



**UNIVERSITAS INDONESIA  
FACULTY OF ECONOMICS AND BUSINESS  
ACCOUNTING DEPARTMENT  
UNDERGRADUATES PROGRAM**

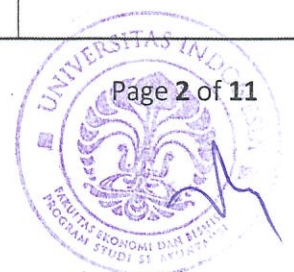
**SYLLABUS  
CORPORATE GOVERNANCE AND RISK MANAGEMENT  
ECAU601307  
ODD SEMESTER 2020/2021**

No.	Lecturer	E-mail
1	- Prof. Akhmad Syakhroza S.E., MAFIS., Ph.D. - Siti Nuryanah S.E., M.S.M., M.Bus(Acc.), Ph.D.	a_syakhroza@yahoo.com siti.nuryanah@ui.ac.id

<b>Subject Code</b>	ECAU601307
<b>Subject Title</b>	<b>CORPORATE GOVERNANCE AND RISK MANAGEMENT</b>
<b>Credit</b>	3
<b>Prerequisite Subject</b>	Introduction to Strategic Management and Business Law
<b>Description</b>	This subject provides students an understanding about the theory, definition, the importance, the principles, structure and implementation of corporate governance, as well as an overview to practice and issues of corporate governance in Indonesia. In addition, the subject introduces the risk management framework, the roles of the boards in overseeing and assuring sound internal control and risk management system, and the role internal and external auditors in promoting good corporate governance. After completing this subject, students are expected to be able to analyze the implementation of corporate governance principles in a company based on the concepts learned during the lectures.
<b>Learning Objectives (LO)</b>	Upon completion of the subject, student will be able to achieve: 1. Technical Competence 1.1. Able to describe the principles of good governance, including the rights and responsibilities of owners, investors, and those charged with governance; and explain the role of stakeholders in governance, disclosure, and transparency requirements. 1.2. Able to describe the components of an organization's governance framework. 1.2.a. Describe the role, responsibilities, and effectiveness of BOC, BOD and BOC's committees



	<p>1.2.b Describe the role of internal and external auditors in the application of CG</p> <p>1.3. Able to describe the company's risk and opportunities using the risk management framework</p> <p>1.4. Able to analyze CG principles such as shareholder rights, equitable treatment of shareholders, role of stakeholders, roles and responsibilities of the Board, and disclosures and transparency</p> <p>2. Ethics, Professional Skills, Values and Attitudes</p> <p>2.1. Able to demonstrate knowledge of relevant social and ethical considerations</p> <p>2.2. Able to write a clear and concise essay/report -written communication</p> <p>2.3. Able to communicate clearly and concisely in presentation and discussion -oral communication</p> <p>2.4. Able to argue and draw conclusion on an issue based on supportive evidence</p>			
<b>Topic</b>	<b>Session #</b>	<b>Topic</b>	<b>LO</b>	<b>Method</b>
	1	<p>Introduction to Governance</p> <p>a. Definition</p> <p>b. Corporate Governance System (one-tier vs two-tier)</p> <p>c. Tripod of Corporate Governance</p> <p>d. Organ of Corporate Governance</p> <p>e. Charter of Corporate Governance – An Example</p>	1.1	Active Lecturing and Small Discussion
	2	<p>Board Governance in Private and Public Sector</p> <p>a. Structure of Board Governance in Private Sector: BoC and BoD</p> <p>b. Structure of Board Governance in Public Sector</p> <p>c. The Characteristics, Role, Responsibilities, and Effectiveness of the Board</p> <p>d. Appointment and Election of the Board</p> <p>e. Board Charter – An Example</p>	1.2a 2.3	Group Discussion and Presentation
	3	<p>Committee(s) of the Board of Commissioners:</p> <p>a. Type of Committee(s)</p> <p>b. The characteristics, role, responsibilities, and effectiveness of the Committee(s)</p>	1.2a 2.3	Group Discussion and Presentation





