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WIRECARD: AN INSTITUTIONAL FAILURE?

Introduction

Germany is also home to one of the biggest corporate failures in recent recollection; Wirecard AG is a payment processing company. Wirecard, whose origin is in Germany, also fell in June 2020 due to a £1.9 billion accounting fraud has been categorized as institutional failure The US WorldCom, \$11. Accounting fraud ranking from mass cards incidence of fraud involving \$32 000 has brought AstraZeneca into the limelight. The problem analysis of the case shows all the probable circumstances that led to the Wirecard collapse and also presents the solutions for avoiding comparable scenarios.

Background

Wirecard was established in 1999 and quickly evolved into one of Germany's largest fintech firms specializing in global e-payments. Nevertheless, for years, the company encountered accusations of financial fraud and accounting malpractice. The situation was brought to a climax June, 2020 whilst the company's auditors, EY auditor, announced that €1. In the Philippines, missing 9 billion dollars supposedly located in the accounts of trustees, did not exist.

Improving Corporate Governance

The enhancement of corporate governance is one of the requirements that are currently undergoing transformation. The top management of companies should strengthen corporate governance and guarantee that the boards of directors are independent and qualified to perform their duties. Other ways of ensuring that companies maintain high standards include other routined training on corporate governance best practices.





Conclusion

The Wirecard saga explains why strict supervisory measures need to be employed, adequate internal and external audit mechanisms have to be set up, and sound non-executive management has to be implemented. By maybe rectifying these institutional failures, other future financial scandals can be prevented to enhance the credibility of today's corporations.



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