

## *Tentative Course Syllabus*

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### **Corporate Governance [ACCT 6377 – 501]**

#### **Course Information:**

Spring Semester 2013

Wednesday, 7:00 PM – 9:45 PM

Classroom: SOM 2.117

#### **Professor Contact Information:**

*Professor:* Constantine Konstans, Ph.D., CPA, CMA, CIA, CFE  
Professor of Accounting and Corporate Governance  
OECG (Open Compliance and Ethics Group) Fellow  
Founding Executive Director, Institute for Excellence in Corporate Governance

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*Office Location:* SOM 2.403

*Office Hours:* By appointment

*Web site:* <http://www.utdallas.edu/~konstans>

#### **Course Pre-requisites, Co-requisites, and/or Other Restrictions:**

The course is designed for MBA/MS students who have completed ACCT 6305 or ACCT 6201 **and** ACCT 6202 or their equivalent. **THIS COURSE IS OPEN TO ALL SOM GRADUATE STUDENTS.** For accounting majors, the course satisfies Texas State Board of Accountancy requirements for taking the CPA Exam.

#### **Course Description:**

Corporate Governance is the structured system of policies and processes established and maintained by a Board of Directors and senior management to oversee an organization's strategic direction, on-going operations, together with other significant areas such as risk management, financing, succession planning, and compensation -- all of which collectively drive performance. The system exists to ensure proper accountability, probity, and openness in the conduct of an organization's business for the long-term benefit of its shareholders/stakeholders. As such, Corporate Governance focuses on effectuating effective relationships among a company's Board of Directors, top management, lenders/investors (particularly institutional investors), government, regulators, and various other stakeholders. In essence, Corporate Governance "...is concerned with holding the balance between economic and social goals and between individual and communal goals. The Corporate Governance framework is there to encourage the efficient use of resources and equally to require accountability for the stewardship of those resources. The aim is to align as nearly as possible the interests of individuals, corporations and society" (Sir Adrian Cadbury in 'Global Corporate Governance Forum', World Bank, 2000). Corporate Governance encompasses such matters as:

1. Board size, structure, membership, member nomination, election, and tenure
2. Committee structure and the nature, composition, and duties of the individual committees
3. Rights, responsibilities and relationship of directors, management, and shareholders
4. Policies/procedures relating to accounting, auditing, executive compensation, and financial reporting.

### **Student Principal Learning Objective/Outcome:**

The principal learning objective is developing a keen awareness of the undesirable consequences of weak Corporate Governance practices. The major outcome is identifying and mitigating weak practices by incorporating appropriate sound practices. To achieve the stated objective/outcome, this course develops two themes: first, it addresses the relationships and responsibilities of and among directors, senior management, institutional investors, and other stakeholders such as attorneys, auditors (external and internal), suppliers, customers, employees, financial analysts, all levels of government, regulators, society as a whole, etc. Emphasis is on the historical development of Corporate Governance especially in response to significant events affecting the integrity of capital markets and resulting in new legislation and/or regulatory requirements. The second theme features very knowledgeable guest lecturers who are experienced Corporate Governance practitioners. Their lectures will provide insights into contemporary Corporate Governance issues.

### **Extended Corporate Governance Issues Addressed by Guest Lecturers/Instructor:**

1. Roles and responsibilities of key constituents to include directors' fiduciary, legal, and ethical oversight responsibilities
2. Relationships among key constituents to include their expectations of each other, the kinds of questions each should ask the others -- especially outside experts
3. Legal/regulatory/compliance climate/direction to include the Fed/SEC/SROs/PCAOB/ISS
4. Global dimensions and comparative practices
5. Research findings to include usefulness of Corporate Governance rating services
6. Social responsibility, environmental liabilities, and sustainability
7. Status of legal liability/recent sanctions imposed on directors/officers involved financial scandals
8. Trends in Directors and Officers (D&O) Insurance
9. Internal investigations
10. Markets (investment, credit, commodities, foreign exchange) and the current crisis

### **Required Textbooks and Materials:**

1. "M&M" = **CORPORATE GOVERNANCE Fifth Edition**. Blackwell Publishing, 2011, by Robert A. G. Monks and Nell Minow.
2. "SOX" = **Student Study Guide to the Sarbanes-Oxley Act Second Edition**. South-Western, 2010, by Robert Prentice and Dean Bredeson.
3. "KL" = **KnowledgeLeader Website**; (Protiviti access is complimentary).
4. **Other**: Internet-accessible references, library sources, and professional services organizations publications.

