# Enterprise Governance

Prof. Michele Riccardi; Prof. Massimiliano Carpino; Prof. Giuseppe Garzillo; Prof. Barbara Boschetti

Module 1: *Financial and business information analysis* (Prof. Michele Riccardi)

***COURSE AIMS AND INTENDED LEARNING OUTCOMES***

The module aims at training the student around the notions of transparency, legality and security in business management. In particular, it will provide the student with key tools for (a) accessing the main sources of financial information; (b) reading and interpreting financial information and a company financial report; (c) analysing the financial report of a company in relation to its environment (i.e. competitors, creditors, financial markets, supervisory authorities); (d) identifying the most common drivers and typologies of accounting manipulations and financial information fraud; (e) identifying the drivers and typologies of organised crime infiltration in legitimate businesses and the involvement of companies in organized and financial crime; (f) identifying, through basic forensic accounting analysis, the red flags of criminal infiltration, corporate fraud and accounting manipulations. During the course numerous case studies of fraud and organised crime infiltration in businesses will be analysed, both at the Italian and European level.

At the end of the course, students will be able to demonstrate operational knowledge on main aspects of business management and analysis of corporate and financial information, and to identify the main *red-flags* in accounting that may indicate illegal activities by the company or risks of criminal infiltrations. In addition, students will have acquired fundamental elements on anti-money laundering and anti-fraud discipline.

***COURSE CONTENT***

The first part of the course will be devoted to studying the notion of financial information, of the relevant regulatory framework (at Italian and European level) and of the main sources. Then – with the support of a range of examples and case studies – we will deal with the analysis of a company financial report (how it looks like, how it is designed, how to read it), of the most common financial ratios and of other information relevant for the analysis of a company (e.g. information on the ownership structure or of the peer group). The second part of the course will be devoted to the study of corporate fraud, accounting manipulations and of the main typologies of organised crime infiltration (both of mafia and non-mafia nature) in the company. We will make numerous references to the relevant academic literature in this field, to case studies and examples also taken from the news.

***READING LIST***

Bibliographic references and reading suggestions will be presented during the first lecture. In due course additional readings and variations will be communicated both during the lecture and via *Blackboard*.

***TEACHING METHOD***

Lectures.

***ASSESSMENT METHOD AND CRITERIA***

The assessment will consist of:

* An oral examination, which is mandatory and identical for both attending (*frequentanti)* and non-attending students (*non frequentanti)*, based on topics addressed in class (e.g. the notion of financial information, the legislative framework, etc, analysing financial information, computing financial ratios, etc).
* A paper, optional and non-mandatory, on an issue communicated by the professor in due course, and related to the financial analysis of one or more companies.

The mark of the written examination will be expressed in 30/30 (with laude). The optional paper will allow to add up to 3 additional points to the written exam- The overall mark will be expressed in 30/30 (with laude).

In both tests, students will have to demonstrate comprehension and presentation skills of the main topics covered in class, reasoning skills, and basic requirements for reading and analysing a financial statement, with the calculation of some simple indices illustrated in class.

***NOTES AND PREREQUISITES***

The updated programme, references, guidelines, slides and additional materials will be uploaded on the *Blackboard* page of the course. The *Blackboard* will be also the place where changes to schedule and programme will be communicated to students. All students are invited to subscribe to the course on *Blackboard* e follow the news on the platform.

*Place and time for meeting the professor*

Prof. Michele Riccardi receives the students at the HQ of Centro Transcrime (www.transcrime.it) after having agreed a meeting via email (*michele.riccardi@unicatt.it)*

Further information can be found on the lecturer's webpage at http://docenti.unicatt.it/web/searchByName.do?language=ENG or on the Faculty notice board.

Module 2: *Right to the protection of personal data* (Prof. Massimiliano Carpino)

***COURSE AIMS AND INTENDED LEARNING OUTCOMES***

The course aims to provide students with the basic concepts of the European Regulation on the General Data Protection Regulation 2016/679 (GDPR).

