SINGAPORE: Listed companies in Singapore are still not disclosing enough information about the pay packages of their top executives. And only a few go that extra mile to appoint independent directors to ensure that shareholder interests are protected.

These are among the findings highlighted in the latest Governance and Transparency Index released on Monday.

The latest Governance and Transparency Index, published jointly by the NUS Business School and The Business Times, showed the average total score of companies dipped to 31 points from 33 previously.

The highest possible score was 100 points, with bonus points given for companies that do more than just meeting regulatory requirements.

The index assessed 657 companies here based on board independence, salary disclosure, audit practices and transparency of financial results.

Lawrence Loh, Associate Professor at NUS Business School, said: "There's really not much changed over the last few years in terms of the standards and in terms of the disclosure practices of listed companies in Singapore. In fact, it has more or less stabilised. One interesting aspect: I found a vast majority of companies basically fulfill only the bare minimum for the code of corporate governance."

Industry observers want to see more transparency in executive compensation but the study found that most companies still disclose executive remuneration in bands of S$250,000. Only a mere five per cent revealed exact salary amounts.

Under the existing Corporate Governance Code, companies are only "encouraged" but not mandated to fully disclose the remuneration of each individual director. It only requires a firm to provide a clear disclosure of its remuneration policy, level and mix of remuneration, and the procedure for setting it.

While the existing code requires independent directors to make up at least one-third of the board, best governance practices call for a larger share of independent minds in the board as check and balance on management.

The study, however, found that only a quarter of publicly listed firms have independent directors occupying the majority seats in the board from 2011 onwards previously.

Another key finding was that only 56 per cent of listed firms, from 57 per cent previously, have a fully-independent audit committee.

Industry observers said that companies should also consider hiring an internal auditor to ensure greater controls and transparency. This can also help ensure that accounting issues like those faced by the troubled S-chip firms are not repeated.

David Gerald, CEO of the Securities Investors Association (Singapore), said: "In the companies, listed companies, are the boards paying sufficient attention to internal controls? I think they need to spruce up and therefore I'm suggesting that there should be internal audits, engagement of internal audits more seriously. And we need to train internal auditors, give them the kind of respect that CFOs (chief financial officers) have."

The latest study was the third in a series and was based on annual financial statements filed by companies with regulators.

-CNA/ac