### **Grading Policy:**

Each student must accept the responsibility for course preparation. Thus, for each session, every student must study the assigned readings. In addition, each student is expected to participate actively in classroom discussions.

### **Grading Criteria:**

Team paper on a Corporate Governance topic	100
Team Paper Presentation	30
Team Peer Evaluation (see last page of syllabus)	20
Individual paper on a Corporate Governance topic	100
Individual class participation	<u>50</u>
Possible Points	<u>300</u>

Translation of the total point score into a letter grade will be based on the instructor's judgment guided initially by >93% of 300 = A, 90-93% = A-, etc.

### Assignments & Academic Calendar

<b>DATE</b>	<b>TOPIC</b>	<b>LECTURER(S)*</b>	<b>M&amp;M</b>
1/16 Week 1	Course Overview. Administrative Matters. SOX	Dr. Konstans	
1/23 Week 2	Impact of Corporate Governance Changes on the CFO The Nature of a Corporation.	Renee Hornbaker, CFO, Stream Energy. Director: Eastman Chemicals. Dr. Konstans	Chapter 1
1/30 Week 3	Overview of Corporate Governance. The Nature of a Corporation.	Ken Menges, Managing Partner, Akin Gump Strauss Hauer & Feld. Dr. Konstans	Chapter 1
2/6 Week 4	Governance-Related Interaction Among the Board, the General Counsel, and the Outside Attorney	Paul Jolas; Former XO, CLO, Corp Sec'y; Regency Partners Dr. Konstans	Chapter 2
2/13 Week 5	Impact of Corporate Governance Changes on the External Auditor	Ed Crater, Partner; Deloitte. Dr. Konstans	Chapter 2
2/20 Week 6	Investor Relations Functions Board's Role in Political Events and in Crisis Management	Alan Halliburton, CEO & GERALYN DeBusk, President; HIR. Dr. Konstans	Chapter 2
2/27 Week 7	Role of the Compensation Consultant and Current Compensation Issues; Board's Role in Political Events and in Crisis Management.	Lisa Croley, Head, Human Resources Quicksilver; Corp. Dr. Konstans	Chapter 3
3/6 Week 8	Impact of Corporate Governance Changes on the Internal Auditor; Relationships among the Internal Auditor, the External Auditor and Audit Committee.	John M. Polarinakis (SVP/CAE), J.C. Penney Dr. Konstans	Chapter 3
3/20 Week 9	Inside the Boardroom. Team Work Session.	Dr. Robert Potter, R.J. Potter, Co. Director: Molex; Zebra. Dr. Konstans	Chapter 3
3/27 Week 10	The Changing Role and Liability of Directors. Securities Legislation; 1933-34 Acts to SOX. Rules of SROs (NYSE and NASDAQ).	Robert L. Kimball, Partner; Vinson & Elkins. Dr. Konstans	Chapter 4 Robert
4/3 Week 11	Internal Investigations;  Securities Legislation; 1933-34 Acts, FCPA, SOX, to Dodd-Frank..	Mary O'Connor, Partner Akin Gump Strauss Hauer & Feld Dr. Konstans	Chapter 4
4/10 Week 12	The Regulatory Environment: Current Status and Anticipated Changes. Comparative International Corporate Governance.	D. Gilbert Friedlander, Partner; Weil, Gotshal & Manges. Dr. Konstans	Chapter 4
4/17 Week 13	Financial Markets & Corporate Governance; Team Text Case Study Analyses.	Sharon Ellis, SVP&CFO; Texas Scottish Rite Hospital. Dr. Konstans	Chapter 5
4/24 Week 14	Role of the SEC and its Divisions.	David Woodcock; Regional Director; SEC. Dr. Konstans	Chapter 5
5/1 Week 15	Paper Presentations.	Dr. Konstans	
5/8 Week 16	Summary and Wrap-up.	Dr. Konstans	

NOTE: Guest Lecturer listing is tentative depending on travel schedules, etc. (These presentations will not always “line up” with the topic for the evening because of scheduling difficulties related to our Guest Lecturers’ commitments.)

