

CHARTERED GOVERNANCE QUALIFYING PROGRAMME (CGQP)

Programme Part 1

1.3 Corporate Governance

Introduction

The aim of this module is to provide advanced knowledge and key skills necessary for the company secretary or governance professional to act as chief adviser to the board and other stakeholders on best practice in corporate governance, and as the facilitator for systematic application across a wide range of organisations

Module content

- Section A: Corporate governance – principles and issues
- Section B: The board of directors and leadership
- Section C: Disclosure
- Section D: Risk management and internal control
- Section E: Corporate governance systems, controls and issues

Pre-requisite learning

It is recommended that students, attempting this module, should ensure that they have gained the underpinning technical knowledge of Corporate Law and Corporate Compliance and Administration for successful completion of this module.

Learning outcomes

After successful completion of this module you should be able to:

- 1 Be able to research and critically apply the growing global, regional and local information sources on corporate governance.
- 2 Be able to advise on the duties of directors as well as the role, membership, composition and effectiveness of the board, within legal and regulatory frameworks.
- 3 Be able to apply the concepts of disclosure in terms of accountability, transparency, corporate social responsibility, ethical standards and sustainability in governance.
- 4 Be able to critically appraise and apply corporate governance principles and best practices in risk management for the board in the employing or client organisation.
- 5 Be able to exercise appropriate judgment in the use of professional knowledge and skills to the resolution of practical issues and problems in the proper governance of an organisation.

Section A: Corporate governance – principles and issues

Learning outcome:

- Be able to research and critically apply the growing global, regional and local information sources on corporate governance.
- Be able to exercise appropriate judgment in the use of professional knowledge and skills to the resolution of practical issues and problems in the proper governance of an organisation.

Key topics

- A1 Definitions and issues in corporate governance
- A2 Corporate governance in the UK/Singapore
- A3 Role of the company secretary/governance professional in governance
- A4 Other governance issues

A1 Definitions and issues in corporate governance

- A1.1 Origins of the term corporate governance
- A1.2 Definitions of corporate governance
- A1.3 Theories of corporate governance
- A1.4 Approaches to corporate governance
- A1.5 Principles of corporate governance
- A1.6 Reputational management
- A1.7 The corporate governance framework
- A1.8 Implementation of a governance framework
- A1.9 The importance of adopting good corporate governance practices
- A1.10 Consequences of weak governance practices
- A1.11 Governance and management

A2 Corporate governance in the Singapore

- A2.1 History of corporate governance
- A2.2 Law and Governance
- A2.3 Listing Regime
- A2.4 Corporate Governance Code 2018
- A2.5 Financial Reporting guidance
- A2.6 Guidance from Investors

A3 Role of the company secretary/governance professional in governance

- A3.1 The company secretary and corporate governance
- A3.2 The requirements for a company secretary
- A3.3 The role of the company secretary
- A3.4 The company secretary as the 'conscience of the company'
- A3.5 The Company Secretary: Building trust through governance
- A3.6 Qualifications and skills
- A3.7 Position in the organisation
- A3.8 Independence of the company secretary
- A3.9 Liability of the company secretary
- A3.10 In-house versus outsourced company secretary

A4 Other governance issues

- A4.1 Corporate governance – Globally
- A4.2 The USA and Sarbanes-Oxley Act 2002
- A4.3 South Africa and the King Codes
- A4.4 Corporate governance frameworks in Europe, China, Japan
- A4.5 Governance in other sectors
- A4.6 Governance for family-controlled companies
- A4.7 Global principles of corporate governance
- A4.8 Key issues in corporate governance
- A4.9 Corporate governance issues in developing and emerging markets

Section B: The board of directors and leadership

Learning outcome

- Be able to advise on the duties of directors as well as the role, membership, composition and effectiveness of the board, within legal and regulatory frameworks.

Key topics

- B1 Directors' duties and powers
- B2 Role and membership of the board
- B3 Balance, composition and succession planning
- B4 Board effectiveness

B1 Directors' duties and powers

- B1.1 Powers of directors
- B1.2 General duties of directors under the Companies Act
- B1.3 Duty to act within powers and for proper purposes
- B1.4 Duty to promote the success of the company
- B1.5 Duty to exercise independent judgement
- B1.6 Duty to exercise reasonable skill, care and diligence
- B1.7 Duty to avoid conflicts of interest
- B1.8 Duty not to accept benefits from third parties
- B1.9 Duty to declare interests in transactions
- B1.10 Who can bring an action for a breach of the general duties
- B1.11 Fraudulent and wrongful trading
- B1.12 Directors' and officers' insurance

B2 Role and membership of the board

- B2.1 Role of the board
- B2.2 Matters reserved for the board
- B2.3 Composition of the board
- B2.4 Role of the chair
- B2.5 Role of the chief executive officer (CEO)
- B2.6 Separation of the roles of chair and CEO
- B2.7 Role of other executive directors
- B2.8 Non-executive directors (NEDs)
- B2.9 NEDs – effectiveness
- B2.10 Senior independent director
- B2.11 Board committees and NEDs
- B2.12 Role of the corporate secretary

B3 Balance, composition and succession planning

- B3.1 Board size
- B3.2 Balance of skills, knowledge and experience
- B3.3 Diversity
- B3.4 Nomination committee
- B3.5 Appointments to the board
- B3.6 Accepting an offer of appointment
- B3.7 Succession planning
- B3.8 Refreshing board membership
- B3.9 Annual re-election

B4 Board effectiveness

- B4.1 Guidance on Board Effectiveness
- B4.2 Regular meetings
- B4.3 Decision-making processes
- B4.4 Supply of information
- B4.5 Board portals and electronic board papers
- B4.6 Use of social media by boards
- B4.7 Corporate culture
- B4.8 Independent professional advice
- B4.9 Performance evaluation
- B4.10 Induction and professional development

Section C: Disclosure

Learning outcome

- Be able to apply the concepts of disclosure in terms of accountability, transparency, corporate social responsibility, ethical standards and sustainability in governance.

