



Chartered
Governance
Institute
of Canada

CORPORATE GOVERNANCE

THE CHARTERED GOVERNANCE INSTITUTE OF CANADA
INTERNATIONAL QUALIFYING PROGRAM

SYLLABUS

Corporate Governance

Level 6, Part One Programme

Total hours study time: 200

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.

Learning outcomes

After successful completion of this module you should:

- 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

25% – 50 Learning hours

Learning Outcome 1: Be able to research and critically apply the growing global, regional and local information sources on corporate governance.

Learning Outcome 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.

TOPIC AREA	EXEMPLIFICATION
Definitions and Issues in Corporate Governance	<ol style="list-style-type: none"> 1. Origins and definitions of corporate governance 2. Theories of corporate governance <ul style="list-style-type: none"> • Shareholder primacy theory • Agency theory: <ul style="list-style-type: none"> • Agency conflict • Agency costs • Stakeholder theory 3. Approaches to corporate governance <ul style="list-style-type: none"> • Shareholder value approach • Stakeholder approach • Inclusive stakeholder approach • Enlightened shareholder value approach 4. Principles of corporate governance <ul style="list-style-type: none"> • Responsibility • Accountability • Transparency • Independence • Participation 5. The corporate governance framework <ul style="list-style-type: none"> • Applicable laws, regulations, standards and codes • Rules-based approach • Principles-based approach • Hybrid approach • Concepts of comply or explain 6. Implementation of a governance framework <ul style="list-style-type: none"> • Organization purpose • Assimilation of governance practices • Organizational success 7. The importance of adopting good governance practices <ul style="list-style-type: none"> • Consequences of weak governance • Governance and management

TOPIC AREA	EXEMPLIFICATION
Definitions and Issues in Corporate Governance (continued)	<ol style="list-style-type: none"> 8. Key issues in corporate governance <ul style="list-style-type: none"> • Composition of boards • Financial reporting • Stakeholder relations • Social responsibility and sustainability • Compensation of directors and senior executives • Shareholder and member engagement • Performance of directors • Risk management • Technology and information governance • Workplace health and safety
History of Corporate Governance in Canada	<ol style="list-style-type: none"> 1. Background 2. The Dey Report 3. The Kirby Report. 4. The Saucier Report 5. National Policy 58-201 & National Instrument 58-101 6. Other Financial Disclosure Rules 7. Future Directions 8. Canadian Law and Governance
Governance in other countries and other sectors	<ol style="list-style-type: none"> 1. Governance in US - SOX & Dodd-Frank 2. Governance in UK – Cadbury to the Combined Code 3. Governance in Germany, Japan, China 4. Global principles of corporate governance 5. Governance issues in developing and emerging markets 6. Governance in other sectors <ul style="list-style-type: none"> • Financial institutions • Public sector • Not-for-profit sector 7. Governance for family-controlled companies
Role of the Company Secretary/ Governance Professional in Corporate Governance	<ol style="list-style-type: none"> 1. The corporate secretary and corporate governance 2. The requirements for a corporate secretary 3. The role of the corporate secretary 4. The corporate secretary as the 'conscience of the company' 5. The Corporate Secretary: Building trust through governance 6. Qualifications and skills 7. Position in the organisation 8. Independence of the corporate secretary 9. Liability of the corporate secretary 10. Inhouse v. outsource corporate secretary 11. CGI guidance on the corporate governance role of the corporate secretary

Section B: The board of directors and leadership

30% – 60 Learning hours

Learning Outcome 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.

TOPIC AREA	EXEMPLIFICATION
Directors' Duties and Powers	<ol style="list-style-type: none"> 1. Powers of directors 2. General duties of directors under the CBCA 3. Duty to act within powers and for proper purposes 4. Duty to promote the success of the company 5. Duty to exercise independent judgement 6. Duty to exercise reasonable skill, care and diligence 7. Duty to avoid and managing conflicts of interest 8. Duty not to accept benefits from third parties 9. Duty to declare interests in transactions 10. Who can bring an action for a breach of the general duties 11. Fraudulent and wrongful trading 12. Directors' and officers' insurance
Role and Membership of the Board	<ol style="list-style-type: none"> 1. Role of the board 2. Matters reserved for the board 3. Role of the chair 4. Role of the chief executive officer 5. Separation of the roles of chair and CEO 6. Non-executive directors (NED) – role and independence 7. Non-executive directors – effectiveness 8. Senior independent director 9. Board committees and NEDs 10. Role of the Corporate Secretary
Board Composition and Succession Planning	<ol style="list-style-type: none"> 1. Board size 2. Balance of skills, knowledge and experience 3. Diversity 4. Nomination committee 5. Appointments to the board 6. Accepting an offer of appointment 7. Succession planning 8. Refreshing board membership 9. Annual Re-election

TOPIC AREA	EXEMPLIFICATION
Board Effectiveness	<ol style="list-style-type: none"> 1. Decision-making processes 2. Supply of information 3. Board portals and electronic board papers 4. Virtual meetings 5. Use of social media by boards 6. Corporate culture 7. Independent professional advice 8. Performance evaluation 9. On boarding and professional development 10. Business ethics and the role of the board <ul style="list-style-type: none"> • The role of the company secretary in building an ethical culture • Developing a code of ethics: • Contents of a code of ethics • Communicating the expected standards of ethical behaviour • Alerting board management to the professional ethical standards of advisers and others • Ensuring compliance with values and code of ethics is monitored and breaches are reported to the board • Ensuring ethical values and code of ethics are reviewed • Ensuring the board approves and monitors 11. Implementation of whistleblowing policies and procedures

Section C: Disclosure, corporate social responsibility and stakeholder engagement

20% – 40 Learning hours

Learning Outcome 3: Be able to apply the concepts of disclosure in terms of accountability, transparency, corporate social responsibility, ethical standards and sustainability in governance.

