



TRANSPARENCY REPORT 2023



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INTRODUCTION

FROM THE OFFICE OF THE MANAGING PARTNER

We are proud to present BDO Nigeria' Transparency Report. This report underscores our unwavering dedication to transparency, ethical conduct, and professional excellence in serving our clients, stakeholders, and the wider Nigerian business community.

BDO Nigeria's story is one of remarkable growth and resilience. Over the past year, our team has grown significantly, with over 130 professionals across our offices, boasting a diverse range of expertise to cater to our clients' evolving needs. Our revenue of about N2.5 billion is a testament to the trust our clients place in us and the value we deliver.

2023 presented unprecedented challenges due to economic reforms implemented by the newly elected national government. Despite these changes, BDO Nigeria remained steadfast in its mission to provide unwavering support to our clients. Our highly motivated team prioritized a healthy work environment while maintaining seamless service delivery. The health and safety of our team members and clients remain our top priorities.

In Nigeria's dynamic business landscape, we recognize the paramount importance of upholding the highest standards of integrity and professionalism. Trust in financial reporting and the audit profession is especially critical during uncertain times. BDO Nigeria is committed to maintaining stakeholder trust through rigorous application of quality control measures, unwavering ethical conduct, and a continuous pursuit of quality improvement.

Our dedication to quality goes beyond mere compliance. It is deeply rooted in our culture, embodied by our exceptional people, and evident in every engagement we undertake. We invest heavily in our team members' professional development, equipping them with the essential skills, knowledge and resources necessary to deliver exceptional service and uphold our reputation as trusted advisors.

As regulatory frameworks evolve, BDO Nigeria actively seeks opportunities to enhance auditor independence, foster transparency and elevate audit quality. We are committed to engaging in constructive dialogue with regulators, clients, and other stakeholders to drive positive change and reinforce public trust in our profession.

We extend our deepest gratitude to our clients, partners, leadership team and every member of the BDO Nigeria family for their unwavering dedication and contributions to our success. Together, we are steadfast in our commitment to shaping a brighter future for our clients, our firm and the Nigerian business community.

Thank you for your continued support and trust in BDO Nigeria. We eagerly anticipate the journey ahead as we continuously strive for excellence in all facets of our operations.



Ebenezer Olaseinde Olabisi
 Managing Partner,
 BDO Nigeria

LEGAL STRUCTURE, OWNERSHIP AND GOVERNANCE

BDO stands as a premier professional services firm, ranked fifth globally, with a vast network encompassing over 1,776 offices spanning 166 countries. Our firm offers a comprehensive suite of services, reflecting the calibre and depth of expertise synonymous with our brand. BDO International operates as a unified global accountancy entity, with all member firms sharing a steadfast commitment to exceptional client service.

In Nigeria, BDO operates as a partnership organized within the country and proudly stands as a member firm of BDO Global Limited, a UK company limited by guarantee. Throughout this report, we shall refer to ourselves interchangeably as "BDO Nigeria", "we," "us," or "our". The term "BDO" collectively denotes the global network of member firms. BDO Nigeria is privately owned by its Partners and operates under the governance of an Executive Committee, led by Mr. Ebenezer Olaseinde Olabisi in the capacity of Managing Partner.

BDO Professional Services is a partnership registered with the Corporate Affairs Commission (CAC) in Nigeria under the Company and Allied Matters Acts (CAMA) 2020. Our firm is headquartered in Lagos, with additional offices located in Abuja, Port Harcourt, and Ibadan. BDO Nigeria boasts a distinguished team comprising 6 Partners, 3 Directors, and over 114 professional staff members. Internationally, BDO is segmented into three primary regions: EMEA (Europe, Middle East, and Africa), Asia-Pacific, and the Americas.

Each regional segment within BDO is supported by a dedicated regional council, convening with the World Council at least once annually to align strategies and objectives. BDO Nigeria operates within the EMEA Region, which encompasses member firms under the EYG umbrella spanning 82 countries. Specifically, BDO Nigeria aligns with the Western Cluster within the Africa Region.

Furthermore, within each region, a Regional Partner Forum (RPF) is elected to serve as advisors and a liaison to regional leadership, providing valuable insights and strategic direction. Below is BDO global governance structure and responsibilities



BDO Nigeria upholds a robust governance framework designed to provide comprehensive oversight of the entire firm, including its audit practice, to ensure the implementation of appropriate checks and balances. As part of our commitment to continual improvement, the conclusion of the 2023 financial year marked a review of this structure. This review aimed to uphold the highest standards of excellence in our governance practices.

