

SEE Questionnaire

Corporate Governance Q1



Does your company have a corporate governance statement appropriate to the organisation?

Question developed with [Manifest](#)

Rationale for question

Corporate governance combines both protocols and structures by which an organisation is directed, operated and controlled. A company's corporate governance structure specifies the distribution of rights and responsibilities of the board, its managers, shareholders and other stakeholders.

Corporate governance may appear to be a complex and technical matter, but it is really about the basics of the business organisation. It establishes corporate accountability and transparency, and sets out directors' duties with regard to properly and honestly managing the business.

Poor corporate governance has resulted in major corporate failures. Probably the most high-profile case - amongst several in recent years - was that of Enron in 2001. Enron had grown very rapidly to become one of the world's largest companies, but collapsed when it emerged that a handful of senior executives had colluded in perpetrating massive fraud. (Read a brief description of the Enron fraud [here on Wikipedia](#).)

Corporate collapses can have critical adverse effects on other businesses, cost jobs, wipe out investments and empty pension funds that employees depend on in retirement.

Every company, irrespective of size or sector, requires clear lines of communication, responsibility and accountability. All companies will have systems and processes of management, but smaller companies may have less formal methods.

Defining Terms

'A corporate governance statement appropriate to the organisation' is a statement detailing a company's approach to corporate governance and an adequate overview of the systems and processes it has in place to ensure the proper and honest management of its operations. Good practice is to make such statements publicly available. An adequate overview will depend on the size and complexity of the organisation.

A 'public company' is a company whose shares can be bought and sold by the general public through a recognised stock exchange.

Primary and Secondary answer requirements

ANSWERING YES

PUBLIC companies must:

1. describe the regulatory environment in which they operate, e.g., any legal requirements pertaining to governance structure;
2. provide an adequate overview of the methods by which the business is governed; and
3. state where their corporate governance statement is published.

PUBLIC companies may:

1. provide a hyperlink to the statement, if available.

PRIVATE companies must:

1. provide an adequate overview of the methods by which the business is governed, including information about clear channels of communication, the role of directors, and systems by which appropriate checks, balances and auditing can be carried out.

PRIVATE companies may:

1. provide evidence of the publication of the governance statement.

ANSWERING NO

All companies must:

1. state whether they are a public or private company; and
2. explain why they do not or cannot answer YES to this question and list any mitigating circumstances or any other reasons that apply.

All companies may:

1. indicate any relevant practices and policies, even if they do not fully address the specifications for answering YES; and
2. mention any future plans.

DON'T KNOW is not a permissible answer to this question.

NOT APPLICABLE is not a permissible answer to this question.

NO ANSWER YET is only permissible under extraordinary circumstances and then for only a limited period.