

## EDITORIAL

*Dear readers!*

The recent issue of the journal Risk Governance and Control: Financial Markets and Institutions pays attention to issues of risk management, audit, debt management, corporate diversification, innovations and transparency etc. More detailed issues are given below.

*Maulina Vinus and Suhal Kusairi* develop a financial system stability index and analyze the internal and external factors that they expect to affect the stability of the Indonesian financial system. We measured the single model of financial stability index (ISSK) from year 2004M03 to 2014M09 in Indonesia, and compiled a single quantitative measure based on aggregate internal factors and external factors to capture and predict the shocks of the financial system stability. *Sindisiwe Bonisile Maphisa, Bonginkosi Keith Zwane and Celani John Nyide* explore managements' perceptions of succession planning and the impact it has on retention at a Sugar Manufacturing Company. In order to achieve the research aim and objectives, a qualitative approach was utilised in the form of an exploratory case study. *Ben Marx and Covanni Hohls-du Preez* support the need for communicating significant risks and the management thereof to stakeholders as part of the integrated nature of governance of entities. *NS Matsiliza* assesses the extent to which state owned enterprises (SOE) have complied with corporate governance codes, as recommended by King III in South Africa. Corporate governance in the post-apartheid era has changed irrevocably. This paper argues that the South African State Owned Enterprises (SOEs) have applied the King III principles of corporate governance, while grappling with structural changes that impact in their practice regarding their organisational performance on risk and corporate governance. *Ndabazinhle Ngobese, Roger B Mason and Mandusha Maharaj* investigate public perceptions of the service delivery provided by the Community Service Centres (CSC) of the South African Police Service (SAPS) Durban, South Africa. The study focuses on measuring service quality and service delivery. *Kurt Burneo Farfan, Gabriela Barriga Ampuero, Edmundo R. Lizarzaburu and Julio Cisneros* introduce the importance of the banking credit risk, the main elements that conform it and the main alternatives that are offered to access to a loan as well as a description of its measurement and management in the sector. *Wadesango N., Nani L., Mhaka C. and Wadesango V.O.* investigate the impact of liquidity constraints on development of new financial products in commercial banks. The descriptive research design was adopted and a case study of ZB Bank employed. *Keramatollah Heydari Rostami, Esfandiar Malekian and Yahya Kamyabi* investigate the effect of diversify by both indices of entropy and Herfindel on firm value for the companies listed in Tehran Stock Exchange. The effect of diversification on firm value is tested for the period of 2006 to 2014 for 88 companies. *Alexander Maune* presents an examination of the emergence and co-evolution of startups and venture capital that led to the transformation of Israel into a Start-Up and Innovation Nation since its inception in 1948. *George Drogalas and Stilian Siopi* provide a comprehensive overview of the factors that impact on risk management regarding internal audit function. Empirical evidence was collected by means of a mailed survey.

We hope that you will enjoy reading the journal and in future we will receive new papers, outlining the most important issues and best practices of corporate governance!