

**ACC3706 Governance, Risk Management and Sustainability  
(Semester 2, AY2024/2025)**

**Course Outline**

**Teaching Team**

Name	Role	Email	Office
Prof Mak Yuen Teen (MYT)	Coordinator/Lecturer	bizmakyt@nus.edu.sg	BIZ1 7-1
A/P Ho Tuck Chuen (HTC)	Lecturer	bizhtc@nus.edu.sg	BIZ2 3-22

**Workload (hours per week):\***

Seminar (Lecture/Case presentations):	3
Project, tutorial assignments, etc:	4
Preparatory work :	6

\*Classes will consist of one three-hour session per week. Many of the classes will be a combination of lecture and case presentations by students.

**Units:** 4

**Pre-requisites:** ACC1002 Financial Accounting  
BSP1004 Legal Environment of Business

**AIM**

Corporate governance systems around the world can traditionally be classified into those that are based on the shareholder model (e.g., U.S., UK, and Singapore) and those that are based on the stakeholder model (e.g., Germany and France), with some countries having a hybrid of the two systems. Over the last decade or more, there has been an increasing focus on stakeholders' interest, and on environmental, social, and governance (ESG) issues and sustainability, through sustainability reporting requirements; codes of corporate governance; and pressure from institutional investors, non-governmental organisations (NGOs), and other stakeholders. The revised G20/OECD Principles of Corporate Governance expected to be released in 2023 will include a much increased emphasis on the social and environmental issues. Corporate governance provides the foundation for an organisation to effectively manage economic, environmental, and social risks.

This module covers corporate governance from a multi-disciplinary perspective, including law, finance, accounting, and economics; the differences between the shareholder and stakeholder models and their implications for corporate governance; key ESG factors that may affect the long-term sustainability of companies; corporate governance regulatory approaches and frameworks; key corporate governance principles and practices in areas such as board of directors, remuneration, corporate culture and ethics; shareholder and stakeholder rights; and risk governance and management. The module includes an extensive coverage of the governance and management of financial, operational, technology, compliance, and ESG risks, from an enterprise risk management perspective.

## **OBJECTIVES**

- To enable students to understand the conceptual framework and key rules, regulations, and guidelines governing the corporate governance of companies in Singapore and internationally.
- To enable students to understand the impact the global forces, such as multilateral organisations, foreign governments, multinational corporations and global investors, on corporate governance and sustainability
- To equip students with knowledge of key corporate governance practices, issues and challenges that is relevant to accountants, corporate executives and other industry professionals involved in corporate governance-related work
- To equip students with the knowledge of the board's responsibility over the governance of risk in organisations, and how enterprise risk management framework supports the board in the discharge of their responsibilities.
- To equip students with the knowledge of the key enterprise risk management principles and processes such as risk assessment, risk responses and internal control activities, and knowledge of internal control principles which are essential in providing a sound internal control environment.
- To enable students to understand ethical, corruption and fraud risks in Singapore and the region, and the role and limitations of anti-fraud, bribery and corruption programmes in mitigating these risks

## **POSITION OF THE MODULE IN THE OVERALL SYLLABUS**

This module builds on and complements students' knowledge and understanding acquired through the several accounting modules (such as Financial Accounting and Assurance and Attestation), finance modules such as corporate finance and investments, and modules on the legal environment of business and corporate and securities laws.

## **LEARNING APPROACH**

Corporate governance and risk management are very practical subjects. Companies and various stakeholders deal with corporate governance issues on a daily basis. In this module, students will be exposed to both the theory and practice of corporate governance and risk management. In addition to textbook readings and journal articles, many practical examples of corporate governance practices and issues will be discussed to ensure that students' knowledge is grounded in practice. Extensive use will be made of media articles and commentaries. The practical approach is reinforced through the involvement of lecturers and speakers who have extensive practical experience, videos/case studies involving real ESG and risk issues, and projects requiring students to develop hands-on understanding of the corporate governance, ESG practices and risk management of companies.

## **ASSESSMENT**

Group project: 30%\*

Class/tutorial participation (10%) and tutorial presentation (10%): 20%

Final exam (open book): 50%\*\* (5 May 2025, 1-3 pm)

## **KEY AREAS OF THE SYLLABUS**

- Shareholder and stakeholder models of corporate governance, and the increasing focus on ESG issues
- Forces impacting corporate governance regulation and practices of companies
- Internal and external governance mechanisms
- The corporate governance regulatory framework in Singapore (with some comparisons with other major countries)
- Singapore Code of Corporate Governance
- Corporate governance framework and key corporate governance issues in listed companies, and specific issues in sectors such as Catalist board, foreign listings, and financial institutions
- Corporate governance framework and practices of a listed company and the key players, and sustainability governance structures and practices to oversee and manage sustainability risks and opportunities
- Roles and composition of board of directors and key board practices, and how they are impacted by ESG factors
- Executive and director remuneration, including the integration of ESG factors into executive remuneration
- The role of internal control and risk management in corporate governance
- Enterprise risk management framework – risk identification, assessment, evaluation, response, monitoring
- Risk mitigating measures and internal control framework
- Tone at the top, codes of conduct and whistleblowing
- Business continuity and crisis risk management

## **PRESCRIBED READINGS**

*Selected Cases from Corporate Governance Case Studies Series*, edited by Mak Yuen Teen, and published by CPA Australia, and *Corporate Governance and Ethics: Case Studies*, edited by Mak Yuen Teen, and published by Centre for Investor Protection.