Key topics

- C1 Financial reporting to shareholders and external audit
- C2 Corporate social responsibility, sustainability and business ethics
- C3 Corporate responsibility and reporting on non-financial issues

C1 Financial reporting to shareholders and external audit

- C1.1 Financial and reporting
- C1.2 Requirements for financial reporting
- C1.3 Investor confidence in financial reporting
- C1.4 Role of the board in financial reporting
- C1.5 Role of the company secretary/governance professional in financial reporting
- C1.6 Audit committee requirements
- C1.7 Role and responsibility of the audit committee
- C1.8 Meetings of the audit committee
- C1.9 Audit committee relationship with the board
- C1.10 Audit committee relationship with shareholders
- C1.11 Audit committee report
- C1.12 Role of the company secretary/governance professional in relation to the audit committee
- C1.13 External auditor:
- C1.14 Role of the external auditor
- C1.15 Auditor independence
- C1.16 Non-audit services
- C1.17 Auditor rotation
- C1.18 Role of the company secretary/governance professional in relation to external auditors

C2 Corporate social responsibility, sustainability and business ethics

- C2.1 Definition of corporate social responsibility (CSR)
- C2.2 History of CSR
- C2.3 Business case for CSR
- C2.4 Categories of CSR activity
- C2.5 CSR frameworks
- C2.6 Integrated thinking
- C2.7 Advising the board on being socially responsible
- C2.8 Sustainability
- C2.9 Advising the board on planning for sustainability
- C2.10 Business ethics
- C2.11 Role of the company secretary/governance professional in building an ethical culture

C3 Corporate responsibility and reporting on non-financial issues

- C3.1 Non-financial reporting
- C3.2 CSR reporting and the law
- C3.3 Drivers for voluntary CSR reporting
- C3.4 Measuring CSR initiatives
- C3.5 Triple bottom line reporting
- C3.6 Integrated reporting
- C3.7 Global Reporting Initiative (GRI)
- C3.8 Sustainability Accounting Standards Board (SASB)
- C3.9 International Integrated Reporting Council (IIRC) reporting framework
- C3.10 Corporate Reporting Dialogue
- C3.11 CSR benchmarking
- C3.12 External assurance
- C3.13 Environmental Profit & Loss Accounts (EP&L)
- C3.14 The company secretary/governance professional's role in CSR reporting

Section D: Risk management and internal control

Learning outcome

- Be able to critically appraise and apply corporate governance principles and best practices in risk management for the board in the employing or client organisation.

Key topics

- D1 Systems of risk management and internal control
- D2 Risk structures, policies, procedures and compliance

D1 Systems of risk management and internal control

- D1.1 Corporate governance, risk and internal controls
- D1.2 Risk
- D1.3 Internal controls
- D1.4 Elements of a risk management and internal control system
- D1.5 Developing a risk management system
- D1.6 Benefits of risk management
- D1.7 Role of the board in risk management and internal control
- D1.8 Common failure of boards

D2 Risk structures, policies, procedures and compliance

- D2.1 Structures
- D2.2 Governance players
- D2.3 Policies and procedures
- D2.4 Whistleblowing
- D2.5 Cybersecurity
- D2.6 Governance of information
- D2.7 Disaster recovery plans
- D2.8 UK Bribery Act 2010
- D2.9 Conflict prevention and resolution
- D2.10 Senior executive remuneration and risk

Section E: Corporate governance systems, controls and issues

Learning outcome

- Be able to exercise appropriate judgment in the use of professional knowledge and skills to the resolution of practical issues and problems in the proper governance of an organisation.

Key topics

- E1 Shareholders' rights and engagement
- E2 Board engagement with shareholders and other stakeholders
- E3 Remuneration of directors and senior executives

E1 Shareholders' rights and engagement

- E1.1 Definitions
- E1.2 Separation of ownership and control
- E1.3 Powers and rights
- E1.4 Common abuses of shareholder rights
- E1.5 Anonymity of shareholders
- E1.6 Institutional shareholder responsibilities
- E1.7 Stewardship Code
- E1.8 Shareholder representative bodies
- E1.9 Responsible investment versus socially responsible investment

E2 Board engagement with shareholders and other stakeholders

- E2.1 Shareholder engagement
- E2.2 Annual General Meetings (AGMs)
- E2.3 Electronic communication
- E2.4 Engagement with other stakeholders
- E2.5 Role of the company secretary/governance professional in stakeholder engagement
 - explaining to the board the business case for stakeholder engagement
 - assisting the board with stakeholder engagement
 - advising the board on reporting on stakeholder engagement
 - alerting the board and/or management to opportunities and risks associated with stakeholder engagements
 - advising the board on the setting up of a committee responsible for stakeholder issues

E3 Remuneration of directors and senior executives

- E3.1 Remuneration as a corporate governance issue
- E3.2 Elements of remuneration for executive directors and senior executives
- E3.3 Corporate Governance Code principles and provisions on remuneration
- E3.4 Remuneration committee
- E3.5 Directors' remuneration report
- E3.6 Directors' remuneration policy
- E3.7 Annual remuneration report
- E3.8 Compensation for loss of office and rewards for failure
- E3.9 Listing Rule provisions on long-term incentive schemes
- E3.10 Non-executive remuneration
- E3.11 Other guidance on remuneration

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