**DETAILED REQUIREMENTS FOR TEAM AND INDIVIDUAL PAPERS**

**Team Paper:** Each team must prepare a report using **Word** on an instructor-approved Corporate Governance topic. The report must be a reasonably detailed overview of a significant topic (each team must submit an outline of their team paper as well as each of the individual paper topics before the team topic is approved by the instructor). The team report's length should not exceed 10 pages (exclusive of exhibits and appendices), double-spaced, using twelve (12) point Times New Roman font. The report must be properly researched to include footnotes and a bibliography of sources used and may be subjected to a “TurnItIn” scan. The report and a related 15-minute PowerPoint must be e-mailed to the instructor by 7:00 PM on April 30, 2013. The PowerPoint presentation will be made to the class on May 1, 2013. The criteria for evaluation of the paper and presentation will be:

Organization, grammar, and balance between too much and too little detail	40
Well researched with emphasis on the important aspects of a topic	40
“Cutting edge” developments identified and developed	<u>20</u>
Total	<u>100</u>

**Individual Paper:** Each team member will prepare a report using **Word** on some detailed aspect of the team topic. This paper will develop more fully a significant aspect from the team paper. The report's length should not exceed eight (8) pages (exclusive of exhibits and appendices), double-spaced, and using twelve (12) point Times New Roman font. The report must be properly researched to include footnotes and a bibliography of sources used and may be subjected to a “TurnItIn” scan. The individual report must be e-mailed to the instructor by 9:00 PM on May 1, 2013. The criteria for evaluation of the paper and presentation will be:

Organization, grammar, and balance between too much and too little detail	40
Well researched with emphasis on the important aspects of a topic	40
“Cutting edge” developments identified and developed	<u>20</u>
Total	<u>100</u>

**Important, Time-Sensitive Requirement**

Note: Study teams will be formed ***immediately***. To facilitate the process, please Email [konstans@utdallas.edu](mailto:konstans@utdallas.edu) , with the subject “**AIM 6377**”, the information below:

1. Last Name; First Name; UTD Degree Program and Expected Graduation Semester/Year.
2. Day-Time Telephone Number; E-mail Address for You to Receive Materials from me.
3. Collegiate Degree(s) Earned; Year(s) Earned; Name(s) of the Granting Institution(s).
4. Name of Current Employer; Your Position or Title; Months with Employer.
5. **Very Short Summary** of Prior Business Experience with Most Recent Experience First.
6. **Very Short Statement** of Your Career Objectives.

***NOTE: Always place your team number on all communications with the Professor and the titles of your papers on your file names when you submit them. Email subject should always be “AIM 6377.”***

**Student Conduct & Discipline**

The University of Texas System and The University of Texas at Dallas have rules and regulations for the orderly and efficient conduct of their business. It is the responsibility of each student and each student organization to be knowledgeable about the rules and regulations which govern student conduct and activities.

The University of Texas at Dallas administers student discipline within the procedures of recognized and established due process. Procedures are defined and described in the Rules and Regulations of the Board of Regents of the University of Texas System, Part 1, Chapter VI, Section 3, and in Title V, Rules on Student Services and Activities of the Course Syllabus Page 8, University's Handbook of Operating Procedures. Copies of these rules and regulations are available to students in the Office of the Dean of Students, where staff members are available to assist students in interpreting the rules and regulations (SSB 4.400, 972/883- 6391).

A student at the university neither loses the rights nor escapes the responsibilities of citizenship. He or she is expected to obey federal, state, and local laws as well as the Regents' Rules, university regulations, and administrative rules. Students are subject to discipline for violating the standards of conduct whether such conduct takes place on or off campus, or whether civil or criminal penalties are also imposed for such conduct.

## **Academic Integrity**

The faculty and administration of the School of Management expect from our students a high level of responsibility and academic honesty. Because the value of an academic degree depends upon the absolute integrity of the work done by the student for that degree, it is imperative that a student demonstrate a high standard of individual honor in his or her scholastic work. We want to establish a reputation for the honorable behavior of our graduates, which extends throughout their careers. Both your individual reputation and the school's reputation matter to your success.