Subsequent to the review period, the firm welcomed two new partners namely Ajibola O. Falola and Wahab O. Afolabi to the partnership. Additionally, Mr. Olugbemiga A. Akibayo assumed the role of Managing Partner, bringing his leadership and expertise to further strengthen our governance framework. In line with our vision of adapting to the needs of a modern and agile professional services firm, we remain vigilant in monitoring and anticipating outcomes from government and regulatory reviews.

Consequently, BDO is diligently working to ensure that any potential changes to our governance structures are well-aligned with the firm's present needs and future aspirations. Our objective is to maintain transparency, integrity, and effectiveness in our governance practices to uphold the trust of our clients, stakeholders, and regulatory authorities.



NETWORK ARRANGEMENT AND GOVERNANCE STRUCTURE

BDO Network Arrangement

BDO is a global network of accounting, tax, and advisory firms providing professional services under the unified brand of BDO. Established in 1963 by firms from England, the Netherlands, Germany, the United States, and Canada, our network has expanded over 60 years to better serve the evolving needs of clients worldwide.

Throughout our history, BDO has continuously adapted to meet the changing demands of our clients and stakeholders. Our longevity and stability are highly valued by clients seeking the assurance of a well-established global organization. Similarly, our partners and staff find confidence in working for an entity grounded in clear values and a proven track record of success.

Over the past 60 years, BDO has grown into a US\$14 billion enterprise, operating in 166 countries. This growth has been driven by our ability to navigate regulatory changes, globalization trends and evolving client expectations.

BDO Nigeria is a member firm of the BDO International network. The firm originated from Oyediran Faleye Oke (OFO), the indigenous arm of the defunct Coopers and Lybrand and became BDO OFO on joining BDO. Following the network's adoption of a unified name, BDO OFO evolved into BDO Nigeria.

In Nigeria, BDO operates through three primary entities:

- ❖ BDO Nigeria, Chartered Accountants: Providing audit, accountancy, and tax services.
- ❖ BDO Management Consulting Limited: Offering management consulting services.
- ❖ Tinubu Associates Unlimited: Offering corporate advisory and secretarial services.

Our network's strength lies in our collective expertise, shared values, and commitment to delivering exceptional service to clients globally. We remain dedicated to driving innovation, fostering growth and upholding the highest professional standards across all our operations.



Governance Structure

Global Council

The Council comprises one representative, generally the managing partner, from each voting member firms, and represents the members of BDO International Limited in general meeting. The Council Chair is elected among the existing Council Members by the Council upon nomination by the Global Board.

The Council approves the BDO network's budget, appoints the Global Board and approves any changes to the Articles and Regulations of BDO International Limited. The Council meets at least once a year, during BDO's Leadership Summit, and more if the Council Chair and/or the Secretary of BDO International Limited consider this necessary or appropriate, or upon request of a certain number of Council Members.

There are a number of advisory committees within BDO which report to the respective member of the Global Leadership Team (GLT), and the CEO. These global committees are composed of senior professionals from BDO firms and are further supported by a range of sub-committees, task forces and working groups.

The principal committees are

- Audit Leadership Committee
- Audit Steering Committee
- Tax Advisory Committee
- BSO Steering Group
- International Risk Management Committee
- International IT Committee
- International Brand & Marketing Committee
- Global People Committee
- Board Advisory Committee

INTERNAL QUALITY CONTROL SYSTEMS

Establishing and enforcing robust policies and procedures to uphold the quality of our audit services is imperative. Equally crucial is the diligent monitoring of adherence to these protocols.

Our internal control framework is drafted to furnish reasonable assurance that the firm, its partners, and staff are in alignment with professional standards, as well as regulatory and legal mandates. Through this framework, we endeavour to maintain a consistently high standard of work and ensure the appropriateness of reports issued by the firm.

This framework encompasses several key elements:

- ❖ Leadership accountability for quality
- ❖ Evaluation and ongoing management of client relationships
- ❖ Nurturing of human resources and professional development initiatives
- ❖ Execution of engagements with precision and accuracy
- ❖ Continuous monitoring and documentation of our quality control system
- ❖ Internal audit functions to bolster oversight
- ❖ Adherence to ethical requirements outlined in the Ethics and Independence guidelines.
- ❖ Rigorous identification, evaluation, and mitigation of risks.

The findings from the Quality Assurance Review (QAR) conducted in 2019 by the Quality and Risk Management Department (QRMD) at the Global Office (GO) of BDO in Brussels indicated that the Nigerian firm obtained a satisfactory review, with identified areas for enhancement. However, there hasn't been any other QAR review since 2019.



INTERNAL QUALITY CONTROL SYSTEMS

As a member of the international BDO network, BDO Nigeria patterns its internal quality control system with the standards set forth by the BDO global entity. We consistently integrate initiatives from the global body to enhance our internal quality control processes. Some of these initiatives include conducting root cause analysis, implementing an audit quality plan, establishing an audit squad, and forming an audit transition team.