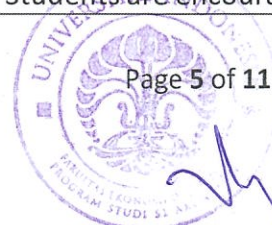
	4	Board Accountability a. Disclosure and transparency b. Financial Statements c. Annual Reports and Sustainability Reports d. Other Reports	1.2a 2.3	Group Discussion and Presentation
	5	Internal Auditor and Internal Control a. The importance of sound internal control for achieving good corporate governance b. How to ensure sound internal control c. The characteristics, role, responsibilities, and effectiveness of internal auditor in the context of Corporate Governance d. Three lines of defense e. The internal control over financial reporting and quality of financial reporting f. Reporting sound internal control system	1.2b 2.3	Group Discussion and Presentation
	6	Shareholders and Ownership a. Ownership structure b. Minority structure c. Rights and responsibilities of shareholders d. Equitable treatment of shareholders	1.1 2.3	Group Discussion and Presentation
	7	External Governance Mechanisms (I) Role and Governance Practice of: a. Capital Market b. Capital Market Regulators c. Otoritas Jasa Keuangan (OJK) d. Other Capital Market Intermediaries	1.1 2.3	Guest Lecture
	8	External Governance Mechanisms (II) a. Role of External Auditor	1.1	Group Discussion and Presentation



		b. Role of Institutional Investors	1.2b 2.3	
	9	<b>Risk Governance (I)</b> a. Risk Governance: Definition and Structure b. What is A Sound System of Internal Control and Risk Governance? Including in this part: IT Risks and A comprehensive risk management policy	1.3 2.3	Guest Lecturing or Group Discussion and Presentation
	10	<b>Risk Governance (II): A Sound System of Internal Control and Risk Governance</b> a. Definition b. Assuring a Sound System of Internal Control and Risk Governance c. The Roles and Responsibilities of the BOC, BOD and Board's Committees	1.3 2.3	Group Discussion and Presentation
	11	<b>Risk Governance (III): ERM as A Risk Management Framework of Organization's Risks and Opportunities</b> a. Enterprise Risk Management: Definition and Model b. Setting Risk Tolerance c. Understanding Risk Management Process d. Reviewing Adequacy and Effectiveness <ul style="list-style-type: none"> <li>• Sample Questions to Ask when Reviewing Risk Management and Internal Control Systems</li> </ul> e. Risk Assurance and the Annual Assessment <ul style="list-style-type: none"> <li>• The Enterprise Summary ("Helicopter View"): An Example</li> <li>• Comfort Matrix View of Key Inherent Risks: An Example</li> </ul>	1.3 2.3	Group Discussion and Presentation

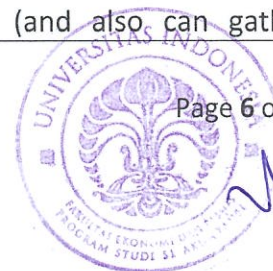


		f. Setting and Instilling the Right Culture of Risk and Control g. Communicating Risk Governance Process: Providing Commentary on Risk Management and Internal Controls		
	12	Risk Governance (IV): ERM as A Risk Management Framework of Organization's Risks and Opportunities ---Implementation in A Corporation--	1.3 2.3	Guest Lecture
	13	Ethics, Whistleblower Policy and Anti-Corruption a. Definition of Ethics, Whistleblower Policy and Anti-Corruption b. Mechanisms of whistleblower systems c. Case of Ethics Failure	1.3 2.1 2.3	Group Discussion and Presentation
	14	Corporate Sustainability and Role of Stakeholders a. Role of stakeholders in good corporate governance b. Social and environment impact of companies' business and sustainability concept (introduction) c. Who is protecting the interests of stakeholders/public --> Role of LSM, ICW, WALHI, etc. d. How companies fulfilling interests of stakeholders/public: Corporate Social Responsibility	1.1 2.3	Group Discussion and Presentation
	Individual Paper	Evaluate the Corporate Governance Practice and issue in a Company	1.4, 2.1. 2.2.2.4, submit the paper in the Final Exam	
Teaching/Learning Methodology	Teaching methods used in this subject are active lecturing (case based learning) and class discussions, in which students achieve the study objectives by discussing and completing related problems or cases under the guidance of lecturer. The problems and cases are taken from the text book and other sources. Students are encouraged			





