of the NFCG that are designed to ensure quality programmes. Accreditation approval by the NFCG is one of the eligibility requirements necessary for an institute to offer NFCG approved programmes, which would include amongst others, director training programmes, research projects and advocacy activities. Accreditations by NFCG recognizing an institution after evaluating the institution’s focus on raising standards of corporate governance in India and elsewhere, its connection with industry, and the practitioners and how it balances between academia and civil society.

The Accreditation Body

The NFCG will constitute a Core Group of Experts, which will deal with standards corporate governance programmes. The group will evaluate institutes who apply for accreditation, monitor and periodically evaluate the standards of the programmes in the NCCG, examine and vet the proposal submitted by the NCCG with a view to ascertain the deliverables/outcome of the proposals and make their
recommendations to BoT thereof. This body will also work at continuously upgrading the training procedures required for directors, incorporating changes based on the ever-changing domestic and global business environment.

**Centres Eligible for Accreditation**

a) The Centre should be supported by a management training institution/ national professional institution of repute that has verifiable governmental, national or regional recognition confirming to any of the following legal status:

- Registered Society
- Registered Trust
- Statutory Body
- Technical and Professional Institutions under the Government
- Central Universities

b) The management training institution/ national professional institution of repute should be in existence for a period of at least 10 years prior to its accreditation by the NFCG. However, the 10 years period will be taken as indicative and in some deserving cases, the Board of Trustees (BOT) could relax this ten-year criterion, based on the recommendation of the core group. In such cases, the BOT must record in writing the reasons for waiving this ten-year criterion.

c) In order to be eligible for accreditation by the NFCG, the Centres must take up programmes for promoting Corporate Governance in India which would include amongst other research projects of national relevance in the area of corporate governance and provide training programmes for aspiring directors or for directors, who already serve on boards of companies and maintain specified standards of quality. The skill training provided by these institutions shall help in improving quality of directors and board practices and shall not be offered for college credit or fall under the jurisdiction of any university or technical institute.

**Application Procedures**

The following initial procedures are required for institutes that desire to be accredited by the NFCG

1. The institution’s chief administrative officer submits a formal written request to the Executive Director of the Foundation. The written request must be signed by the Institutional Chief Executive Officer (Dean, Chancellor, or equivalent) and must be submitted with relevant official records of academic work undertaken.

2. The Executive Director may issue a written statement to the local institution recognizing the candidacy status of the institution.

3. Candidacy status does not imply that accreditation will be granted. During candidacy status, the institution is scheduled into the evaluation cycle so that an
on-site review can be conducted. The institution and the team NFCG will mutually determine dates for any on-site review that is required. Candidacy status is not equivalent to accreditation status.

4. Final selection will be based upon the NFCG’s consideration of the findings, the analysis of the due process, and the analysis of additional information received in time for proper consideration.

5. The institution will receive a formal intimation and the Summary of Accreditation Actions following the review and decision approved in the BoT meeting of NFCG.

The following initial procedure can be undertaken by NFCG to give Adhoc recognition to Institute on accreditation

1. The Core Group might recommend at any point of time, to BoT for recognition on Adhoc basis, such institutes who have core expertise in Corporate governance, but have not approached NFCG, as NCCG.

2. On the BoT approval, the Executive Director may send a written intimation to the institution of their Adhoc recognition as accredited institute.

3. Adhoc recognition shall be valid only for a period of six month or more from the date of the meeting.

Period of Accreditation

1. Accreditation is for such period as may be suggested by BoT. Accreditation can be reviewed from time to time, so as to maintain the standards of the programmes.

2. If during the period of Accreditation, the programs undertaken by the institutions appear to be no longer in compliance with the criteria or policies of NFCG, NFCG may consider revocation of accreditation, after notifying the institution.

Accreditation standards

1. Institutional Purpose

Each Centre accredited by the NFCG shall have an established institutional purpose of conducting quality programmes for promoting corporate governance in India, which would include amongst others, training programmes, research projects and advocacy in the area of corporate governance. The institutional purpose should be embodied in the Centre’s mission and vision statements, goals, and objectives and should express the scope of responsibilities to all constituents it seeks to serve and the outcomes to be attained.
2. Quality Standards

Approved programmes within accredited Centres shall strive to meet or exceed all established standards, both domestically as well as internationally. The following is a listing of minimum standards for the approval of training programmes within accredited Centres:

a) Programme Planning

The instructional programme should be designed to impart knowledge and develop skills that are essential for success in meeting the stated objectives. There should be evidence that each instructional unit has been properly planned and organized and is being implemented in a sequential manner. The course of study shall include both theory and case studies along with other supplemental learning activities. In addition, the course of study shall be integrated and organized in such a manner so as to effect an overall well-balanced programme of instruction. The outcome from each program shall be submitted to NFCG within reasonable time for the perusal and records of NFCG. Accredited Institutions while submitting the reports shall confirm that program is in compliance with the appropriate accredited criteria, policies and procedures of NFCG.

b) Faculty Requirement

Selecting, developing, and retaining qualified faculty who are competent to meet the needs of administering quality education is vital to the success of the training programme. Given the fact that training of directors is unique in its design, all faculty members in the accredited Centre shall have both practical experience as well as an appropriate academic background.

c) Instructional Material

The availability and proper utilization of instructional materials is considered essential for conducting effective training programme. Accredited Centres shall ensure that adequate amounts of such materials, including case studies, instructional materials, multimedia, reference texts etc., are made available for instructional purposes. A special focus should be given to development of case studies, which are relevant to the Indian business environment and these should be imbibed in the curriculum.

d) Physical Facilities, Equipment and Supplies

Each Centre shall allocate suitably equipped and fully dedicated physical facilities for the purpose of conducting quality training and research in the area
of Corporate Governance. Centres offering these programmes shall provide funds for equipment and supplies in accordance with acceptable standards and at a level that ensures quality training.

e) Teaching Facilities

The teaching load (trainer/trainee ratio) will vary with the programme and is contingent upon the number/kinds of trainee to be served, the specific skills to be taught, and the method of instruction to be used. However, reasonable enrolment limits must be maintained in order to ensure that programme objectives may be met in an efficient and effective manner.

