SingTel tops accounting body’s governance, transparency index

SINGAPORE — SingTel has been named the country’s most well-governed and transparent company for the fourth consecutive year.

Presenting the results of its 2012 Governance and Transparency Index (GTI) yesterday, accounting body CPA Australia said SingTel came up tops with an overall score of 111 points.

The index assesses companies based on their corporate governance disclosure and practices. The accessibility, transparency and timeliness of their financial result announcements also plays a part in how they are scored.

The Singapore Exchange took second place with 105 points, followed by DBS Bank, which scored 94 points. Keppel Corporation and Sembcorp Industries placed joint fourth with 93 points.

This year’s GTI mean score increased to 34.9 points from 31.5 last year, the highest since the index was launched, signalling that corporate governance standards and disclosure practices in Singapore are improving.

Mr Lawrence Loh, associate professor at the NUS Centre for Governance, Institutions and Organisations, noted that the average GTI score had been declining “steadily year on year” over the last three years. With this year’s improvement, however, “it appears that we have turned the corner in the standard of corporate governance in Singapore”.

There were certain areas that are at odds with recommended best practices and can be improved, the survey found.

It showed that about one-quarter of companies have independent directors forming the majority of their boards.

It also found that only 4 per cent of companies disclosed detailed compensations of their executive directors and 7 per cent revealed the salaries of non-executive directors.

The study also highlighted that newly-listed companies may fall short of governance standards. LYNDA HONG