The Comprehensive Guide to Sarbanes Oxley, COSO, ERM, COBIT, IFRS, Basel II,OMB 123, ASX 10, and OECD Principles

Are you confused about the various regulations and principles that govern today's business environment? If so, you're not alone. Navigating the complex landscape of corporate governance can be challenging, especially for those who are new to the field. In this comprehensive guide, we will unravel the mysteries behind some of the most important frameworks and guidelines, including Sarbanes Oxley, COSO, ERM, COBIT, IFRS, Basel II,OMB 123, ASX 10, and OECD Principles. Strap in and get ready to dive deep into the world of corporate governance!

1. Sarbanes Oxley (SOX)

How has the Sarbanes-Oxley Act changed the responsibilities for auditors as they relate to the Board of Directors?

Solution

Hi,

Please find the correct answer as follows:

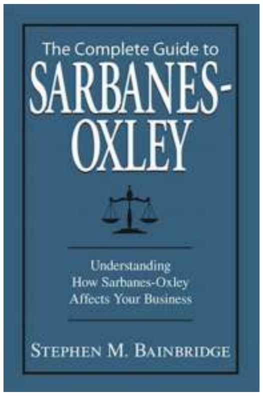
An act passed by U.S. Congress in 2002 to protect investors from the possibility of fraudulent accounting activities by corporations. The Sarbanes-Oxley Act (SOX) mandated strict reforms to improve financial disclosures from corporations and prevent accounting fraud. SOX was enacted in response to the accounting scandals in the early 2000s. Scandals such as Enron, Tyco, and WorldCom shook investor confidence in financial statements and required an overhaul of regulatory standards.

The rules and enforcement policies outlined by the SOX Act amend or supplement existing legislation dealing with security regulations. The two key provisions of the Sarbanes-Oxley Act are:

1. Section 302: A mandate that requires senior management to certify the accuracy of the reported financial statement
2. Section 404: A requirement that management and auditors establish internal controls and reporting methods on the adequacy of those controls. Section 404 had very costly implications for publicly traded companies as it is expensive to establish and maintain the required internal controls

Refrences: http://www.investopedia.com/terms/s/sarbanesoxleyact.asp

Sarbanes Oxley, often referred to as SOX, is a US federal law that was enacted in response to several high-profile corporate scandals, such as Enron and WorldCom, which shook the financial markets in the early 2000s. The primary objective of SOX is to protect the interests of investors by improving the accuracy and reliability of corporate financial statements. This regulation places significant responsibilities on companies and their executives, ensuring compliance with financial reporting standards and establishing internal controls to prevent fraudulent activities.



