

Corporate Governance, Boards, Standards of Accounting and Management in Financial Institutions

Phd Ariet Malaj
College University of Business Tirana Albania,Vangjel Noti,Tirane

Abstract
Corporate governance are very important.Albania has a new economy. After the communist regime, Albania has adopt the new standard of accounting. In this period Albanian companies is focused in respecting of financial standards and applied of standards accounting. In this way all the Albanian company has adopt their standards of accounting. A lot of company has adopt their code of corporate governance in their institutions. Albania has a lot of to do about corporate governance. Albania's remarkable economic transformation has been affected by the global financial crisis. The country's main challenges include maintaining macro-fiscal and financial sector sustainability, improving the investment climate and unleashing private sector growth, removing barriers to employment for job creation, and improving governance and public service delivery.
This paper is contain some elements of corporate boardc, management and standards in accounting and some aspect of corporate governance.
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1. Corporate governance is the system of rules, practices and processes by which a company is directed and controlled.
Corporate Governance refers to the way in which companies are governed and to what purpose. It identifies who has power and accountability, and who makes decisions. It is, in essence, a toolkit that enables management and the board to deal more effectively with the challenges of running a company. Corporate governance ensures that businesses have appropriate decision-making processes and controls in place so that the interests of all stakeholders (shareholders, employees, suppliers, customers and the community) are balanced.

Governance at a corporate level includes the processes through which a company's objectives are set and pursued in the context of the social, regulatory and market environment. It is concerned with practices and procedures for trying to make sure that a company is run in such a way that it achieves its objectives, while ensuring that stakeholders can have confidence that their trust in that company is well founded.

As the home of good governance, ICSA believes that good governance is important as it provides the infrastructure to improve the quality of the decisions made by those who manage businesses. Good quality, ethical decision-making builds sustainable businesses and enables them to create long-term value more effectively.

2. Board of directors and fianacial reporting and standards

The Board Rules specify that in addition to the Board of Directors' responsibilities under applicable law and the Articles of Association, the Board of Directors is responsible for certain enumerated categories of decisions. Under the Articles of Association, the Board of Directors is responsible for the management of the Company. Under the Board Rules, the Board of Directors delegates the execution of the strategy as approved by the Board of Directors and the day-to-day management of the Company to the CEO, who, supported by the Executive Committee and its executive management team, makes decisions with respect to the management of the Company. However, the CEO should not enter into transactions that form part of the key responsibilities of the Board of Directors unless these transactions have been approved by the Board of Directors.

The *Conceptual Framework* sets out the fundamental concepts for financial reporting that guide the Board in developing IFRS Standards. It helps to ensure that the Standards are conceptually consistent and that similar transactions are treated the same way, so as to provide useful information for investors, lenders and other creditors. The *Conceptual Framework* also assists companies in developing accounting policies when no IFRS Standard applies to a particular transaction, and more broadly, helps stakeholders to understand and interpret the Standards

3.Corporate governance consideration.

Corporate governance can be considered as an environment of trust, ethics, moral values and confidence – as a synergic effort of all the constituents of society – that is the stakeholders, including government; the general public etc; professional / service providers – and the corporate sector. One of the consequences of a concern with the actions of an organisation, and the consequences of those actions, has been an increasing concern with corporate governance (Hermalin 2005). Corporate governance is therefore a current buzzword the world over. It has gained tremendous importance in recent years. There is a considerable body of literature which considers the components of a good system of governance and a variety of frameworks exist or have been proposed. This chapter examines and evaluates these frameworks while also outlining the cultural context of systems of governance. Our argument in this chapter is that corporate governance is a complex issue which cannot be related to merely the Anglo Saxon approach to business; indeed it cannot be understood without taking geographical, cultural and historical factors into account in order to understand the similarities, differences and concerns relating to people of different parts of the world. In part therefore this chapter also serves as an introduction which sets the scene for the other chapters in the book as well as outlining the purpose of the book and the contributions within this theoretical and practical context.

There are three models of business governance:

1. Shareholder Model of Business Governance
2. The model of business governance by interest groups
3. The model of social responsibility of business governance.

1. Shareholder model of business governance

This model operates on the basis of the basic premise that the purpose of the business is to maximize the financial income of its owners, or in the case of corporations, of its shareholders.

According to prominent economist Milton Friedman, the role of corporate employees is simply to make as much money as possible for their shareholders.