The GDPR has introduced a series of principles and precepts with a strong corporate impact, both from a cultural and operating point of view; in particular the principles of *accountability, privacy by design and privacy by default* establish the overall duty of the Data Controller to demonstrate that all the choices made have been respectful of the Regulation.

Hence, a corporate approach necessarily based on risk assessment (*risk-based approach*) concerning rights and freedoms of individuals as a prerequisite for identifying and implementing all the technical and organizational measures appropriate to the correct personal data processing.

At the end of the course, students will be able to know and understand the principles and precepts of the European and national regulatory context concerning the treatment of personal data according to a multidisciplinary approach: legal, compliance, security and organizational.

Students will also be able to grasp the meaning and operational impact of those principles and precepts by identifying the best ways to effectively and efficiently address them within company processes.

***COURSE CONTENT***

*Reference legislation. GDPR, its origins and context*:

* National and European legislation;
* The European Regulation and the national adjustment;
* General principles of personal data processing and the rights of the data subject;
* Consent as a condition of lawfulness.

*The privacy subjects:*

* The subjects envisaged by GDPR;
* The data controller;
* The controller;
* *Data Protection Officer*;
* The data subject.

*The rights of the interested parties:*

* Right to be informed;
* Right of access;
* Right of rectification;
* Right of cancellation;
* Right to limit the processing;
* Right to data portability;
* Right of opposition;
* Right not to be subjected to a decision based solely on automated treatment, including profiling.

*The Treatment Register*

*Responsibility and security of processing*:

* The owner, co-owner and controller;
* The person in charge of data protection (RPD or DPO);
* *Privacy by design and privacy by default*;
* *Data Protection Impact Assessment* (DPIA): impact assessment and preventive consultation.

*The protection of confidentiality of sensitive data*

*GDPR and employment relationship*

*Profiling and personal data processing:*

* General provisions applicable to profiling and automated decision-making processes;
* Fully automated decision-making processes, including profiling;
* Impact assessment and data protection officer;
* Profiling and minors;
* Profiling concerning data collected online and the applicable detailed regulation.

*EU Directive 2016/680: protection of personal data in the field of public security and criminal justice*

*The Data Protection Governance system*:

* The Organizational Model;
* The Operating Model;
* The Architectural Model;
* The Control Model.

*Notification and communication of a data breach*

*Transfer of data to third countries or international organizations*

*Civil responsibility and damage from unlawful data processing:*

* Article 82 of GDPR (compensable damage, liable subjects, the implementing legislative decree);
* Jurisdictional protection.

*Penalties and administrative criminal responsibility*

***READING LIST***

L. Califano-C. Colapietro, *Innovazione tecnologica e valore della persona – il diritto alla protezione dei dati personali nel Regolamento UE 2016/679,* Editoriale Scientifica, 2018 - Chapters II, III, IV, V, VII, XIV, XVI

G. Cassano-V. Colarocco-G.B. Gallus-F.P. Micozzi, *Il processo di adeguamento al GDPR*, Giuffrè, 2018 – Chapters I-XII, XVII, XVIII

***TEACHING METHOD***

Lectures in classroom.

***ASSESSMENT METHOD AND CRITERIA***

The exam takes place in two parts:

1. a multiple-choice questionnaire in order to access the written exam;

2. a written exam with open questions.

Further information can be found on the lecturer's webpage at <http://docenti.unicatt.it/web/searchByName.do?language=ENG>, or on the Faculty notice board.

Through the multiple-choice questionnaire students will have to demonstrate knowledge of the general principles of European and national legislation on personal data protection.

The written exam with open questions will require students to demonstrate a coherent and detailed knowledge of the principles and regulatory requirements in terms of data protection as well as the capacity of declination in business operational processes.

Students will also be assessed on:

1. an understanding of the exact purpose of the application;

2. the use of correct grammatical syntax and clear presentation style by starting their speech with a brief premise, developing the theme and closing it with final considerations;

3. the ability to connect and / or compare (if appropriate and / or required) legal institutions.