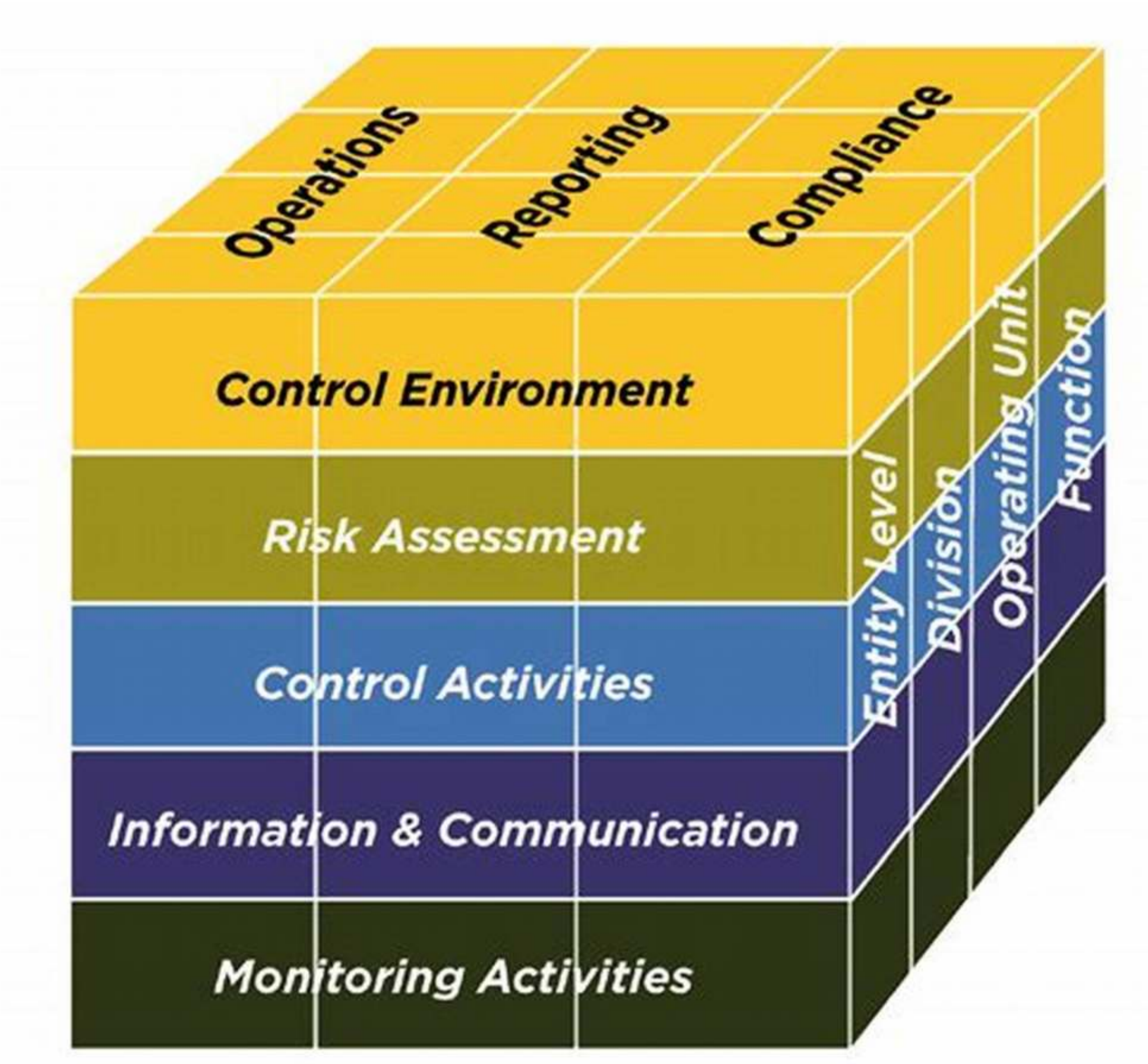
Manager's Guide to Compliance: Sarbanes-Oxley, COSO, ERM, COBIT, IFRS, BASEL II, OMB's A-123, ASX 10, OECD Principles, Turnbull Guidance, Best Practices and Case Studies

by Anthony Tarantino (1st Edition, Kindle Edition)