Of course, many other groups of individuals (and society as a whole) can benefit from running a successful business (community collects property taxes, suppliers are paid, employees are paid, etc.) but primarily at this level of government, the corporation exists for profit. of its shareholders.

Separation of ownership and control, potential conflicts of interest

In most corporations today, there is a separation of ownership and control. Corporate ownership is in the hands of hundreds of thousands of shareholders scattered everywhere. Everyone owns a small part of the business.

While control of the corporation rests with the board of directors and perhaps even more so with its officials.

There are a number of key areas where there are potentially significant shareholder-official conflicts. These conflicts are:

1. Control offer (offer to buy)
2. Short-term orientation / long-term orientation
3. Empire building (Company growth)
4. Access to information

Officials and directors are agents who report to its shareholders, while the fragmented nature of most corporate holdings today gives shareholders little monitoring power over corporate directors and officers.

In many cases, corporate officials and directors act more in their own interest than in the best interest of the leaders, the shareholders.

Control offers (offers to be purchased)

Mergers and acquisitions are a regular part of corporate life. If a company receives an offer to buy from another company at 50% more than the current price of its shares, for the shareholders of the company to be bought, it is something wonderful, but not for the officials who may risk and job. So corporate officials and directors may be less willing than the average shareholder to welcome control bids, thus creating potential conflict of interest.

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2. Short-term versus long-term orientation

Investors often have a long-term orientation, while many corporate officials are criticized for short-term orientation. Shareholders may intend to own the shares of quality companies for decades. As a result, they may not be particularly concerned about the company's current profitability

Long-term investors want the company to invest in new products and in research and development (R&D), while officials who plan to leave after 2-3 years, seek the current maximum profit, so try to reduce the budget for Research - Development.

3. Empire Building (Company Growth)

Managers are often interested in expanding their business, because many directors and officers are paid according to the size of the business they run.

While building empire is good for the company's executives, it is not always good in the long run for its shareholders. corporations are not geared etc.)

4. Access to Information

Company executives know for sure, or practically need to know everything that happens in the corporation.

Shareholders are invited to attend the corporation's annual meetings (but in fact, only a small number attend).
What does this asymmetry of corporate information bring?
A general manager who knows good news about the corporation can go and buy shares from an existing shareholder, who may not sell them if he had the information that the corporate leader has and vice versa.
2. The model of business governance by interest groups
Otherwise known as the Stakeholders model of business governance.
According to Blackwell and other proponents of this model, businesses exist for the benefit not only of shareholders, but also of various groups that have a significant interest in their activities.
Coca-Cola is one of the companies that has formally adopted the corporate governance model by stakeholders.
On its website, it has an official statement stating that "The Coca - Cola Company is fundamentally built on the deep and enduring relationship of trust between her and all individuals such as: bottler, customers, consumers, shareholders, employees, suppliers, and the community itself. This belief must be nurtured and maintained daily.
- Businesses and the local community
Many companies today make special efforts to judge the impact of its business activities on the local communities where it trades. For example, oil companies undertake consultations with local groups in planning new oil drilling projects.
Before building a new pipeline in the Philippines, the company consulted extensively with local groups about the pipeline route. Also, the pipeline was carefully laid to avoid places of historical value, coral reefs and fishing areas.
Some companies give percentages of sales to the local community where they do business. Other firms focus on art and culture, perhaps sponsoring local symphony or ballet troupes. Others develop children's reading programs by providing books, etc.
Many companies operating around the world change their community activities depending on where they operate.
- Creditors
What responsibilities do businesses have towards the individuals and institutions from which they borrow money?
People who lend to corporations have the right to be treated as important shareholders.
- Suppliers
Companies such as Coca-Cola view suppliers as an important interest group, and carefully manage relationships with this group, keeping them informed of future plans and negotiating prices and delivery times with them.

4.Conclusion

Adopting of corporate governance standards and accouting standards is very important. Overall, this analysis allows inferring that the accounting quality cannot be evaluated only in terms of IFRS adoption, either on a voluntary or mandatory basis. More recently, Ahmed *et al.* (2013) also verified that accounting quality declined after mandatory adoption of IFRS, unlike previous studies have shown, highlighting an increase in the accounting quality after IFRS adoption. Albania company in the future has a lot to do about corporate governance.

5. References

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