
INDEPENDENT REGULATORY BOARD FOR AUDITORS

Updates on Governance Steps Taken by Caretaker Board

Johannesburg / 16 February 2021

Dear Stakeholder

The Caretaker Board has announced that this morning, IRBA CEO, Ms Jenitha John has tendered her resignation from the regulatory body. Following the dissolution of the Board of Directors (BoD) of the IRBA by the Minister of Finance, Minister Mboweni appointed a Caretaker Board comprising Mrs Nonkululeko Gobodo and Mr Roy Andersen.

At the commencement of the selection process, Ms John made full and frank disclosure of her non-executive directorship of Tongaat Hulett and the issues which surrounded that directorship. It is unfortunate that negative perceptions about Ms John persist and this has unfortunately impacted her role at the IRBA.

Consequently, Ms John feels that it would be in the best interests of the IRBA for her to stand down as CEO. She has however assured the Board that she will be available over the next three months to respond to and assist the Board wherever necessary.

While the Caretaker Board has not conducted its own investigation into the process to recruit and appoint Ms John, it can confirm that an independent review was conducted and that the process was found to be compliant with the IRBA recruitment policy.

In a joint statement, Mrs Gobodo and Mr Andersen say: In moving forward, we have appointed an Acting CEO, Imre Nagy, who has agreed to take up the duties and responsibilities of CEO during the interim period until such time as the board is duly appointed by the Minister in terms of the Act and can proceed with the recruitment of a CEO.

We thank Jenitha for her service and commitment to the IRBA and wish her well in her future endeavours.

It is important to the country that the public and investors have faith in the IRBA's capability to adequately hold errant auditors to account. We remain committed to steer the IRBA carefully through the transition to a new board and new CEO. We are confident that this will allow the IRBA to move forward positively and focus on rebuilding its reputation as one of the world's foremost audit regulators.

The Acting CEO's appointment is effective immediately. Mr Nagy is currently the Director: Inspections and a board member of the International Forum of Independent Audit Regulators (IFIAR) and has been with the IRBA for eight years.

The process for a call for nominations to the Board has commenced and advertising for nominations will take place in the next ten days. The Nominations Committee will consist of Nonkululeko Gobodo, Roy Andersen and the Acting Accountant General, Karen Maree.

The selection process of potential Board members will follow, with the addition of an interview process of prospective candidates, to ensure the necessary independence and expertise of the candidates, as well as ensure the necessary and appropriate mix and diversity of skills. A comprehensive list of candidates will be submitted to the Minister of Finance who will make the final selection of ten board members from the nominations list, in accordance with the Act. This process should be complete within the requisite three months as agreed with the Minister.

**Nonkululeko Gobodo and Roy Andersen
Caretakers by Appointment of the Minister of Finance**

About the IRBA

The objective of the IRBA is to create and enhance the framework and principles to protect the financial interests of the public and to support registered auditors to carry out their duties competently, fearlessly and in good faith.