★★★★☆ 4.3 out of 5

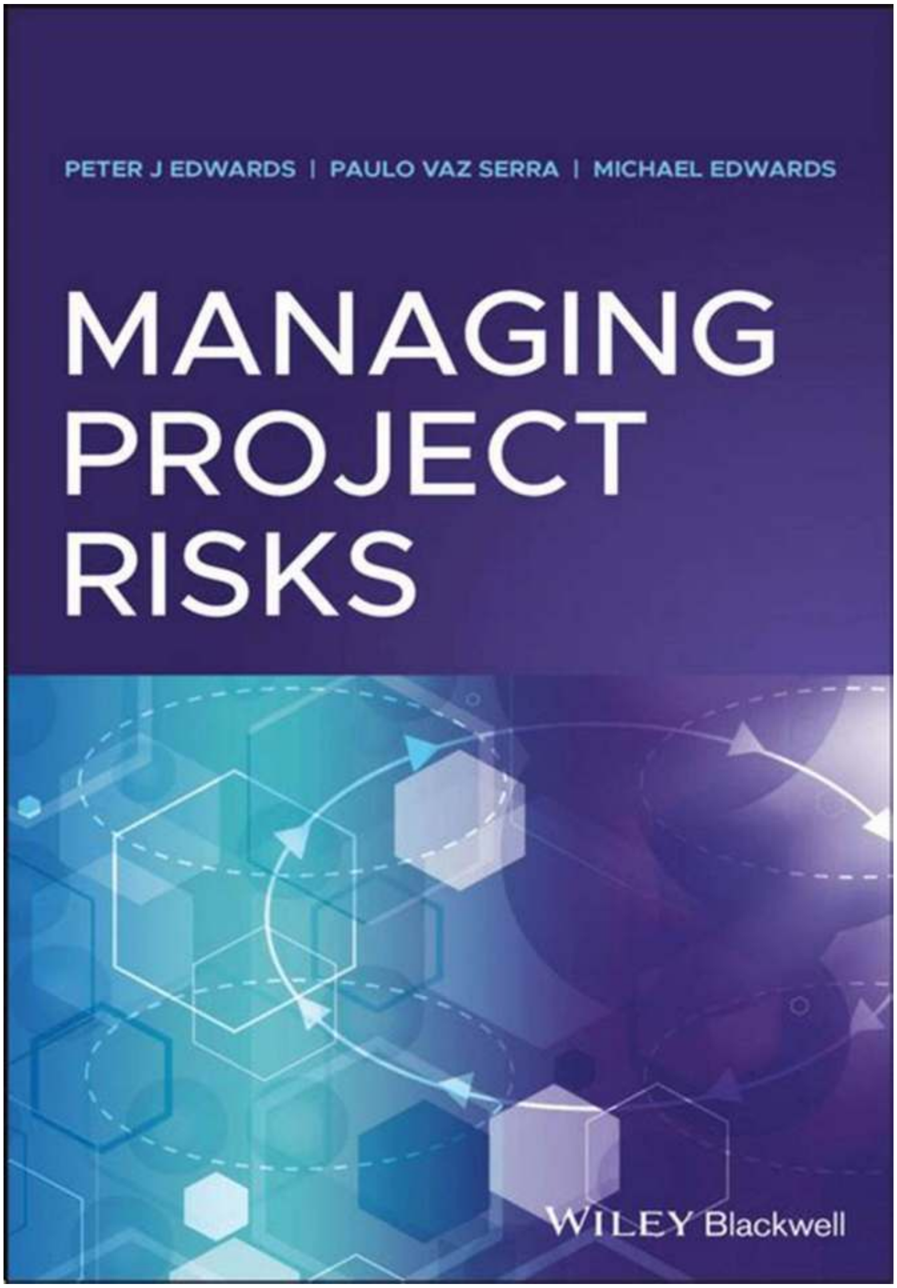
Language	: English
File size	: 2339 KB
Text-to-Speech	: Enabled
Screen Reader	: Supported
Enhanced typesetting	: Enabled
Word Wise	: Enabled
Print length	: 337 pages
Lending	: Enabled