The Judicial Affairs website lists examples of academic dishonesty. Dishonesty includes, but is not limited to cheating, plagiarism, collusion, facilitating academic dishonesty, fabrication, failure to contribute to a collaborative project and sabotage. Some of the ways students may engage in academic dishonesty are:

- Coughing and/or using visual or auditory signals in a test;
  - Concealing notes on hands, caps, shoes, in pockets or the back of beverage bottle labels;
  - Writing in blue books prior to an examination;
  - Writing information on blackboards, desks, or keeping notes on the floor;
  - Obtaining copies of an exam in advance;
  - Passing information from an earlier class to a later class;
  - Leaving information in the bathroom;
  - Exchanging exams so that neighbors have identical test forms;
  - Having a substitute take a test and providing falsified identification for the substitute;
  - Fabricating data for lab assignments;
  - Changing a graded paper and requesting that it be regraded;
  - Failing to turn in a test or assignment and later suggesting the faculty member lost the item;
  - Stealing another student's graded test and affixing one's own name on it;
  - Recording two answers, one on the test form, one on the answer sheet;
  - Marking an answer sheet to enable another to see the answer;
  - Encircling two adjacent answers and claiming to have had the correct answer;
  - Stealing an exam for someone in another section or for placement in a test file;
  - Using an electronic device to store test information, or to send or receive answers for a test;
  - Destroying or removing library materials to gain an academic advantage;
  - Consulting assignment solutions posted on websites of previous course offerings;
  - Transferring a computer file from one person's account to another;
  - Transmitting posted answers for an exam to a student in a testing area via electronic device;
  - Downloading text from the Internet or other sources without proper attribution;
  - Citing to false references or findings in research or other academic exercises;
  - Unauthorized collaborating with another person in preparing academic exercises;
  - Submitting substantial portion of same academic work more than once without written authorization from instructor.
- <http://www.utdallas.edu/judicialaffairs/UTDJudicialAffairs-Basicexamples.html>

Plagiarism on written assignments, especially from the web, from portions of papers for other classes, and from any other source is unacceptable. On written assignments, this course may use the resources of turnitin.com, which searches the web for plagiarized content and is over 90% effective.

During tests and quizzes, students in this section are not allowed to have with them any food or drinks, scratch paper, course materials, textbooks, notes, invisible ink pens, or electronic devices, including iPads, iPhones, iPods, MP3 Players, earphones, radios, smart phones, cameras, calculators, multi-function timepieces, or computers. When possible, students should sit in alternating seats, face forward at all times, and remove any clothing which might conceal eye movements, reflect images of another's work, or hide course material for copying. Exam proctors will monitor any communication or signaling between students by talking, whispering, or making sounds, or by using your hands, feet, other body movements, the test paper itself or your writing implement.

Students in this course suspected of academic dishonesty are subject to disciplinary proceedings, and if found responsible, the following minimum sanctions will be applied:

1. Case Write-ups – Zero for the Assignment
2. Presentations – Zero for the Assignment
3. Individual Paper – F for the course
4. Team Paper – F for the course

These sanctions will be administered only after a student has been found officially responsible for academic dishonesty, either through waiving their right for a disciplinary hearing, or being declared responsible after a hearing administered by Judicial Affairs and the Dean of Student's Office .

In the event that the student receives a failing grade for the course for academic dishonesty, the student is not allowed to withdraw as a way of preventing the grade from being entered on their record. Where a student receives an F in a course and chooses to take the course over to improve their grade, the original grade of F remains on their transcript, but does not count towards calculation of their GPA.

The School of Management also reserves the right to review a student's disciplinary record, on file with the Dean of Students, as one of the criteria for determining a student's eligibility for a scholarship.