ROOT CAUSE ANALYSIS

Root cause analysis (RCA) is a critical element of the Audit Quality Plan and forms part of the cycle of continuous improvement. RCA is used to evaluate the underlying causes of specific audit quality issues and develop appropriate actions to address those root causes. Equally, RCA is used to identify the underlying drivers of good practice and promote those widely.

RCA is performed in a number of scenarios including:

- ▶ Internal AQAR reviews where the audit was considered to require significant improvements
- ▶ External regulator reviews where the audit was considered to require improvements or significant improvements
- ▶ Selected reviews where the audit was considered to be good and useful learning points for the wider stream will be identified
- ▶ Wider stream or sector findings where common points have been identified and it is considered a further investigation is warranted.



An RCA involves a series of in-depth meetings with the relevant engagement teams to probe the underlying audit issues. The RCA team comprises a dedicated resource responsible for overseeing and developing the RCA process, together with specifically trained members of the central team.

Actions to address key RCA findings have been incorporated into the Audit Quality Plan.

Examples include the significant investment in the firm's central audit quality infrastructure that supports audit quality and full-day training sessions on the audit of revenue for the audit stream, roll out of a project management training programme, establishment of a central Audit Transition Support Team for complex first-year audits and significant further investment in the IT assurance team and specific training on integrating IT assurance within the audit.

AUDIT QUALITY PLAN

The Audit Quality Plan (AQP) is a structured plan that is used to drive audit quality within the audit stream. The AQP establishes our key priorities around enhancing audit quality and the key actions being taken to address these areas. It is used to monitor how well these actions are resolving issues and adapts for continuous improvement in audit quality.

The AQP is a 'live' plan that is considered monthly by the Audit Executive Committee with reports on progress provided monthly to the LT together with six-monthly reporting provided to the PIC and the Quality and Risk Management Committee (QRMC).

With ISQM1 due to become effective in 2022, we are undertaking detailed measures to ensure that our quality and risk management aligns with the enhanced requirements. We therefore expect further changes to the AQP as this evolves.

As part of the AQP, we have identified four 'big rocks' that represent key risks to audit quality:

1. Audit of going concern
2. Effective challenge of management
3. Audit of revenue
4. Detecting material fraud.

The plan also includes seven 'building blocks' for consistent high-quality audit and sets out the objectives, priority actions and how we measure and monitor these interconnected areas:

1. Ensuring the right work is performed by the right people at the right time
2. Tone at the top
3. Resourcing
4. Embedding a culture of challenge
5. Central support
6. Focus on horizon scanning
7. Highly effective training programme

The AQP also helps to ensure audit quality remains at the top of our agenda both among the leadership of the firm and also in the focus and behaviours of each individual member of the audit stream. It links audit quality to the strategic focus of the firm.

INTERNAL QUALITY CONTROL SYSTEMS

ELITE SQUAD

Our Quality Assurance Team conducts thorough evaluations of a subset of public interest and high-risk audits as they unfold. They also scrutinize specialized schedules and models. These evaluations are aimed at guiding and coaching audit teams to elevate and refine audit quality, especially in areas of notable risk or complexity.

We are making substantial investments in the Quality Assurance Team, expanding our QA team. This expansion will enable us to offer more comprehensive and extensive quality review support to engagement teams throughout the audit process. Furthermore, we are establishing a dedicated unit within this team to concentrate on audits within the financial services sector.

FIRST-YEAR TRANSITION TEAMS

As a company, we have witnessed notable expansion in the audit market, encompassing both the volume and complexity of audit assignments. We are increasingly tasked with auditing larger and more intricate entities, resulting in a growing number of 'first-year' audits where we assume the role of the incumbent auditor.

In response, we are establishing an Audit Transition Support Team, which will serve as a central unit comprising senior specialists from various departments including the Quality Assurance Team, Financial Reporting Advisory, Audit Methodology, Technology Risk Assurance, Actuary and other relevant areas within the organization. This team will focus on assisting in the development and execution of first-year audit strategies for centrally identified large and complex audits, aiming to enhance audit quality and ensure consistency.

The team's objectives include fostering early engagement with key stakeholders crucial to effective audit strategy, promoting collaboration, and providing constructive feedback to the engagement team.

INTERNAL AUDIT REVIEWS

The Internal Audit team of the firm recently conducted an internal audit focusing on the processes and controls pertaining to Audit Quality & Regulatory Changes within the audit stream. The objective of this audit was to ensure that the firm has established and effectively implemented suitable processes and controls to identify and respond to regulatory changes. Additionally, it aimed to assess the firm's adherence to quality standards to mitigate the risks of litigation, claims, and regulatory investigations, which could potentially lead to sanctions or loss of license.