2. COSO (Committee of Sponsoring Organizations of the Treadway Commission)



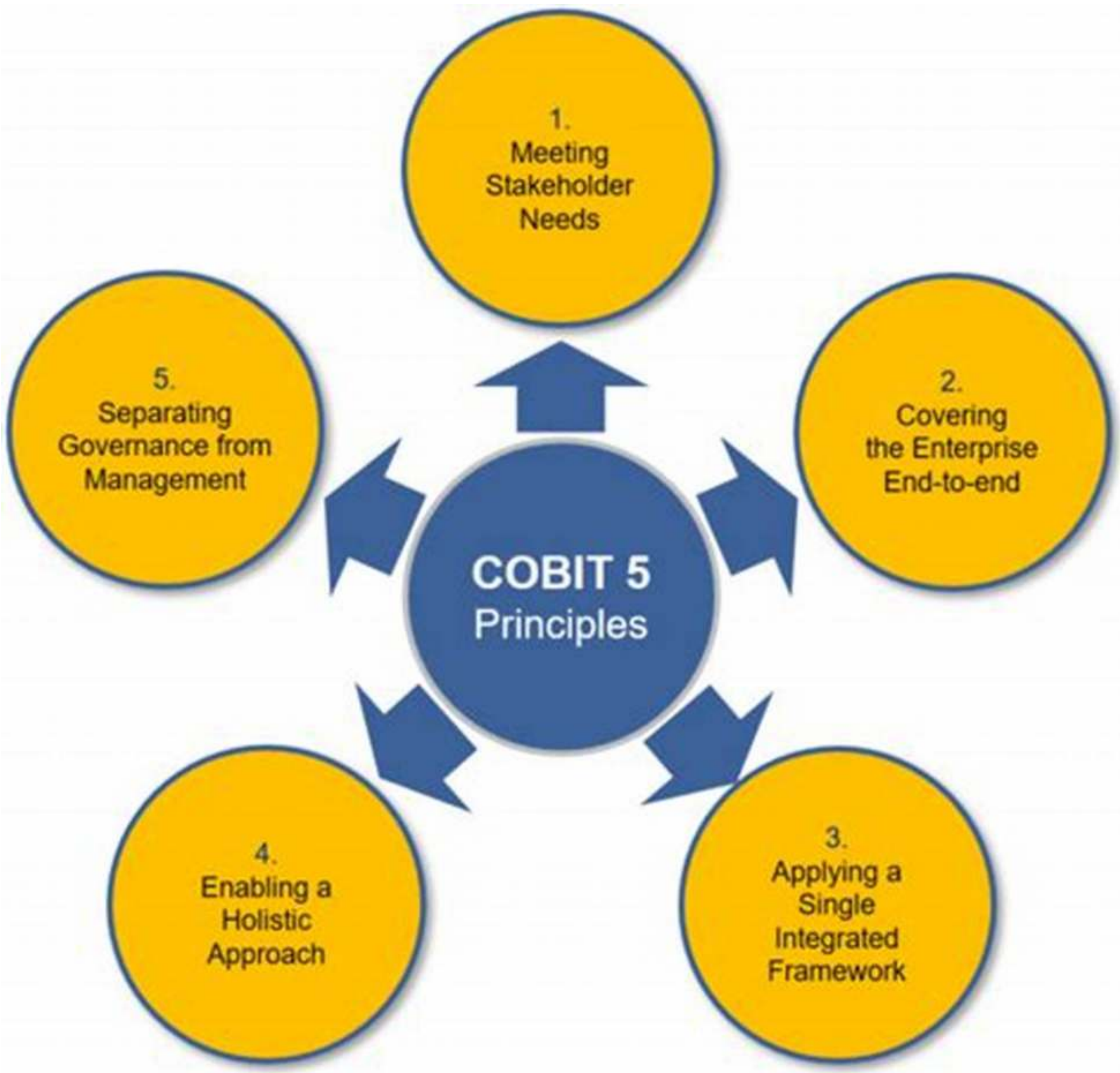
COSO, the Committee of Sponsoring Organizations of the Treadway Commission, is a joint initiative of five professional associations, including the Institute of Management Accountants and the American Accounting Association. COSO's primary contribution to the field of corporate governance is the development of the COSO Internal Control Framework. This framework provides guidance on establishing and maintaining an effective internal control system, helping companies to reduce the risk of financial misstatement, fraud, and other critical errors.