	to search for additional references in discussing problems and cases. For guest lecturing , students are expected to submit individual summary at least two days after guest lecturing.										
<b>Assessment Method in Alignment with Intended Learning Outcomes</b>	<b>Specific Assessment Methods/ Tasks</b>	<b>% Weig hting</b>									
			<b>1.1</b>	<b>1.2a</b>	<b>1.2b</b>	<b>1.3</b>	<b>1.4</b>	<b>2.1</b>	<b>2.2</b>	<b>2.3</b>	<b>2.4</b>
	Continuous Assessment	100%									
	GROUP	15%									
	Presentation materials (10%)		√	√	√	√	√	√	√	√	√
	Group Discussion and Presentation (5%)		√	√	√	√	√	√	√	√	√
	INDIVIDUAL	85%									
	Mid Term Exam (25%)		45%	40%	15%						
	Final Exam (25%)		25%		25%	50%					
	Participation and Discussion (5%)									√	√
	Presentation (5%)									√	√
	Quiz (10%)		√	√	√	√	√				
	Final Paper (15%)		√	√	√	√	√	√	√		√
<b>Details of learning methods</b>	<p>The specific learning methods used in this subject are:</p> <ol style="list-style-type: none"> <li>1. Active Lecturing The lecturer provides presentation about the related topic in the session and encourages students to critically discuss and draw complex connections among ideas related to the topic.</li> <li>2. Small Group Discussion – Case Based Learning Almost in all sessions, students will participate in a small group discussion. The discussion is designed to raise their curiosity as well as to critically solve some assignments. Students will be divided into groups that consist of not more than 4 persons and discuss the reading materials (and also can gather any</li> </ol>										



	<p>information besides the reading materials identify in this syllabus to support their understanding) related to the assignment. The lecturer observes and facilitates the discussion as well as notes each student's participation in the discussion. The lecturer will choose one to three groups and the selected group will present their notes of discussion to the class. The lecturer concludes the discussion.</p> <p>3. Quizzes Quizzes will be held for 4 times; 2 times held before midterm and 2 times after.</p> <p>4. Guest Lecturing The invited guest lecturing will provide lecturing to the class based on his/her/their practical experience guided by a moderator. Students will be given the opportunity to ask question and discuss the topic with the guest lecturer(s).</p> <p>5. Individual final paper At the end of the class, each student shall submit a paper that demonstrates his/her writing skill, reasoning and critical thinking and covers the topic(s) contained in the subject.</p>														
<b>Student Study Effort Expected</b>	<table border="1"> <tr> <td>In Class</td><td>35 Hours</td></tr> <tr> <td>Teaching</td><td>17,5 Hours</td></tr> <tr> <td>Presentation</td><td>7 Hours</td></tr> <tr> <td>Discussion</td><td>10,5 Hours</td></tr> <tr> <td>Student independent study</td><td>35 Hours</td></tr> <tr> <td>Discussion preparation</td><td>20 Hours</td></tr> <tr> <td>Final paper preparation</td><td>15 Hours</td></tr> </table>	In Class	35 Hours	Teaching	17,5 Hours	Presentation	7 Hours	Discussion	10,5 Hours	Student independent study	35 Hours	Discussion preparation	20 Hours	Final paper preparation	15 Hours
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<b>Reference and Reading</b>	<p>Main references:</p> <ol style="list-style-type: none"> <li>1. OECD (2015), OECD Corporate Governance Principles.</li> <li>2. <del>KNKG (2006), Pedoman Umum Good Corporate Governance Indonesia,</del> <a href="http://www.ecgi.org/codes/documents/indonesia_cg_2006_id.pdf">http://www.ecgi.org/codes/documents/indonesia_cg_2006_id.pdf</a></li> <li>3. Aturan-aturan yang terkait dengan corporate governance, seperti UU Perseroan Terbatas RI, UU Pasar Modal, aturan OJK/Bapepam-LK, BEI, serta BI yang relevan.</li> <li>4. Mallin, C. (2018). <i>Corporate governance</i>. Oxford University Press, USA.</li> </ol> <p>Additional references:</p> <ol style="list-style-type: none"> <li>1. ASEAN CG Scorecard: (i) ACMF-ADB, ASEAN Corporate Governance Scorecard: Country Report and Assessments 2012-2013, <a href="http://www.adb.org/publications/asean-corporate-governance-scorecard-country-reports-and-assessments-2012-2013">http://www.adb.org/publications/asean-corporate-governance-scorecard-country-reports-and-assessments-2012-2013</a></li> <li>2. Rahardjo, S.S. (2018), Etika dalam Bisnis dan Profesi Akuntan dan Tata Kelola Perusahaan. Penerbit Salemba Empat. Jakarta</li> <li>3. Worldbank group, Worldwide governance indicators, <a href="http://info.worldbank.org/governance/wgi/index.aspx#home">http://info.worldbank.org/governance/wgi/index.aspx#home</a></li> </ol>														