The audit identified good practice in respect of enhancements to the Audit Quality Plan, Elite Squad and RCA, together with the systems to monitor regulatory change and the firm's audit quality control systems, methodology and guidance.

The audit identified the following areas for development:

1. Strengthening the linkage between staff performance appraisals and audit quality
2. Licensing programmes for PIE audits
3. Enhancements to the global audit tool and information management.

The Audit Executive Committee formally considered findings from the recent internal audit review and is implementing actions accordingly.

CONFIRMATION OF LEADERSHIP TEAM'S STATEMENT ON EFFECTIVENESS

These policies, procedures and monitoring activities have provided our LT with reasonable assurance that the firm, its partners and staff have materially complied with applicable professional, regulatory and legal requirements, including those relating to local public sector audits, that work has been performed to a consistently high standard and that appropriate reports have been issued.

The firm's policies and procedures are designed to ensure that persons eligible for appointment as a local auditor continue to maintain their theoretical knowledge, professional skills and values at a sufficiently high level.

RISK AND QUALITY MANAGEMENT

Membership of BDO enables our firm to deliver high-quality services in furtherance of our WHY: *People helping people*.

All BDO firms are subject to the obligations set out in the BDO Regulations and are required to abide by our global policies, procedures, methodologies and tools.

We underpin quality by mandating use of the BDO Independence Manual, which sets out our Code of Conduct and ethical requirements, and the BDO International Risk Management Manual, which provides instructions on the necessary design and implementation of risk management and quality control systems.

This is to support our firms' compliance with relevant domestic and international standards, such as the IESBA Code and the quality management standards of the IAASB. Furthermore, all BDO firms are required to abide by the Global Privacy Policy and the Global Information Security Policy. The public interest services in Audit & Assurance are supported by additional audit, risk and quality manuals.

The Global Risk & Compliance team, supported by the International Risk Management Committee and the Ethics & Independence Steering Group (and their sub-committees) is responsible for developing and issuing risk management policies which are subject to monitoring. In 2023, additional global network policies and procedures were issued for digital assets business, anti-bribery and corruption and politically exposed persons.



QUALITY MONITORING PROGRAMME

The Quality Monitoring Programme (QMP) is designed to monitor firms’ adherence and compliance with professional standards, as well as incremental BDO standards and requirements, including policies, procedures, methodologies and tools.

Apart from external quality evaluations, we conduct an internal monitoring initiative to evaluate the quality of audits conducted. Practice Reviews serve as a crucial mechanism for monitoring audit quality. These reviews are formulated by the Audit Executive, endorsed by the Executive Committee, and aim to oversee adherence to our policies, procedures, standards, and regulatory mandates. Their objective is to verify that audit activities, undertaken to formulate a valid opinion, are meticulously documented and uphold high standards of quality.

The scope of our QMP includes an assessment of the design and effectiveness of the firm’s Engagement Inspection Programme (EIP), an assessment of compliance with professional and incremental BDO standards, and the review of a sample of engagement files. The sample of audits selected for review is weighted to ensure that an appropriate number of PIEs are included.

While the Quality Review always includes a review of several engagement files, it now assesses whether what a firm’s EIP provides is reliable for QMP purposes. In 2023, work included the assessment and monitoring of our firms’ compliance with professional standards - in addition to the eight functional areas that cover the firm’s risk assessment process, governance and leadership, relevant ethical requirements, acceptance and continuance of client relationships and specific engagements, engagement performance, resources, information and communication and the monitoring and remediation process. The evaluation of a firm’s performance also involves the review of a sample of assurance engagements. Other monitoring procedures are implemented and performed at firm level by the firm’s partners, directors and other responsible person(s) on a periodic and continuous basis. These procedures are focused on compliance with professional standards and incremental BDO standards. Many of our firms are also subject to external inspections by local professional institutes and local regulators; or are subject to a peer review. The Risk & Compliance department requests that all firms report the results of these reviews to the Global Office annually. These results are further analysed for the purpose of reporting to different regulators. Moreover, the results are used to spot trends or any difference with those of the Quality Reviews, in order to improve the monitoring procedures and the QMP on an ongoing basis.

Furthermore, we have in place a policy on the rotation of audit engagements among Partners which ensures no Partner is engaged on an audit for more than five years. The table below shows our Partners’ rotation in line with regulatory requirements.



Regulator	Regulation	Firm’s Rotation	Partner’s Rotation
FRCN	Audit Regulations, 2020	10 Years (but 15 Years for Joint Audits)	5 Years
CBN	Guidelines for Corporate Governance, 2023	10 Years	5 Years
NAICOM	Corporate Governance for Insurance & Reinsurance companies in Nigeria, 2021.	4 Years (but Extendable to 8 Years)	4 Years

AUDIT QUALITY INDICATORS

The following metrics give an indication of audit quality. