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Corporate Governance

[Name of the Writer]

[Name of the Institution]

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# Different types of Corporate Governance Regulations

One of the things that must be noted about the corporations are they are created as the legal entities that are there to make sure that the regulations that are witnessed at the particular jurisdiction are being taken care off. The corporate governance is an important aspect of how the business regulations are supposed to be shaped up at the given point of time. The main rationale behind these regulations is to make sure that the degree of consistency must be there in terms of how prudential regulations are going to be followed. Not only that, they also mark the guidelines and regulations under which the businesses are needed to be operated at the given point of time. Thus, it is important to make sure that the proper denotation of the corporate governance has to be They take various shapes and are different in many countries in terms of how they are implemented. Despite this fact, there is consistency in terms of the purpose that these regulations are supposed to serve at the given point of time. Some of the more commonly used corporate regulations are as followed.

* Public Company Accounting Oversight Board: The main premises of this board are to make sure that the provisions that are witnessed during the course of the auditing profession are being taken care off and effort must be made to make sure that they regulated in the form of the law
* Sarbanes Oxley Act: It was enacted in 2002 and the major premises behind the construction 9of the board was to make sure that the regulations that are witnessed in terms of the management of the corporate scandals are taken care off in an appropriate model.
* Board Audit Committees: These are the committees that are supposed to work in the manner that they are independent in terms of how they operate, and the disclosures are being made in an appropriate manner when it comes to these bodies.
* External Audit Firms: They are major stakeholders when it comes to making sure that how the corporate governance is going to be taken care off at the end of the organization. The idea behind the whole thing is to make sure that the proper protocol has to be adopted in terms of how the disclosures are supposed to be made and how the rotation is supposed to be carried out when it comes to the way lead partners are working out at the given point of time. There has been considerable regulation carried out in this regard and the key concern is to make sure that how the conflict of the interest is going to be avoided in such cases. The independent opinion becomes more important when such disclosures are needed to be made.

# Bad Corporate Governance Practices

For an organization, it is important to make sure that they have a sense of perspective in terms of how they want to progress in terms of their business practices are supposed to be shaped up at the given point of time. The key concern that must be kept in mind is to make sure that the prudential regulations and other perspectives are needed to be followed when the corporate governance decisions are needed to be made. There are certain organizations that do not believe that, and thus they create problems for themselves in terms of the way they want to move forward at the given point of time. The same was the case with Steinhoff Group and the Carillion Plc. In this section, it would be seen what where some of the bad corporate governance practices that were implemented by these organizations. Thus right sort of narrative is needed to be developed in this regard. Corporate governance principles and codes have been developed in different countries and issued from stock exchanges, corporations, institutional investors, or associations (institutes) of directors and managers with the support of governments and international organizations. Most codes are largely voluntary. An issue raised in the U.S. since the 2005 Disney decision[56] is the degree to which companies manage their governance responsibilities; in other words, do they merely try to supersede the legal threshold, or should they create governance guidelines that ascend to the level of best practice. For example, the guidelines issued by associations of directors, corporate managers and individual companies tend to be wholly voluntary, but such documents may have a wider effect by prompting other companies to adopt similar practices. As a rule, compliance with these governance recommendations is not mandated by law, although the codes linked to stock exchange listing requirements may have a coercive effect.

# Corporate Governance Mistakes by the Steinhoff Group

During their corporate governance strategy, there were number of mistakes that were committed by the Steinhoff Group as they moved forward. Following are five of the bad corporate governance practices and mistakes that lead to their demise.

* One of the first thing that was wrong at their end was that when the decisions were being made at the end of the organization, it was not a fair process and the major stakeholders were not on board. Later, board, it was revealed that not everyone was on board with their strategy of disregarding corporate conventions and this was one of the biggest mistakes that was carried out by them.
* Strategic planning and risk management are some of the most critical aspects of the organizational decision making. In the case of the Steinhoff Group, there was not much of an effort by them to make sure that they stay ahead of the curve in terms of how the corporate planning was supposed to be carried out at the given point of time and how the decision was being made in terms of the narrative.
* Denigration and underestimation of the stakeholders and the corporate regulators was one of the most critical mistakes that was performed at their end. There was not much enough effort on their part to make sure that they were paying heed to the need and want of different stakeholders and this was one of the areas that was missed out in this regard.
* One thing that stood out about the Steinhoff Group was that the audit department was one of the departments that was aware of their short comings in terms of how they were moving forward at the given point of time. They could have paid heed to the ideas that was propagated by the corporate regulators, instead they chose to ignore it that lead to their demise.
* External auditors are major part and parcel of how the business decision is needed to be made at the given point of time. One of the things that could have been done by them was to make sure that realization of the problems in terms of the corporate governance with regards to the way regulations were supposed to be followed at the given point of time.

The complacency comes across as one of the major reasons for their lack of insight about how the resolution of the impending issues was supposed to be made.

*Bod Corporate Governance Carillion Plc*

When one talks about some of the problems of the Carillion Plc is that they were was lack of awareness on their part with regards to how these regulations are supposed to work out. Following are some of the other problems that were faced by them.

* Lack of awareness with regards to the corporate governance is supposed to work and the other aspect of the organizational decision making was one of the biggest issues that was faced by the Carillion Plc. They did not have much of idea with regards to how these regulations are supposed to work.
* Not adhering to the ISO standards and not opting for the update of the certification was one of the prime reasons that there were many major issues in terms of how their corporate governance strategy was supposed to work out.
* Change management is one of the key things that the business must understand and adopt when the broader organizational decisions are needed to be made. In the case of the Carillion Plc, they did not have much idea about how these regulations are supposed to work and what can be done to make sure that the clear perspective can be developed in this regard. They were not willing to change their business practices when it comes to the way broader changes are supposed to be implemented in the organization at the given point of time and that was another major instance of lack of insight on their part.
* The audit department was complacent when it comes to making sure that the right sort of balance was needed to be achieved in terms of the way broader perspective was needed to be developed at the given point of time and how the balance was supposed to be achieved with regards to these regulations.
* External auditors were not cooperated, and they were not provided full disclosure and information that lead to their demise.

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