

Corporate Governance Principles, Policies and Best Practices

Why Attend

- Corporate governance is a key topic that has recently started attracting more attention in business schools and among legislatures, with this trend only increasing. While there are different models for corporate governance, all of them aim at organizing the relation between company and stakeholders. Governance models start with Shareholder Wealth Maximization (SWM) that stresses owners rights, as applied mainly in the US and UK. Other methods of governance, applied in Germany or Japan for example, bring other stakeholders, such as the workforce and bankers strongly into play. In addition to these models, this course also covers the reasons why board membership may be one tier or two tiers, and includes discussions about board structure, committees, their functions and duties, the audit committee and the appointment and remuneration committee. Other topics discussed are the role of the chairman and the effect of institutional investors.

Course Methodology

- The course is built on presentations by the instructor and the participants and includes exercises and case studies to be discussed in the training.

Course Objectives

By the end of the course, participants will be able to:

- List the essential fundamentals and significance of corporate governance
- Analyze corporate governance models and suggest improvements
- Assess the ethical and policy considerations underpinning shareholders, Board of Directors (BOD), auditors, senior management and executives
- Decide on the corporate governance structure that is best suitable for the business model
- Deploy corporate governance best practices
- Apply disclosures and transparency requirements issued by IFRS and other authorities

Target Audience

- Board members, chief financial officers, senior management, directors, finance managers, financial controllers, accounting and finance personnel, legal counsel, corporate legal advisors, corporate secretaries, lawyers, external and internal auditors, HR managers, and department heads.

Target Competencies

- Understanding board of directors structure
- Analyzing board committees
- Assessing board power
- Defending shareholder rights and responsibilities
- Employing the control environment
- Evaluating wealth maximization
- Identifying stakeholders rights

Overview of Corporate Governance (CG)

- Definition of corporate governance
- The scope of corporate governance
- Essential corporate governance principles
- The macro governance picture
- Philosophies affecting corporate governance
- CG code of conduct and global principles

Models and mechanism of CG

- The Shareholder Wealth Maximization (SWM) model
- The Corporate Wealth Maximization (CWM) model
- International models of corporate governance
- The board of directors
- The audit committee
- Environment for corporate control

Stakeholders in corporate governance

- Stakeholders
- Shareholders rights
- Different types of directors
- Directors' duties and rights
- Role of chairman and corporate officers
- Internal auditors and external auditors
- Institutional investors and minority stakeholders
- Organization for Economic Cooperation and Development (OECD) view on stakeholders
- Deloitte governance framework
- KPMG professional judgment process
- Risk based decision making
- CG failure effects
- The efficient board

Functions and structures of corporate governance

- Starting from board of directors
- Alternative board structures
- Unitary and two tier board models
- Independence of the board
- Selection, remuneration and evaluation of the board
- Analyzing current company's CG system
- Planning and organizing CG objectives and resources
- Communicating and implementing CG principles

Practical corporate governance best practices

- International Corporate Governance Network (ICGN)
- OECD corporate governance principles

Disclosure and transparency

- Financial and operating results versus company objectives
- Remuneration policy for board members and key executives
- Related party transactions
- Timely, accurate and cost efficient access to information by users