WC 2 Ethics and governance

According to (Steinberg, 2011), the board are mostly concerned with ensuring that the organization is appropriately identifying and managing risks, and also that the board is kept appraised of the most significant risks and how management is dealing with it. Such guidelines are usually stipulated and well written. Under the principles based corporate governance, such information would be useful to investors wanting to put their money in a company i.e. learning how the company is run (Broshko & Li, 2006).

In lieu of this, I am learning that with many banks in Africa failing, there has to have been a failure in the governance and ethics all the way from the board of governors to the lowest managerial positions. A good example is in the closure and sale of Crane bank, a fast growing commercial bank in Uganda. In Kenya, the fall of some banks such as Imperial Bank, Chase Bank, etc, was due to the poor handling or adherence to corporate governance guidelines. To the public all seemed to be going on well and moving in accordance to general practice until an investigation led by the Central Bank shed light to some glaring mistakes and noncompliance issues (Busulwa, 2016).

References

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