Reports, articles and news media commentaries.

## **SUPPLEMENTARY READINGS**

*Risk Governance Guidance for Listed Boards*, Corporate Governance Council, 10 May 2012, Singapore

Reports, articles and news media commentaries

## **DETAILED SYLLABUS**

### **1. Introduction and overview**

- a. What is corporate governance and why is it important?
- b. Key corporate governance mechanisms
- c. Shareholder versus stakeholder models
- d. Sustainability and ESG
- e. Key differences in corporate governance around the world

### **2. Corporate governance regulatory approaches, regulatory framework, rules and enforcement**

- a. Regulatory approaches to corporate governance
- b. Overview of the corporate governance regulatory framework and key sources of CG rules
- c. The Singapore Code of Corporate Governance
- d. The “comply or explain” approach
- e. Implementation and enforcement of corporate governance rules

### **3. Overview of corporate governance issues in listed companies**

- a. Corporate governance framework of a listed company and the role of key players
- b. Corporate governance challenges for different types of companies
- c. Corporate governance issues for foreign listings

### **4. Board of directors**

- a. Board powers, duties and responsibilities
- b. Board composition – competencies and independence
- c. Board diversity
- d. Board leadership
- e. Board size
- f. Board committees
- g. Other key corporate governance practices

### **5. Executive and director remuneration**

- a. Overview of rules, principles and guidelines
- b. Structure (mix) of executive remuneration
- c. Performance measures
- d. Different types of performance-based remuneration
- e. Risks associated with pay for performance
- f. Non-executive director remuneration

### **6. Corporate culture and ethics**

- a. The importance of corporate culture and its role in explaining corporate governance scandals and lapses
- b. Aspects of corporate culture and key indicators
- c. Board’s role in overseeing corporate culture
- d. Integrity, ethics and ethical dilemmas
- e. Whistleblowing

### **7. Responsibility of the board over the governance of risk**

- a. Board responsibility over the governance of risk
- b. Board risk governance framework and SGX Listing Rules requirements
- c. Risk definitions – risk appetite, risk tolerance, and key categories of risks

- d. The lines of defence in risk and control
- e. Role of internal audit and external audit functions

**8. Enterprise risk management**

- a. Internal control principles and enterprise risk management
- b. Risk management standards and ERM frameworks
- c. Overview of ERM and integrated internal control frameworks
- d. Risk management structure in organisations and the lines of defence

**9. Risk management process**

- a. Establishing the right tone from the top
- b. Establishing the context and objectives
- c. Risk identification and risk analysis
- d. Risk mapping and prioritisation

**10. Risk management process**

- a. Risk evaluation
- b. Understanding the concept of gross risks and residual risks
- c. Responding and treatment of risks
- d. Risk management tools and techniques

**11. Control activities**

- a. Objectives of internal control
- b. Principles applicable to control activities, information and communication, and monitoring of controls
- c. Different types of internal controls
- d. Red flags and key risk indicators

**12. Business continuity and crisis risk management**

- a. Understand how business continuity risk management (BCM) fits into the ERM framework
- b. Key concepts in BCM
- c. Key steps in developing a BCM program
- d. Structure of a BCM framework

## **BIOGRAPHIES OF INSTRUCTORS**

### **Professor Mak Yuen Teen**

Professor Mak Yuen Teen is Professor (Practice) of Accounting at the NUS Business School, National University of Singapore (NUS). He was a former Vice Dean of the School and the founder of the first corporate governance centre in Singapore at NUS. He recently founded and is the director of the Centre for Investor Protection in NUS Business School. He is also a Visiting Professor at the Iclif Executive Education Centre, part of the Asia School of Business (ASB), Malaysia, a collaboration between MIT Sloan and The Central Bank of Malaysia.

He holds first class honours, master and PhD degrees in accounting and finance.

Professor Mak has held senior roles in consulting firms, including Asia-Pacific Director of Research at a NYSE-listed global consulting firm and Head of Research (Singapore) at a Big 4 accounting firm, while on leave from academia.

Prof Mak has served on three of the four corporate governance committees set up by the Singapore authorities to develop and revise the code of corporate governance for listed companies, including the first committee in 2000 and the most recent committee under the Monetary Authority of Singapore (MAS) which released the 2018 Singapore Code. He was recently appointed to a third three-year term on the Corporate Governance Advisory Committee under MAS aimed at continually raising corporate governance standards for listed companies in Singapore.

