
INDEPENDENT REGULATORY BOARD FOR AUDITORS

IRBA APPOINTS IMRE NAGY AS CEO

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The Board of the Independent Regulatory Board for Auditors (IRBA) has named Imre Nagy as its new Chief Executive Officer. Mr Nagy had been Acting CEO since February 2021. Prior to this Mr Nagy was the Director: Inspections and has been with the IRBA for nine years.

Mr Nagy took over the leadership of the IRBA in an acting role after then Minister of Finance, Tito Mboweni, dissolved the board and put in place a caretaker board. At that time, Nagy was viewed as a sound choice and with a deep knowledge of the profession and the regulatory environment.

The Auditing Profession Act Amendment, a key restoring confidence project of the IRBA, was in its final stages of the parliamentary process. The amendment act was promulgated on 1 April 2021, setting out provisions for a board structure that would assure the public of increased independence.

This left the way clear for the Minister to appoint a new board in terms of the provisions of the amended act. In June 2021, the Minister concluded on the successful appointment of a new 10-member board and since then it has been stable and effective in its functioning. One of the board's first tasks was the appointment of a permanent CEO. A rigorous recruitment process then commenced.

The board prioritised selection around a candidate that had the necessary independence, no conflicts of interest and a solid understanding of the profession and the regulatory environment. While transformation was an important goal, it was not the only consideration.

While the process has taken longer than initially envisaged, we have had to acknowledge that we could not overlook the importance of ensuring that we avoid past mistakes with this appointment.

We are pleased to confirm that following a robust recruitment process, the board has resolved to appoint Imre Nagy as the new CEO. During the intervening 18-month period, Imre has served the IRBA well, earning a clean audit for 2022, and overseeing the process changes arising out of the amended act. He has also operationalised the IRBA's refocused five-year strategy which seeks to restore confidence in the audit profession and the regulator, enhance audit quality of auditors, ensure the sustainability and relevance of the regulator, and undertake comprehensive stakeholder engagement to collectively strengthen the financial reporting eco-system.

Under Imre's leadership, the IRBA has enjoyed a stable period and new projects to restore confidence in the profession have been identified and are progressing well. Now, as the organisation moves forward, it is ready to take a collective approach to co-creating solutions to address gaps in the financial reporting eco-system that impact on audit quality. We have full confidence in Imre's ability to do so. I extend my gratitude to him for his leadership commitment during these past months and wish him well in his new role as CEO.

Nagy joined the regulator as Director: Inspections in February 2013, heading the regulatory monitoring function (inspections), which also undertakes the remediation of registered auditors to promote high audit quality in South Africa. He has held positions at several small and large auditing firms, including two transformed audit firms. Prior to joining IRBA he was director and provincial head of a South African audit network firm. His commitment to transformation, skills development and promoting access to black professionals is unwavering as demonstrated by his previous roles as Quality Reviewer for the Auditor-General South Africa (AGSA) and as an accredited SAICA Training Officer overseeing the training of aspiring chartered accountants in the Eastern Cape.

In the past 20 years, he gained extensive experience in audits, audit regulation, audit quality monitoring and quality control. He has comprehensive knowledge in accounting, risk management, forensic audit and public sector advisory. Most of his career has been spent serving the public sector and the public interest. His experience underpins his deep-rooted passion for the auditing profession and its regulation which is key to promote investment and growth of our economy. From 2013 to 2021, he also served as an independent quality/technical advisor to the Auditor-General South Africa's (AGSA) Quality Control Assessment Committee.

Imre is also involved in global audit regulation. He is currently a board member and the Audit and Finance Committee Chairperson of the International Forum of Independent Audit Regulators (IFIAR), and serves on its Inspections Working Group, where independent audit regulators from 54 countries share their knowledge and experiences. He is also a non-executive director of the IFIAR Association.

Imre is a public servant at heart. He is a consummate professional, with a passion for promoting reliable financial information and high audit quality. These attributes and his good track record for integrity are necessary for this role, the purpose of which is the protection of the financial interests of the public. This makes him a solid candidate to lead the regulator in the coming years.

Fulvio Tonelli

Board Chairman

About the IRBA

The objective of the IRBA is to endeavour to protect the financial interests of the South African public and international investors in South Africa through the effective and appropriate regulation of audits conducted by registered auditors, in accordance with internationally recognised standards and processes.