WC6

The board of governors is a position on the organizational chart that is usually reserved for the top most held positions in any organization. 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. This in line with the rules climate.

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. For instance, when the bank is foreclosed, it then implies that the rules governing were compromised and that the board of governors or directors have failed in their roles. A good example is in the closure and sale of Crane bank, a fast growing bank in Uganda. 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 misappropriation of funds and poor management of loan facilities (Busulwa, 2016).

At this point, where there is a failure in the ethical climate, the rules have to be enforced from the outside. I learn that for industries that are governed by professional rules, being of a different ethical climate in that same industry may have very drastic outcomes.

References

Busulwa, B. (2016, October 20). Uganda’s Central Bank takes control of Crane Bank. *The East African*.

Steinberg, R. M. (2011). *Governance, Risk Mangement and Compliance; It can Happen to us - Avoiding coporate disaster while driving success*. Hoboken, New Jersey: John Wiley & Sons, Inc.