3. Administration and Support Services

Each Centre accredited by the NFCG shall provide sufficient administrative and support services to plan and conduct quality programmes to promote corporate governance which will include training programmes, research programmes and advocacy. The administrative staff shall hold appropriate credentials and be of sufficient strength to carry out its responsibilities.

4. Faculty Development

Each Centre accredited by the NFCG shall have defined procedures for continuous assessment of its professional staff. These assessments shall be used, as a basis for identifying the professional growth needs of individual staff members. Efforts shall be made to ensure that in-service and/or upgrade training is provided in accordance with identified needs.

5. New Programmes and International Collaboration

The accredited Centre shall encourage innovative teaching methods and training programmes, which meet the evolving needs of the industry. The Centre shall encourage research and development in various areas of corporate governance and imbibe these into the curriculum. The Centre shall, as a matter of policy, regularly invite quality guest faculty from abroad. The Centre shall also collaborate closely with representatives and faculties from reputed international organisations in this field worldwide for advice on programme content and institutional operations.

6. Adherence to Policies and Procedures

Each Centre accredited by the NFCG shall conduct its operations in a fair and ethical manner. The Centre’s policies and procedures shall be effectively communicated to constituents and administered in a manner that maintains the public’s trust in the integrity of the Centre. An accredited Centre shall review periodically its policies, directives, and practices to ensure that they reflect the
requirements of applicable laws and regulations and do not unfairly or negatively impact the constituents that the Centre serves.

7. Industry and Business relationships

Each Centre accredited by the NFCG shall ensure that its programmes are related to the needs of business and industry. In order to help fulfil this responsibility, accredited institutions shall regularly meet with representatives of the industry for advice in guiding programme and institutional operations.

8. Director placement assistance

Each Center accredited by the NFCG will place the names of the persons trained under the directorial training programme on their web-sites and also inculcate widely their names amongst industry and business associations so that the names are available to those who wish to appoint trained directors on company boards.

9. Innovative programmes

NFCG should encourage innovative teaching methods and training programmes that meet the needs of directors. To the extent possible, training programmes should be designed to train for present and future needs and to incorporate new techniques.

10. Marketing and public relations

Institution’s catalogs and website or similar electronic or print publications must clearly indicate the programs accredited by the NFCG as separate and distinct from any other programs or kinds of accreditation. Each accredited program must be specifically identified as “accredited by the National Foundation of Corporate Governance (NFCG)”

Each Center accredited by the NFCG shall maintain a programme of marketing and public relations that will seek to inform the public of the activities taken up. Each institution shall develop and maintain a public relations plan to guide the public relations effort. Printed materials and other media used for communication shall be presented in an accurate and ethical manner.

Unauthorized use of NFCG’s official logo is prohibited. Accredited programs are authorized to use special logos provided by NFCG for use on websites, in program catalogs, and in other similar publications. These logos can be requested through NFCG.
**Evaluation and Review Procedures**

Institutional evaluations shall be conducted in accordance with procedural guidelines as established by the core group of the NFCG. These guidelines may vary from time to time as efforts are made to improve the efficiency and effectiveness of the evaluation process.

The essential elements of a comprehensive evaluation includes a self evaluation and an on-site evaluation.

**Self Evaluation**

Self-evaluations will be conducted by teaching faculty of each Centre and by a representative group of the administration and support services areas. These evaluations will be comprehensive in nature and seek to identify specific areas of strengths and needed improvements. Self-evaluations will be completed in advance of each on-site evaluation. Instructions for conducting the self-evaluation will be contained in the respective questionnaires. The institution will submit a self evaluation report or interim report for each program under accreditation.

**On-Site Evaluations**

The on-site evaluation team will be appointed by the Executive Director in consultation with the Core Group of Experts and charged with the responsibility of reviewing the institution’s self-evaluation, the trainee evaluations, interviewing school personnel, completing the appropriate evaluation instruments, and writing a narrative summary of the evaluation findings and conclusions. This narrative will include commendations and strengths, specific recommendations for improvement for any standards that were not met, and general suggestions for improvement as related to the established standards. This evaluation will review the training programme along with the support and administrative services being provided by the institute.

**NFCG Approval**

In case where request has been received from the institute for Accreditation, the Core Group shall make recommendation to BoT, based on the evaluation and review conducted on its behalf. It may also give an opportunity to an applicant institution for further review and comment. Based on the recommendation of core group, the accreditation will be granted by the BoT of NFCG. Upon approval of the NFCG, a letter will be sent to the institute stating the accreditation status of the institution and listing the approved programmes. A framed certificate of accreditation will also be provided.
In case of Ad hoc recognition, the accredited institute shall accept and acknowledge the recognition by means of a written communication within a period of six months from the date of the BoT meeting in which accreditation was granted on adhoc basis. If the communication is not received within the above mentioned period, it shall be deemed to be considered as if no accreditation had been granted.

Changes to accreditation policies and procedures, as outlined in this document may be proposed by the Board of Trustees of NFCG to evaluate institutes who apply for accreditation, monitor and periodically evaluate the standards of the programmes in the NCCG, in consultation with the Board of Trustees of NFCG, or by any member of the Board of Trustees, in consultation with the Core group, and must be approved by the NFCG Board of Trustees.