**Case: Jiwasraya Insurance**

**Session 1**

1. ~~KNKG (2006)~~
  2. Mallin (2018) Chapters 2 and 3
  3. OECD (2015), Overview of the Principles
  4. Syakhroza, A. (2005), Corporate Governance: Sejarah dan Perkembangan, Teori, Model, dan Sistem Governance, Serta Aplikasinya pada Perusahaan BUMN, Pidato pengukuhan Guru Besar UI, Lembaga Penerbit UI, 1-23.
- Additional: Rahardjo (2018), Chapters 18 and 19

**Session 2**

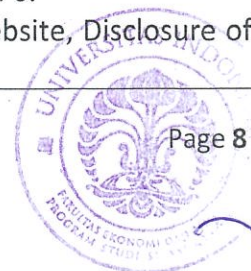
1. FRC (2016), Guidance on Board Effectiveness, Chapters 1 and 2  
<https://www.frc.org.uk/getattachment/61232f60-a338-471b-ba5a-bfed25219147/2018-Guidance-on-Board-Effectiveness-FINAL.PDF>
  2. ~~KNKG (2008), Pedoman Good Public Governance~~  
<http://www.knkg-indonesia.org/dokumen/Pedoman-Good-Public-Governance.pdf>
  3. Peraturan Tata Kelola Emiten/BUMN, Kementrian-Lembaga
  4. Mallin (2018), Ch 8
  5. OECD (2015), Ch. 6
  6. Syakhroza, A. (2005)
  7. Indonesian Corporate Act No.40/2007, related to BoC and BoD
- Additional: Rahardjo (2018), Chapter 21

**Session 3**

1. FRC (2016), Guidance on Audit Committee,  
<https://www.frc.org.uk/getattachment/6b0ace1d-1d70-4678-9c41-0b44a62f0a0d/Guidance-on-Audit-Committees-April-2016.pdf>
  2. Mallin Ch.8
  3. OJK Rules on Audit Committee, Nomination & Remuneration Committee
  4. Peraturan Organ Pendukung Dewan
  5. OECD (2015), Ch. 6
  6. PwC (2011), Audit Committee Effectiveness: What Works Best, 4th, Executive Summary, Chapters 7, 8, and 9  
<https://www.pwc.com/jg/en/publications/audit-comm-effectiveness-what-works-best-2011.pdf>
- Additional: Rahardjo (2018), Chapters 22 and 23

**Session 4**

1. OECD (2015), Ch. 5
2. PwC (2011), Executive Summary, Chapters 1, 3 and 6.
3. Relevant OJK Rules (related to Annual Report, Website, Disclosure of Material Information)





