

**CORPORATE BOARD:
ROLE, DUTIES & COMPOSITION**

**СОВЕТ ДИРЕКТОРОВ: РОЛЬ,
ОБЯЗАННОСТИ И СОСТАВ**

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EDITORIAL

Dear readers!

This issue of the journal is devoted to several issues of corporate board practices.

Wan Fauziah Wan Yusoff with Anona Amrstrong states that directors' competencies are seeing to be of importance to corporate governance. As this issue has not yet being studied extensively in Malaysia, their study determines the key competencies of Malaysian company's directors using qualitative approach involving two stages of Delphi Technique. In the first stage all information pertaining to directors' competences in the literature had been reviewed. In the second stage, the key competencies identified in stage one were the criteria for developing a semi structured questionnaire. Participants were asked to rank the competencies in term of their importance for directors' performance. Based on personel interviews with 41 participants eight types of competencies were found to be essential for Malaysian companies' directors. Financial competencies received the highest responses, followed by corporate planning, business forecasting, legal, risk management, marketing, human resource and international business. Their paper provides important evidence to support the conclusions drawn from the study about the importance of relevant directors' competencies for board and corporate effectiveness.

Mohammad Istiaq Azim, Joyce Chua Ai Mei, Samina Rahman will investigate the relationship between Australian executives' remuneration and their companies' performance during the global financial crisis. Two approaches were used to examine the relationship: firstly, an investigation of the pay-for-performance relationship that existed during the global financial crisis; and secondly, checking the robustness test by using one year before-and-after data. The sample is taken from the Top 200 companies from the Australian Stock Exchange (ASX) list for 2007 and 2008. In order to achieve a better understanding of this relationship, a conceptual model has been developed. Results show that Australia's business reward system is quite effective because executives' remuneration were reduced by their respective companies when they underperformed during this particular crisis. Overall, their study concludes that there is a positive and significant relationship between executives' remuneration and company performance during the global financial crisis, with higher sensitivity to market-based performance measures than accounting-based performance measures.

Andreas G. Koutoupis states that in order to obtain access to well-developed financial markets, Greek banks need to win and maintain investors' confidence, not only in a symbolic and rules-based approach (complying as closely as possible with international best practices and regulations), but pursue a principles-based approach in order to achieve the desired goal of effective audit committee. The question that his paper seeks to answer is: "What are the key drivers for an effective audit committee in countries where audit committees are relatively new?" The overall aim of the research is to identify the main drivers which may contribute to the effectiveness of audit committees and provide a framework for their successful operation in the Greek banking institutions.

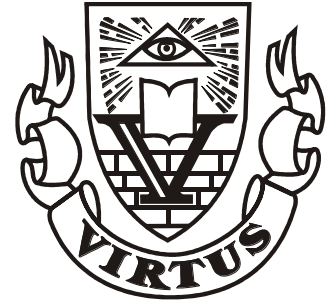
José Elias Feres de Almeida developed an index to explore the quality of Board of Directors based on Brazilian and international corporate governance codes to measure directors qualitative attributes. The sample consist in 24 Brazilian firms that traded at NYSE in the period over 1999-2006. The results show that board of directors with high types of attributes can improve value measured individually and by the quality index. The main results indicate that firm value improved with high types of professionals, accountants seated in boards, directors with high level of education and that participated in executive training.

Monir Zaman and Mohamed Elsayed examines the perception of activity based costing (ABC) in Australian universities. Using a questionnaire survey, data was collected from twenty-six finance directors and/or chief financial officers in Australian universities. The perception of ABC implementation in Australian universities depends on many variables including the understanding of ABC, consideration of ABC as a strategic cost management system, the role of ABC in reduction of expenses, consideration of ABC as a valuable tool to enhance overhead cost allocation, and consideration of ABC as an effective strategic cost management system designed to incorporate the university's critical input, output, and process variables resulting in value creation. The result of regression analysis provides significant and positive association between the decision to implement ABC in Australian universities and both the treatment of ABC as a strategic cost management system and the degree of both senior management and internal champion support. The findings indicate substantial differences in the allocation of the overhead costs between ABC and traditional costing systems. The result also reveals that many Australian universities using the ABC method receive benefits in improving cost reduction and better resource allocation with revenue surplus. Furthermore, the study develops a generic model of cost pools and drivers of ABC implementation in Australian universities.

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