3. ERM (Enterprise Risk Management)



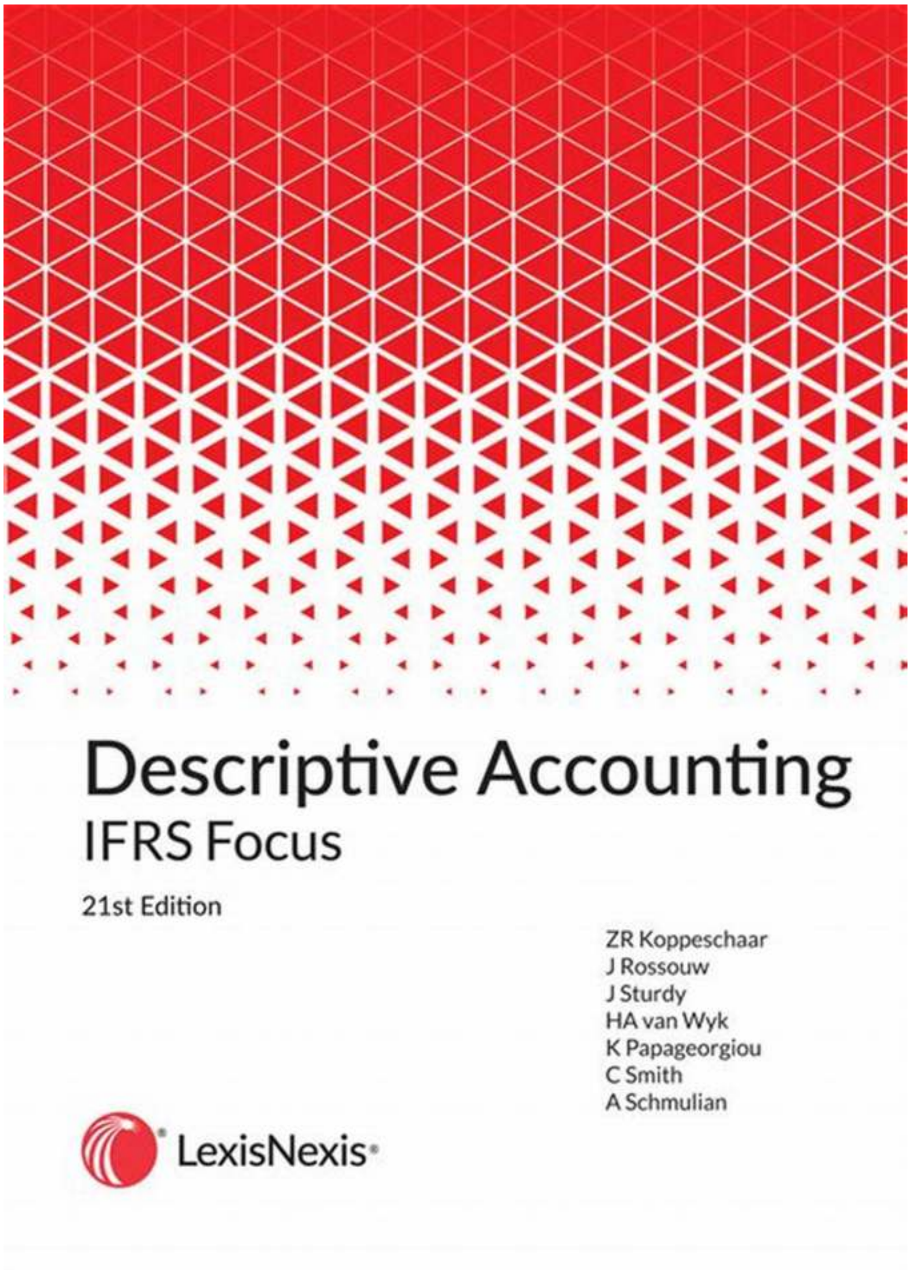
Enterprise Risk Management, also known as ERM, is a strategic approach to identifying and managing risks that could potentially affect an organization's ability to achieve its objectives. Unlike traditional risk management, which tends to focus on specific areas of risk, ERM takes a holistic view, considering risks across the entire organization. By adopting an ERM framework, companies can proactively identify and address potential threats, enhancing their ability to navigate uncertain business environments and make informed decisions.

4. COBIT (Control Objectives for Information and Related Technologies)



COBIT, or Control Objectives for Information and Related Technologies, is a globally recognized framework for IT governance and management. Created by the Information Systems Audit and Control Association (ISACA), COBIT provides comprehensive guidance on how to effectively manage IT processes, align IT with business objectives, and ensure data integrity and security. By implementing COBIT principles, organizations can enhance the governance and performance of their IT systems, reducing operational risks and improving overall efficiency.

5. IFRS (International Financial Reporting Standards)



The International Financial Reporting Standards, commonly known as IFRS, are a set of global accounting standards developed by the International Accounting Standards Board (IASB). IFRS provides a common language for financial reporting, ensuring transparency and consistency in the financial statements of companies operating in different countries. By adopting IFRS, companies can enhance their credibility and comparability, facilitating international investments and reducing the cost of cross-border transactions.

6. Basel II (Basel Capital Accord)

Basel II, also known as the Basel Capital Accord, is a global regulatory framework that sets out the minimum capital requirements for banks and other financial institutions. Developed by the Basel Committee on Banking Supervision, Basel II aims to promote financial stability by ensuring that banks maintain adequate capital to cover potential risks. The framework provides detailed guidelines on risk management, capital adequacy, and disclosure, enabling a more comprehensive assessment of banks' financial health and resilience.

7. OMB 123 (Office of Management and Budget Circular A-123)

OMB 123, or Office of Management and Budget Circular A-123, is a set of internal control and risk management guidelines issued by the US federal government. These guidelines aim to improve the transparency, accountability, and effectiveness of federal agencies' operations by establishing a strong internal control system. By adhering to the principles outlined in OMB 123, federal agencies can enhance their financial reporting accuracy, reduce fraud and waste, and strengthen overall governance and management.

8. ASX 10 (Australian Securities Exchange Top 10)

European Journal of Accounting Auditing and Finance Research

Vol.2, No.6, pp. 100-117, August 2014

Published by European Centre for Research Training and Development UK (www.ea-journals.org)

THE IMPACT OF CORPORATE GOVERNANCE PRINCIPLES APPLICATION ON FINANCIAL PERFORMANCE OF PUBLIC SHAREHOLDING COMPANIES LISTED IN AMMAN STOCK EXCHANGE

Dr. Nedal Al-Ramahi,
Zarqa University, Jordan

Dr. Abdullah Barakat,
Shaqra University, Saudi Arabia

Yousef Shahwan,
Zarqa University, Jordan

ABSTRACT: *This study aimed to investigate the extent of corporate governance principles in the public shareholding companies listed on the First Market in Amman Stock Exchange .To achieve the objective of this study , the researchers distributed 55 questionnaires to first market companies in Amman Stock Exchange, The results showed that there is a strong application of corporate governance principles in the public shareholding companies listed in the First Market in the Amman Stock Exchange .Moreover there is a declination in staff awareness of public shareholding companies listed in the First Market in the Amman Stock Exchange , the importance of corporate governance and its principles .In addition, there is also a declination related to hide some information to shareholders , whether financial or non-financial , and a declination of disclosing strengths and weaknesses points , either in company's financial system or its disclosures annual reports management in the, and a decrease in Board of Directors member occupation of any executive function ,either with or without salary .*

KEYWORDS: Governance, Financial Performance, Shareholding, Amman Stock Exchange

INTRODUCTION

Corporate governance is considered the general framework for supervisory procedures, and control on Board of Directors; in order to ensure procedures correctness related management control process, executive management, and correctness of measures to be taken, in its quest to achieve company objectives. This ensures maintaining shareholders rights through strengthening company's financial performance. One of the main reasons that led to major companies collapse is departments complicity , weak structure , weak control and follow-up units, and a lack of disclosure and transparency required to enhance the entity of the company, and maintain stakeholder rights with the company and the shareholders , which led to deficiencies in companies financial performance since financial performance is considered one of the most important measures of management efficiency, and indicating implement commitment of rules and standards used in companies.

Problem statement

Poor application of corporate governance, which is considered one of the most important pillars to enhance transparency , increase control and supervision on management and reduction fraud committed by some executives and companies Boards of Directors, which may cause damage to shareholders, investors , stakeholders, and company's reputation as well as . Based on the foregoing, the statement problem can be summarized in the following question :

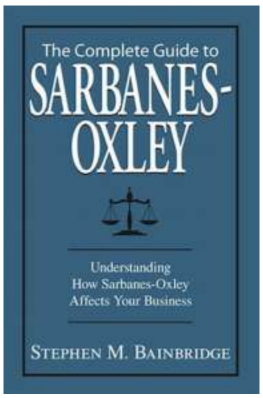
100

ASX 10, or the Australian Securities Exchange Top 10, refers to the corporate governance principles designed for Australian listed companies. These principles provide guidelines on various aspects of corporate governance, including board composition, risk management, transparency, and shareholder rights. By adopting the ASX 10 principles, companies can build investor confidence, improve business performance, and ensure compliance with regulatory requirements.

9. OECD Principles (Organization for Economic Cooperation and Development)

The OECD Principles, issued by the Organization for Economic Cooperation and Development, are internationally recognized guidelines for corporate governance. These principles provide a reference framework for policymakers, regulators, and corporations, promoting transparency, accountability, and fairness in business practices. By adhering to the OECD Principles, companies can enhance their reputation, safeguard investor interests, and contribute to sustainable economic growth.

Corporate governance is a critical aspect of today's business landscape, and it's essential for companies to understand and comply with the various frameworks, regulations, and principles that govern their operations. In this article, we've explored Sarbanes Oxley, COSO, ERM, COBIT, IFRS, Basel II, OMB 123, ASX 10, and OECD Principles, shedding light on their significance and impact on corporate governance. By embracing these frameworks and guidelines, organizations can create a strong foundation for success, ensuring transparency, accountability, and responsible practices in today's dynamic business environment.



Manager's Guide to Compliance: Sarbanes-Oxley, COSO, ERM, COBIT, IFRS, BASEL II, OMB's A-123, ASX 10, OECD Principles, Turnbull Guidance, Best Practices and Case Studies

by Anthony Tarantino (1st Edition, Kindle Edition)

★★★★☆ 4.3 out of 5

Language	: English
File size	: 2339 KB
Text-to-Speech	: Enabled
Screen Reader	: Supported
Enhanced typesetting	: Enabled
Word Wise	: Enabled
Print length	: 337 pages
Lending	: Enabled

Compliance requirements are here to stay.

Prepare your company for the growing challenge.

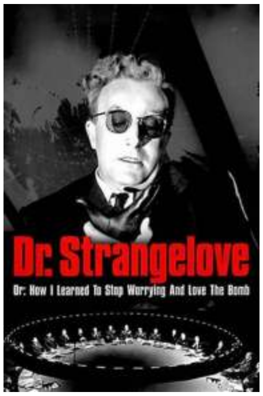
A Wall Street Journal/Harris poll revealed that two thirds of investors express doubts in the ability of corporate boards of directors to provide effective oversight. In the shadow of recent global scandals involving businesses such as Parmalat and WorldCom, Manager's Guide to Compliance: Best Practices and Case Studies is essential reading for you, whether your organization is a major corporation or a small business.

This timely handbook places U.S. and global regulatory information, as well as critical compliance guidance, in an easy-to-access format and helps you make sense of all the complex issues connected with fraud and compliance.

