



INTRODUCTION TO CORPORATE GOVERNANCE

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What is Corporate Governance?

It is the system by which companies are directed and controlled (see the Cadbury Report and the first King Report). Its import is to monitor how the company is managed and to balance the interests of internal and external stakeholders of a company or corporation. Corporate governance is aimed at ensuring efficient performance by the company, effective control and ethical culture.

Principles that underpin corporate governance - While there a number of codes which proffer guidance on corporate governance, there is a golden thread on the basic corporate governance principles. Some of these principles are:

- **TRANSPARENCY AND DISCLOSURE:** information must be disclosed in a manner that enables stakeholders to make informed analysis of the company's performance, and sustainability.
- **ACCOUNTABILITY:** Decisions and actions must be justifiable to stakeholders
- **INTEGRITY:** There must be accurate reporting. There must be an assurance that the company's vision, mission and objectives are ethically sound. social philanthropy or charitable donations.
- **INDEPENDENCE:** Decisions must be made (particularly by the board of directors) independent from undue influence and bias.

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