

National Research University - Higher School of Economics

Faculty of World Economy and International Affairs

Course Syllabus and Description

Corporate Governance in International Companies

Master of International Business Program

38.04.02 Management

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Corporate Governance in International Companies

COURSE DESCRIPTION

Pre-requisites:

International Relations

World Economy

International Business Research

The Course is elective for the 1st year students of Master of International Business Program at the Department of World Economy and International Affairs. The Course could be also recommended to the students of other master's programs in economics and finance. The duration of the Course is 114 hours, including 40 hours of an auditorium block (lectures and seminars). Students' self-work - 74 hours.

Course type: elective

Abstract: The Course begins by examining the whole area of governance within organizations in the broad context. The Course covers the role and responsibilities of directors and organizational officers and officers of accounting and auditing as support and control functions. The Course then explores internal review, control, and feedback to implement and support effective governance, including compliance issues related to decision-making and decision-support functions. The Course also examines the whole area of identifying, assessing, and controlling risk as a key aspect of responsible management. The Course is based on lectures, seminars, case studies and self-study.

LEARNING OBJECTIVES AND OUTCOMES

The Course is focused on developing knowledge, skills and expertise relating to governance, internal control, compliance and management of risk within an organization in the context of an overall ethical framework. Students are expected to define governance and explain its function in the effective management and control of organizations and resources for which they are accountable.

Special attention is devoted to the conceptual bases of corporate governance, internal controls and risk management, the role of Director and the Board within an international company.

COURSE PLAN

№	Topic	Classwork			Homework	Total hours including homework
		Total	Lectures	Semi- nars		
1	Corporate governance. The scope of governance, agency relationships and theories		2	2	8	
2	Directors role		2	2	8	
3	The Board and its committees. Board structure, operations and practices		3	2	13	
4	The company's legal and regulatory environment		2	1	3	
5	Internal control and review: management control systems		3	2	10	
6	Internal control and review: internal audit and its role in the corporate governance		3	1	8	
7	Risk management process. Introduction		3	2	8	
8	Identification, assessment and measurement of risk		3	2	8	
9	Controlling risk		3	2	8	
Overall total:		40	24	16	74	114

Topic 1. Corporate governance. The scope of governance, agency relationships and theories

The scope of governance. Agency relationships and theories. The board of directors. Board committees. Directors' remuneration. Different approaches to corporate governance. Corporate governance and corporate social responsibility. Governance: reporting and disclosure. Public sector governance.

Topic 2. Director's role

Directors' duties. The different types of directors. Different roles: chairman, managing director, executive and non-executive director. The role of the company secretary. Selection and appointment of directors.

Topic 3. The Board and its committees. Board structure, operations and practices

Role and tasks of the board. Best practice principles. Delegation to management. Matters reserved for the board. Board structure, composition and skills. Board committees. Board policies. The complexity of the board's task and board dilemmas. Board dysfunction. Board evaluation – the board, its committees and individual directors.

Topic 4. The company's legal and regulatory environment

Main legal forms in major jurisdictions. Features of a company. The legal position of stakeholders. Disclosure of information and reporting requirements. European directives. Legal and regulatory environment. Dispute resolution via litigation, arbitration or alternative dispute resolution.

Topic 6. Internal control and review: management control systems. Internal audit and its role in the corporate governance

Relationship between internal control, internal audit and risk management. The importance of internal control and risk management in corporate governance. The objectives of internal control systems and how they can help prevent fraud and error. The corporate governance and executive management roles in risk management.

Topic 7. Risk management process. Identification, assessment and measurement of risk. Risk controlling

Principles of risk management. Management control systems in corporate governance. Internal control, audit and compliance in corporate governance. Internal control and reporting. Management information in audit and internal control.

Risk and the risk management process. Categories of risk. Identification, assessment and measurement of risk.

Targeting and monitoring risk. Methods of controlling and reducing risk. Risk avoidance, retention and modelling

READING LIST

Compulsory literature

1. Cadbury Report (1992) (The Report of the Committee on the Financial Aspects of Corporate Governance) www.ecgi.org/codes/documents/cadbury.pdf
2. Charities Commission www.charity-commission.gov.uk
3. UK Corporate Governance Code 2012 www.frc.org.uk/Our-Work/Publications/Corporate-Governance/UK-Corporate-Governance-Code-September-2012.aspx

Supplementary books

4. Dunne, P (2007), *Running Board Meetings*, Kogan Page.
5. Dunne, P (2008), *Non-Executive Directors' Handbook*, CIMA Professional Handbook.
6. Dunne, P (2005), *Directors' Dilemmas: Tales from the Front Line*, Kogan Page.
7. Ginman, P. (1992) *The Guide to Directors' Duties and Responsibilities – Your Questions Answered*, Kogan Page.
8. Harper, J. (2006) *Chairing the Board: A Practical Guide to Activities and Responsibilities*, Kogan Page.
9. Loose, P., Yelland, J., Impey, D. (2000) *The Company Director*, Jordans.
10. Pierce, C. (ed.) (2001) *The Effective Director*, Kogan Page.
11. Willis, M. & Fass, M. (2004) *Faith in Governance: Renewing the Role of the Director, Industrial Christian Fellowship*.

GRADING SYSTEM AND GUIDELINES FOR KNOWLEDGE ASSESSMENT

The final grade for the course is based on accumulated grade for the class work (40%) and the grade for the final exam (60%). Accumulated classwork grade consists of home assignment (40% - each), class participation (10%) and one intermediate test (50%). The exam is held in the form of written test.

METHODS OF INSTRUCTION

The studying process is based on following methods and forms teaching: lectures, case-studies, discussions, presentations, self-study, and final exam.

Class attendance and preparation of the class material is obligatory. Lecture classes will consist of a lecture by the instructor, including discussions of the class material.

The course has 40 contact hours. The lectures are designed to help students understand the main concepts of the course. The tutorials provide illustrations of the frameworks taught during the lectures. They are interactive and are aimed at enhancing obtaining skills. Students should be prepared to contribute to the discussion. Case studies are conducted in groups (up to 3-4 students) and let students apply the knowledge gained during the course on a real situation.

SPECIAL EQUIPMENT AND SOFTWARE SUPPORT

Laptop, projector