4. Utama, CG, Disclosure, and Its Evidence in Indonesia, Manajemen Usahawan, Maret & April 2003

Additional: Rahardjo (2018), Chapters 28, 29, and 30

#### Session 5

1. IIA (2018), Internal Auditing's Role in Corporate Governance  
<https://na.theiia.org/about-ia/PublicDocuments/Internal-Auditings-Role-in-Corporate-Governance.pdf>
2. Institute Internal Auditors, (2013), IIA Position Paper: Three lines of defense in effective risk management and control.  
<https://na.theiia.org/standards-guidance/Public%20Documents/PP%20The%20Three%20Lines%20of%20Defense%20in%20Effective%20Risk%20Management%20and%20Control.pdf>
3. OJK Regulation related to internal auditor
4. OECD (2015), Ch. 6
5. PwC (2011), Executive Summary, Ch. 1, 2, 4
6. Financial Reporting Council (FRC), (2014), Guidance on Risk Management Internal Control and Related-Reporting, Chapters 1, 2, and 3  
<https://www.frc.org.uk/getattachment/d672c107-b1fb-4051-84b0-f5b83a1b93f6/Guidance-on-Risk-Management-Internal-Control-and-Related-Reporting.pdf>

Additional: Rahardjo (2018), Chapters 24 and 25

#### Session 6

1. OECD (2015), Ch. 2
2. ~~KNKG (2006)~~
3. Mallin (2018), Chapters 4, and 5
4. Relevant articles in Indonesian Corporate Act No.40/2007, Capital Market Act, and relevant OJK regulation; related to General Meeting of Shareholders, Material Transactions, Affiliated Transaction/Related Party Transaction.

Additional: Rahardjo (2018), Chapter 20

#### Session 7

1. OECD (2015), Chapters 1 and 3
  2. Materials from guest lectures
- Additional: Rahardjo (2018), Chapters 39 and 40

#### Session 8

1. Deloitte (2006), Auditing and its role in corporate governance  
<https://www.oecd.org/daf/ca/corporategovernanceprinciples/37178451.pdf>
2. ICAEW (2005), Agency theory and the role of audit

<https://www.icaew.com/-/media/corporate/files/technical/audit-and-assurance/audit-quality/audit-quality-forum/agency-theory-and-the-role-of-audit.ashx>

3. Mallin (2018), Ch. 6
  4. OECD (2015), Chapter 3
  5. PwC (2011), Audit Committee Effectiveness: What Works Best, 4th, Executive Summary, Chapters 1, 3 and 5
- Additional: Rahardjo (2018), Chapters 39 and 40

#### **Session 9**

1. Corporate Governance Council (2012), Risk Governance Guidance for Listed Boards, Singapore.  
[http://www.mas.gov.sg/~media/resource/fin\\_development/corporate\\_governance/RiskGovernanceGuidanceforListedBoards.pdf](http://www.mas.gov.sg/~media/resource/fin_development/corporate_governance/RiskGovernanceGuidanceforListedBoards.pdf)
2. Financial Reporting Council (FRC), (2011), Board and Risk – A summary discussions with companies, investors and advisors.  
<https://www.frc.org.uk/getattachment/b88db2b6-af08-4a0e-9755-ab92de1268c2/Boards-and-Risk-final-Sept-2011.pdf>

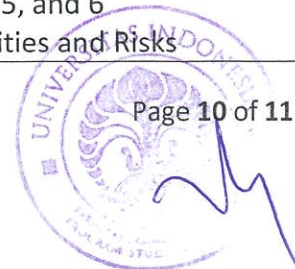
Additional: Rahardjo (2018), Chapters 24 and 26

#### **Session 10**

1. Corporate Governance Council (2012), Risk Governance Guidance for Listed Boards, Singapore.  
[http://www.mas.gov.sg/~media/resource/fin\\_development/corporate\\_governance/RiskGovernanceGuidanceforListedBoards.pdf](http://www.mas.gov.sg/~media/resource/fin_development/corporate_governance/RiskGovernanceGuidanceforListedBoards.pdf)
2. Financial Reporting Council (FRC), (2014), Guidance on Risk Management Internal Control and Related-Reporting, Chapters 1, 2, and 3  
<https://www.frc.org.uk/getattachment/d672c107-b1fb-4051-84b0-f5b83a1b93f6/Guidance-on-Risk-Management-Internal-Control-and-Related-Reporting.pdf>
3. Financial Reporting Council (FRC), (2011), Board and Risk – A summary discussions with companies, investors and advisors.  
<https://www.frc.org.uk/getattachment/b88db2b6-af08-4a0e-9755-ab92de1268c2/Boards-and-Risk-final-Sept-2011.pdf>