### **Judicial Affairs Procedures**

Under authority delegated by the Dean of Students, a faculty member who has reason to suspect that a student has engaged in academic dishonesty may conduct a conference with the student in compliance with the following procedures:

- (i) the student will be informed that he/she is believed to have committed an act or acts of academic dishonesty in violation of University rules;
- (ii) the student will be presented with any information in the knowledge or possession of the instructor which tends to support the allegation(s) of academic dishonesty;
- (iii) the student will be given an opportunity to present information on his/her behalf;
- (iv) after meeting with the student, the faculty member may choose not to refer the allegation if he/she determines that the allegations are not supported by the evidence; or
- (v) after meeting with the student, the faculty member may refer the allegations to the dean of students along with a referral form and all supporting documentation of the alleged violation. Under separate cover, the faculty member should forward the appropriate grade to be assessed if a student is found to be responsible for academic dishonesty;
- (vi) the faculty member may consult with the dean of students in determining the recommended grade;
- (vii) the faculty member must not impose any independent sanctions upon the student in lieu of a referral to Judicial Affairs;
- (viii) the faculty member may not impose a sanction of suspension or expulsion, but may make this recommendation in the referral documentation

If the faculty member chooses not to meet with the student and instead forwards the appropriate documentation directly to the dean of students, they should attempt to inform the student of the allegation and notify the student that the information has been forwarded to the Office of Dean of Students for investigation.

The student, pending a hearing, remains responsible for all academic exercises and syllabus requirements. The student may remain in class if the student's presence in the class does not interfere with the professor's ability to teach the class or the ability of other class members to learn. (See Section 49.07, page V-49-4 for information regarding the removal of a student from class).

Upon receipt of the referral form, class syllabus, and the supporting material/documentation from the faculty member, the dean shall proceed under the guidelines in the Handbook of Operating Procedures, Chapter 49, Subchapter C. If the respondent disputes the facts upon which the allegations are based, a fair and impartial disciplinary committee comprised of UTD faculty and students, shall hold a hearing and determine the responsibility of the student. If they find the student in violation of the code of conduct, the dean will then affirm the minimum sanction as provided in the syllabus, and share this information with the student. The dean will review the student's prior disciplinary record and assess additional sanctions where appropriate to the circumstances. The dean will inform the student and the faculty member of their decision.

### **Email Use**

The University of Texas at Dallas recognizes the value and efficiency of communication between faculty/staff and students through electronic mail. At the same time, email raises some issues concerning security and the identity of each individual in an email exchange. The university encourages all official student email correspondence be sent only to a student's U.T. Dallas email address and that faculty and staff consider email from students official only if it originates from a UTD student account. This allows the university to maintain a high degree of confidence in the identity of all individual corresponding and the security of the transmitted information. UTD furnishes each student with a free email account that is to be used in all communication with university personnel. The Department of Information Resources at U.T. Dallas provides a method for students to have their U.T. Dallas mail forwarded to other accounts.

### **Withdrawal from Class**

The administration of this institution has set deadlines for withdrawal of any college-level courses. These dates and times are published in that semester's course catalog. Administration procedures must be followed. It is the student's responsibility to handle withdrawal requirements from any class. In other words, I cannot drop or withdraw any student. You must do the proper paperwork to ensure that you will not receive a final grade of "F" in a course if you choose not to attend the class once you are enrolled.

### **Student Grievance Procedures**

Procedures for student grievances are found in Title V, Rules on Student Services and Activities, of the university's *Handbook of Operating Procedures*.

In attempting to resolve any student grievance regarding grades, evaluations, or other fulfillments of academic responsibility, it is the obligation of the student first to make a serious effort to resolve the matter with the instructor, supervisor, administrator, or committee with whom the grievance originates (hereafter called "the respondent"). Individual faculty members retain primary responsibility for assigning grades and evaluations. If the matter cannot be resolved at that level, the grievance must be submitted in writing to the respondent with a copy of the respondent's School Dean. If the matter is not resolved by the written response provided by the respondent, the student may submit a written appeal to the School Dean. If the grievance is not resolved by the School Dean's decision, the student may make a written appeal to the Dean of Graduate or Undergraduate Education, and the dean will appoint and convene an Academic Appeals Panel. The decision of the Academic Appeals Panel is final. The results of the academic appeals process will be distributed to all involved parties.

Copies of these rules and regulations are available to students in the Office of the Dean of Students, where staff members are available to assist students in interpreting the rules and regulations.

