

## **CASE STUDY: RHINO LTD**

Rhino Ltd sought to recruit the Head of Internal Audit and the HR Department placed an advert for the position in the local dailies for the position. Several job applications were received by HRD and after a rigorous shortlisting exercise by HRD, interviews were held by the Management Committee and Mr. Sony was finally recruited and offered a 3 year contract for the position through a letter signed off by the CEO. However, some two months into the job, Mr. Sony discovered that her salary & allowances was at variance with the remuneration offered to other management team at similar levels. Further, according to the HR policy, Sony was placed on probation for six months and during that period, Sony started work with zeal and vigor and presented some two audit reports to the Audit Committee during the quarterly meeting which indicted Senior Management on several issues. Upon expiry of the probation period, Mr. Sony's probation was extended by a further six months contract after an appraisal process by the CEO revealed that he had not met the expectations of his Performance Agreement. However, after three months into the new probation period, Mr Sony tendered his resignation to the CEO citing "Personal Reasons" and exited the organization.

### **Required**

1. Identify the key issues of concern in the above case.
2. What role can the Audit Committee play during the appointment, compensation negotiations, Performance Appraisal and finally Termination of the contract of the Head of Internal Audit?