#### **Session 11**

1. Corporate Governance Council (2012), Risk Governance Guidance for Listed Boards, Singapore.  
[http://www.mas.gov.sg/~media/resource/fin\\_development/corporate\\_governance/RiskGovernanceGuidanceforListedBoards.pdf](http://www.mas.gov.sg/~media/resource/fin_development/corporate_governance/RiskGovernanceGuidanceforListedBoards.pdf)
2. Financial Reporting Council (FRC), (2014), Guidance on Risk Management Internal Control and Related-Reporting, Chapters 4, 5, and 6
3. Bekefi, Epstein, Yuthas (2008), Managing Opportunities and Risks





[https://www.cimaglobal.com/Documents/ImportedDocuments/cid\\_mag\\_managing\\_opportunities\\_and\\_risk\\_march08.pdf.pdf](https://www.cimaglobal.com/Documents/ImportedDocuments/cid_mag_managing_opportunities_and_risk_march08.pdf.pdf)

4. CIMA (2008), Enterprise Risk Management

[http://www.cimaglobal.com/Documents/ImportedDocuments/cid\\_tg\\_enterprise\\_risk\\_management\\_jul08.pdf.pdf](http://www.cimaglobal.com/Documents/ImportedDocuments/cid_tg_enterprise_risk_management_jul08.pdf.pdf)

#### Session 12

1. Corporate Governance Council (2012), Risk Governance Guidance for Listed Boards, Singapore.

[http://www.mas.gov.sg/~media/resource/fin\\_development/corporate\\_governance/RiskGovernanceGuidanceforListedBoards.pdf](http://www.mas.gov.sg/~media/resource/fin_development/corporate_governance/RiskGovernanceGuidanceforListedBoards.pdf)

2. Financial Reporting Council (FRC), (2014), Guidance on Risk Management Internal Control and Related-Reporting, Chapters 4, 5, and 6

3. Bekefi, Epstein, Yuthas (2008) , Managing Opportunities and Risks

[https://www.cimaglobal.com/Documents/ImportedDocuments/cid\\_mag\\_managing\\_opportunities\\_and\\_risk\\_march08.pdf.pdf](https://www.cimaglobal.com/Documents/ImportedDocuments/cid_mag_managing_opportunities_and_risk_march08.pdf.pdf)

4. CIMA (2008), Enterprise Risk Management

[http://www.cimaglobal.com/Documents/ImportedDocuments/cid\\_tg\\_enterprise\\_risk\\_management\\_jul08.pdf.pdf](http://www.cimaglobal.com/Documents/ImportedDocuments/cid_tg_enterprise_risk_management_jul08.pdf.pdf)

5. Peraturan terkait Manajemen Risiko di Perusahaan

#### Session 13

1. IIA (2014), Whistleblowing and Corporate Governance: The Role of Internal Audit in Whistleblowing

[https://www.iaa.org.uk/media/537988/final\\_0795\\_iaa\\_whistleblowing\\_report\\_30-1-14.pdf](https://www.iaa.org.uk/media/537988/final_0795_iaa_whistleblowing_report_30-1-14.pdf)

2. Indonesian Act No. 31 year 1999 and Indonesian Act No. 20 year 2001 about corruption, OJK Rule on Anti-Corruption

3. KNKG (2008), Pedoman Pelaporan Pelanggaran Whistleblowing System WBS

<http://www.knkg-indonesia.org/dokumen/Pedoman-Pelaporan-Pelanggaran-Whistleblowing-System-WBS.pdf>

Additional:

1. IFC (2007), Recent Developments and Implementation Issues Private Sector

<https://www.ifc.org/wps/wcm/connect/d145190048a7e693a757e76060ad5911/GCGF%2BPSO%2Bissue%2B5%2Bscreen.pdf?MOD=AJPERES>

2. Transparency International, Corruption Perception Index 2017.

#### Session 14

1. OECD (2015), Ch. 4

2. Indonesian rules and regulation related to stakeholders' protection

Additional: Rahardjo (2018), Chapter 38