He has also served as chairman and deputy chairman of two large not-for-profit organisations in Singapore and currently chairs the nominations committee of a large Singapore not-for-profit healthcare organisation. He also served as a member of the audit advisory committee of two UN funds based in NY over a period of 12 years.

Professor Mak was a council member of the Singapore Institute of Directors. He is a co-founder and director of Corporate Monitor Limited, a not-for-profit company focused on investor protection and education. He also serves on the Advisory Council of the Vietnam Independent Directors Association and is a member of the International Advisory Board of the Hawkamah Institute of Governance in Dubai.

He is actively involved in training directors and regulators on corporate governance across the region, including in Malaysia where he taught the mandatory program for first-time listed company directors and currently teaches in a mandatory program for directors of financial institutions. In addition, he regularly teaches on both public and in-house programs for directors on topics such as nominating and remuneration committees, board composition, board effectiveness, board's compliance role, board's value creation role, and board's role in overseeing sustainability-related risks and opportunities. Professor Mak is the program advisor for a new mandatory program offered by the Institute of Singapore Chartered Accountants (ISCA) and SAC Capital, which is accepted by the Singapore Exchange as an alternative for mandatory training for first-time directors of companies listed in Singapore.

Prof Mak developed the first corporate governance rating for Singapore companies and the first Singapore governance rating for REITs and business trusts. He was nominated by MAS as the Singapore expert in the development of the ASEAN CG Scorecard. He has served as chair or member of a number of corporate governance awards committees in Singapore and Malaysia.

He has also produced numerous reports on corporate governance and sustainability. In 2007, his report on improving the implementation of corporate governance practices in Singapore, commissioned by MAS and the Singapore Exchange, was launched by the Minister of Finance at the OECD Asian Corporate Governance Roundtable held in Singapore. His recent reports in sustainability, published in collaboration with Sustainable Finance Institute Asia (SFIA), is on integrating ESG factors into executive remuneration, sustainability governance structures and board oversight of climate risks and opportunities.

Prof Mak is one of only two individuals in Singapore to have been given the Corporate Governance Excellence Award by the Securities Investors Association (Singapore) for his contributions to improving corporate governance in Singapore. The Singapore Institute of Directors has also recognised him as a CG Pioneer. He also received the corporate governance excellence award from the Minority Shareholders Watchdog Group in Malaysia for his contributions to corporate governance in the region.

He is a strong corporate governance advocate and comments regularly on current corporate governance issues on LinkedIn and on his personal website, Governance for Stakeholders, which he started in 2013.

### **Adjunct A/P Ho Tuck Chuen**

Assoc Prof Ho Tuck Chuen is a Chartered Accountant by training and Auditor/CFO by profession. His professional accreditation are as follows:

- Institute of Chartered Accountants in Australia & New Zealand (ICA ANZ)
- Singapore Chartered Accountants (ISCA SINGAPORE)
- Association of Chartered Certified Accountants (ACCA UNITED KINGDOM)

Assoc Prof Ho has more than 40 years of extensive and varied financial experience in diverse industries ranging from Healthcare, Reits, Real Estate, Electronics, Pharmaceutical, Software and from Multi-National Corporations to Companies listed on US and Singapore Stock Exchange to Singapore Public Sector.

He joined the adjunct faculty of NUS Business School in 2008 when he retired from the Corporate sector. Besides conducting courses for undergraduate classes, he was involved in conducting workshops for NUS-NUHS Leadership program and NUS-Chicago Emerging CFO program.

Assoc Prof Ho has vast experience in Corporate Governance and Risk Management. He was the Chairman of ISCA's Corporate Governance Committee from 2015 to 2017. He set up the ERM system for JTC Group when he was its CFO in 1998. He was member of Sony's Global Accounting Committee and Global Tax Committee when he was working for Sony from 1996 to 2005. He was involved as the expert accounting witness in High Court in a recent multi-million forensic case.

Assoc Prof Ho was Council member and Treasurer of ISCA from 2011 to 2017. He was advisory member of Singapore CFO Institute from 2012 to 2017. He served as a committee member of the Accounting Standards Council-Working Group on New Lease Standard from 2012 to 2016.

Assoc Prof Ho was a committee member of the Ministry of Finance Leadership Program – 2015 to 2017. He sat on the advisory committee of Statutory Boards Accounting Standards – Advisory Committee Member, 2012`to 2014 and advisory committee of VITAL ORG (MOF). He was also on the advisory committee for Singapore University of Social Services (Accountancy School) and Temasek Polytechnic (Business School).

He sits on the Audit Committee of a few statutory boards including A\*Star Research Institutes and charitable organizations.

He is involved in ad-hoc consultancy work and regularly conduct workshops on risk management and corporate governance for professional bodies.