TOPIC AREA	EXEMPLIFICATION
Financial Reporting to Shareholders and the External Audit	<ol style="list-style-type: none"> 1. Financial reporting 2. Requirements for financial reporting 3. Investor confidence in financial reporting 4. The role of the board in financial reporting 5. Role of the corporate secretary in financial reporting 6. Audit committee requirements 7. Role and responsibility of the audit committee 8. Meetings of the audit committee 9. Audit committee relationship with the board 10. Audit committee relationship with shareholders 11. Audit committee report 12. Role of the corporate secretary/governance professional in relation to the audit committee 13. External auditor 14. Role of the external auditor 15. Auditor independence 16. Non-audit services 17. Auditor rotation 18. Role of the corporate secretary in relation to the external auditors

TOPIC AREA	EXEMPLIFICATION
Corporate Social Responsibility Sustainability and Business Ethics	<ol style="list-style-type: none"> 1. Definition of corporate social responsibility (CSR) <ul style="list-style-type: none"> • Stakeholder capitalism defined • ESG (environmental social and governance) defined 2. History of CSR 3. The business case for CSR 4. Categories of CSR activity 5. CSR frameworks <ul style="list-style-type: none"> • UN Guiding Principles on Business and Human Rights • UN Global Compact • SIGMA Project • Equator Principles • OECD Guidelines for Multinational Enterprises 6. Measuring CSR initiatives 7. ESG 8. Integrated thinking 9. Advising the board on being socially responsible 10. Sustainability 11. Advising the board on planning for sustainability 12. Difference between business ethics, corporate responsibility and sustainability 13. Business Ethics and the role of the board <ul style="list-style-type: none"> • The role of the company secretary in building an ethical culture • Developing a code of ethics • Communicating the expected standards of ethical behaviour • Ensuring compliance with values and code of ethics 14. Whistleblowing policies and procedures
Reporting on non-financial issues including CSR and ESG	<ol style="list-style-type: none"> 1. CSR reporting and the law 2. Drivers for voluntary CSR reporting 3. Measuring CSR initiatives 4. Triple bottom line reporting 5. Integrated reporting 6. Global Reporting Initiative 7. Sustainability Accounting Standards Board (SASB) 8. IIRC integrated reporting framework 9. The Corporate Reporting Dialogue 10. Climate Change Reporting 11. Moves to a single reporting standard External assurance 12. Environmental Profit & Loss Accounts (EP&L) 13. The governance professional's role in CSR reporting

Section D: Risk management and internal control

10% – 20 Learning hours

Learning Outcome 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.

TOPIC AREA	EXEMPLIFICATION
Risk Management and Internal Control Systems	<ol style="list-style-type: none"> 1. The Nature of Risk 2. Elements of a risk management and Internal Control System 3. Governance Framework 4. Developing a risk management system 5. Benefits of risk management 6. The Role of the Board in Risk Management and internal controls 7. Common failures of boards 8. Long-term viability statements
Risk structures, policies, procedures and compliance	<ol style="list-style-type: none"> 1. Governance structures and players 2. Policies and procedures 3. Whistleblowing 4. Cybersecurity 5. Information Governance 6. Disaster recovery plans 7. The Corruption of Foreign Public Officials Act 8. Conflict prevention and resolution 9. Senior Executive Compensation and Risk

Section E: Shareholder/Member rights, stakeholder engagement and directors' compensation

15% – 30 Learning hours

Learning Outcome 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.

TOPIC AREA	EXEMPLIFICATION
Shareholders' and Members' Rights and Engagement	<ol style="list-style-type: none"> 1. Definitions 2. Separation of Ownership and Control 3. The relationship between the board and shareholders 4. Shareholder Rights 5. Common abuse of shareholder rights 6. Shareholder expectations 7. Institutional shareholder responsibilities 8. Proxy Advisor Influence 9. Responsible Investment v. socially responsible investment 10. Member Rights in the NFP world
Board Engagement with Shareholders and other Stakeholders	<ol style="list-style-type: none"> 1. Shareholder engagement 2. Annual general meetings 3. Electronic communication 4. Engagement with other stakeholders 5. CBCA requirements to consider other stakeholders 6. The role of the Governance Professional in Stakeholder Engagement
Compensation of Directors and Senior Executives	<ol style="list-style-type: none"> 1. Compensation as a corporate governance issue 2. Elements of compensation for executive directors and senior executives 3. CCGG Principles on compensation – Director Compensation 4. Compensation committee 5. Compensation Disclosures for public companies 6. Directors' compensation policy 7. Compensation for loss of office and rewards for failure 8. Listing Rule provisions on long-term incentive schemes