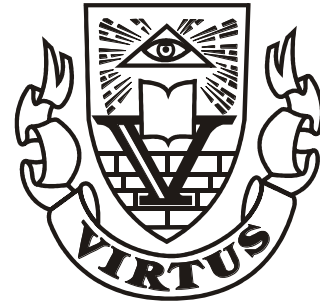


RISK GOVERNANCE & CONTROL: Financial markets and institutions

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THE GOVERNANCE OF RISK ARISING FROM THE USE OF SPREADSHEETS IN ORGANISATIONS 7

Tessa Minter, Carlos Correia

The authors are intended to address each of these critical issues and to offer guidance in the governance of spreadsheet risk. The paper identifies the risk exposures and sets out the responsibilities of directors in relation to spreadsheets and the spreadsheet cycle. Spreadsheet risk exposure can be managed in terms of setting the control environment, undertaking risk assessment, providing the requisite information and communicating with internal and external parties as well as implementing spreadsheet lifecycle application controls and monitoring activities.

ELECTRONIC FRAUD (CYBER FRAUD) RISK IN THE BANKING INDUSTRY, ZIMBABWE 17

Shewangu Dzomira

The paper explores forms of electronic fraud which are being perpetrated in the banking industry and the challenges being faced in an attempt to combat the risk. The paper is based on a descriptive study which studied the cyber fraud phenomenon using content analysis. To obtain the data questionnaires and interviews were administered to the selected informants from 22 banks. Convenience and judgmental sampling techniques were used. It was found out that most of the cited types of electronic fraud are perpetrated across the banking industry. Challenges like lack of resources (detection tools and technologies), inadequate cyber-crime laws and lack of knowledge through education and awareness were noted. It is recommended that the issue of cyber security should be addressed involving all the stakeholders so that technological systems are safeguarded from cyber-attacks.

THE FUTURE OF INTERNATIONAL BANKING REGULATIONS IN RESPONSE TO THE FINANCIAL CRISIS OF 2007/2009: AFTER BASEL III THEN WHAT NEXT? 28

Joseph E. Isebor

This article argues that financial crisis 2007-2009 will not be forgotten in a hurry because of its impact on the global financial system almost replicating the Great Depression. Major and causal factors contributed to the financial crisis, and this prompted the establishment of Basel III to contain the crisis. Basel III introduced improved capital and liquidity rules, but still could not contain the crisis. This leaves regulators with questions of how to prevent another financial crisis in the future.

STOCK MARKET AND FOREIGN DIRECT INVESTMENT IN ZIMBABWE

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Kunofiwa Tsaurai

This study investigates the causality relationship between stock market and foreign direct investment. The subject has been contentious in recent years with three theoretical rationales emerging. The first being that FDI net inflows boost stock market by increasing the amount of funds into the host country's economy. The second suggests that FDI inflows forces the host country government to embrace market friendly policies, regulations and controls that end up boosting stock market. The third theoretical rationale mentions that well-developed and functioning stock markets attracts FDI as multinational firms perceive such a market as a friendly environment whose government is more open to the international community.

THE EVOLUTION OF PUBLIC AND PRIVATE INVESTMENT IN ZIMBABWE

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Garikai Makuyana, NM Odhiambo

This paper aims to put the spotlight on the evolution of both public and private investment in Zimbabwe, as they responded to the economic policies implemented from 1965 through to 2011. With the adopted inward-looking policy in 1965, the massive core of infrastructural growth in public investment became a catalyst to the high level of private investment growth. The perpetuated market-intervention policy in 1980 later resulted in the growth of public investment. Despite the adoption of a market economy in the 1990s, the envisaged cut in public investment did not occur.

**FINANCIAL PERFORMANCE AFTER THE SPANISH BANKING REFORMS:
A COMPARATIVE STUDY OF 19 COMMERCIAL BANKS**

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Pison F. Irene, Cibrán F. Pilar, Ntounq A. T. Liouq

A diagnostic review of the Spanish financial system during the 2008 financial crisis reveals the emergency need for banking reform in the sector. In an attempt to evaluate the impact of the Spanish reform, the present study examines the bank's performance before/after the reform was adopted, using data of 19 Spanish commercial banks extracted from the Global Vantage research database (Standard and Poor's) over the period 2006 to 2013. This study uses multivariable regression method to investigate the impact of the CAMELS rating system: capital adequacy, asset quality, management quality, liquidity and sensitivity to market risks on the bank's performance such as earnings efficiency. The time-line of the study is essential because it helps us to determine the financial performance of Spanish commercial banks before the banking reforms during the financial crisis and an important set in terms of mergers and acquisition in the banking industry. The empirical results have found strong and positive evidence that Capital Adequacy, Management Capacity, Liquidity and Sensitivity to Market Risk are useful predictors of banks performance (earnings efficiency), thus, any reform pilot toward this banking indicators will eventually have a positive impact on banking performance. Base on the present study, the Spanish reform was so vital for better banking performance. Therefore, this study serves not only to academics but also to policy makers.

SUBSCRIPTION DETAILS

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