"Wide perspectives and best practices combined deliver a punch that will knock your 'SOX' off! The author has blended together a critical mix necessary for effectively handling the requirements of SOX."
—Rob Nance, Publisher, AccountingWEB, Inc.

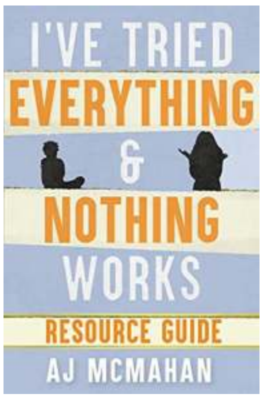
"Robust compliance and corporate governance is an absolute necessity in today's business environment. This new book by Anthony Tarantino is an authoritative guide to understanding and implementing compliance and regulatory requirements in the United States and around the world. From SOX to COSO to ERM, this book covers them all."
—Martin T. Biegelman, Certified Fraud Examiner, Fellow and Regent Emeritus of the Association of Certified Fraud Examiners, and coauthor of Executive Roadmap to Fraud Prevention and Internal Control: Creating a Culture of Compliance

"If compliance wasn't difficult enough, now companies are faced with a barrage of technology vendors claiming to automate compliance as if it were a project. In his new book, Dr. Tarantino paints the reality of the situation: companies need to embrace the broader tenets of governance and use technology to embed governance policies and controls into their daily business processes. Only then can they gain business value from their compliance investments."
—Chris Capdevila, CEO and cofounder, LogicalApps



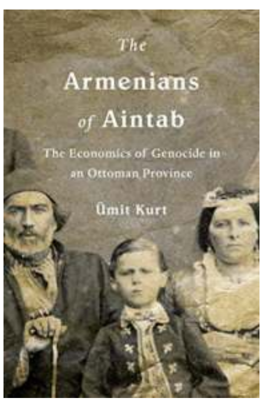
How I Learned To Stop Worrying And Love The Bomb Bfi Film Classics

It was a cold winter night when I first decided to watch "How I Learned To Stop Worrying And Love The Bomb." The iconic movie, a part of the Bfi Film Classics...



We've Tried Everything, Nothing Works - Resource Guide

Are you tired of trying multiple remedies without any desired results? Do you feel like you've hit a dead end and don't know where to...



The Economics Of Genocide In An Ottoman Province: Unraveling the Dark History

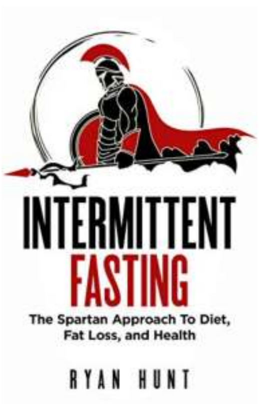
: Genocide is a haunting term that stirs emotions and grabs attention due to its brutal nature and devastating impact. When discussing the economics behind such an atrocity,...

Unlocking Mental Fortitude: A Summary of "Can't Hurt Me" by David Goggins

We live in a world where the human mind often succumbs to its limitations, holding us back from reaching our full potential. However, there are individuals who defy these...

The Courageous Mind: Angela Schroeder

Angela Schroeder is a remarkable individual with an extraordinary story that demonstrates the true power of the human mind. Her journey is one of...



The Spartan Approach To Diet Fat Loss And Health: Unlocking Your Inner Warrior

Are you tired of fad diets that promise quick results but leave you feeling deprived and defeated? Look no further than The Spartan Approach to Diet Fat...

The Comprehensive Guide to Sarbanes Oxley, COSO, ERM, COBIT, IFRS, Basel II,OMB 123, ASX 10, and OECD Principles

Are you confused about the various regulations and principles that govern today's business environment? If so, you're not alone. Navigating the complex landscape of corporate...

Uzumaki Borutouchiha Sarada - The Dynamic Trio Shaping the Future of Naruto

When it comes to the beloved anime and manga series Naruto, fans are always eager to explore new adventures and meet new characters. The next generation...