Module 3: *Governance, Internal Control, and Compliance* (Prof. Giuseppe Garzillo)

***COURSE AIMS AND INTENDED LEARNING OUTCOMES***

The course aims to explore the main aspects of systems of business administration and auditing, starting with the subjects of corporate governance, focusing on Internal Audit, through the main methods and industry standards, and concluding with implementation in business organisation and processes of compliance with Dlgs 231/01 of anti-corruption systems and fraud prevention.

At the end of the course, students will be able to understand the logics at the basis of the internal control systems of a company; in addition, they will be able to identify the key actors of corporate governance in terms of control and corruption prevention.

***COURSE CONTENT***

– Introduction to Corporate Governance.

– The Internal Audit System.

– Italian Law Decree 231/01.

– The Compliance function.

– Overview of Internal Audit.

– Anti-corruption systems.

– Fraud prevention systems.

***READING LIST***

*Il Sistema di Controllo Interno*, edited by PricewaterhouseCoopers, ed. Il Sole 24 Ore.

*Il Codice di Corporate Governance di Borsa Italiana*, to download from the website of the Italian Stock Exchange (*Borsa Italiana*).

***TEACHING METHOD***

Classroom lectures, using slides and additional teaching materials (documents, reports etc.) which will be handed out to students.

***ASSESSMENT METHOD AND CRITERIA***

Students will be assessed through a written exam and it will take place in the IT lab with the support of a pc. The test is divided into two parts. In the first part, students will answer 25 multiple choice questions in a 25-minute time frame. Multiple choice questions have only one correct answer and are immediately corrected by the pc so that the student will immediately know their score. In the second part, students will answer 3 open-ended questions in a 90-minute time frame. The lecturer will check the answers at the end of the exam. The final mark will be the average of the score of each part.

***NOTES AND PREREQUISITES***

*Basic knowledge*:

In order to get the most out of this course, students should have a basic knowledge of the key concepts of business organisation (they will be in any case reviewed in class during the course).

Further information can be found on the lecturer's webpage at http://docenti.unicatt.it/web/searchByName.do?language=ENG or on the Faculty notice board.

Module 4: *Legal aspects of public contracts* (Professor Barbara Lilla Boschetti)

***COURSE AIMS AND INTENDED LEARNING OUTCOMES***

The course is aimed at supplying: an overview of public procurements’ legislation, clarifying its economical/legal justifications; the fundamentals of the public contracting activity (both at a national and EU level) in relation to the protection of competition and of the equal treatment of bidders; the fundamentals of public tenders; the relationships between public contracts and corruption as well as the legal techniques to prevent and fight corruption provided by the legislation on public and anti-mafia contracts.

At the end of the course, students will be able to manage the vocabulary and the conceptual and operational tools of the subject; understand the functioning of the main legal institutions of public contracts market; understand the functioning logic of the prevention of corruption in public contracts market and the legal mechanisms through which prevention operates.

***COURSE CONTENT***

* The market for public contracts.
* Demand and supply.
* Supervision of public contracts market.
* The role of the Anac, anti-mafia controls, the commissioner of enterprises.
* Sources of public contract law between the EU and national law.
* The process of aggregating the contracting stations.
* The meeting point of the offer and the demand: the choice of the contractor: the procedure with public evidence, models and phases.
* Control over participation requirements and self-certification.
* Award criteria and abnormal offers.
* Applicable phase and the control during this phase.
* Corruption, corruption prevention and fighting corruption in the field of public contracts.

***READING LIST***

M. Clarich, *Manuale di diritto amministrativo,* Il Mulino, Bologna, 2013, u.e, cap. XII.

Case studies, articles and other documentation will be handed out in class for the purpose of facilitating the understanding of applications of the theory. Such documents will also be made available on the Blackboard platform for students not attending class regularly.

***TEACHING METHOD***

Lectures, rounded out by brief exercises in class and class presentations by invited guests.

***ASSESSMENT METHOD AND CRITERIA***

Written test with essay questions, at least one of which will be based on the analysis of a tender document.

***NOTES AND PREREQUISITES***

Further information can be found on the lecturer's webpage at http://docenti.unicatt.it/web/searchByName.do?language=ENG or on the Faculty notice board.