### **Incomplete Grade Policy**

As per university policy, incomplete grades will be granted only for work unavoidably missed at the semester's end and only if 70% of the course work has been completed. An incomplete grade must be resolved within eight (8) weeks from the first day of the subsequent long semester. If the required work to complete the course and to remove the incomplete grade is not submitted by the specified deadline, the incomplete grade is changed automatically to a grade of **F**.

### **Disability Services**

The goal of Disability Services is to provide students with disabilities educational opportunities equal to those of their non-disabled peers. Disability Services is located in room 1.610 in the Student Union. Office hours are Monday and Thursday, 8:30 a.m. to 6:30 p.m.; Tuesday and Wednesday, 8:30 a.m. to 7:30 p.m.; and Friday, 8:30 a.m. to 5:30 p.m.

The contact information for the Office of Disability Services is:

The University of Texas at Dallas, SU 22

PO Box 830688

Richardson, Texas 75083-0688

(972) 883-2098 (voice or TTY)

Essentially, the law requires that colleges and universities make those reasonable adjustments necessary to eliminate discrimination on the basis of disability. For example, it may be necessary to remove classroom prohibitions against tape recorders or animals (in the case of dog guides) for students who are blind. Occasionally an assignment requirement may be substituted (for example, a research paper versus an oral presentation for a student who is hearing impaired). Classes enrolled students with mobility impairments may have to be rescheduled in accessible facilities. The college or university may need to provide special services such as registration, note-taking, or mobility assistance.

It is the student's responsibility to notify his or her professors of the need for such an accommodation. Disability Services provides students with letters to present to faculty members to verify that the student has a disability and needs accommodations. Individuals requiring special accommodation should contact the professor after class or during office hours.

### **Religious Holy Days**

The University of Texas at Dallas will excuse a student from class or other required activities for the travel to and observance of a religious holy day for a religion whose places of worship are exempt from property tax under Section 11.20, Tax Code, Texas Code Annotated.

The student is encouraged to notify the instructor or activity sponsor as soon as possible regarding the absence, preferably in advance of the assignment. The student, so excused, will be allowed to take the exam or complete the assignment within a reasonable time after the absence: a period equal to the length of the absence, up to a maximum of one week. A student who notifies the instructor and completes any missed exam or assignment may not be penalized for the absence. A student who fails to complete the exam or assignment within the prescribed period may receive a failing grade for that exam or assignment. If a student or an instructor disagrees about the nature of the absence [i.e., for the purpose of observing a religious holy day] or if there is similar disagreement about whether the student has been given a reasonable time to complete any missed assignments or examinations, either the student or the instructor may request a ruling from the chief executive officer of the institution, or his or her designee. The chief executive officer or designee must take into account the legislative intent of TEC 51.911(b), and the student and instructor will abide by the decision of the chief executive officer or designee.

### **Off-Campus Instruction and Course Activities**

Off-campus, out-of-state, and foreign instruction and activities are subject to state law and University policies and procedures regarding travel and risk-related activities. Information regarding these rules and regulations may be found at the website address given below. Additional information is available from the office of the school dean. ([http://www.utdallas.edu/BusinessAffairs/Travel\\_Risk\\_Activities.htm](http://www.utdallas.edu/BusinessAffairs/Travel_Risk_Activities.htm))

**EVALUATION OF INDIVIDUAL CONTRIBUTION TO TEAM**

**AIM 6377: Corporate Governance; Spring, 2013**

NAME OF EVALUATOR: \_\_\_\_\_

GROUP NUMBER \_\_\_\_\_

NOTE: Please do not evaluate yourself!

*Dimensions of evaluation:*

- A. Distribution of work
- B. Helpful in explaining difficult topics
- C. Helpful with ideas, questions and discussion
- D. Quality and timeliness of work performance
- E. Leadership and overall collegiality

NAME OF TEAM MEMBER	A (0-4)	B (0-4)	C (0-4)	D (0-4)	E (0-4)	Total (0-20)

Each team member is to be evaluated on a scale of 0-4 with 0 being the minimum and 4 the maximum. Rank each team member on all five dimensions. For example, if someone is assigned a total score of 20 points, that individual will earn the maximum of 20 points of the total grade pertaining to Peer Evaluation. Evaluation must be e-mailed to instructor by 9:00AM, May 2, 2013.

***These descriptions and timelines are subject to change at the discretion of the Professor!***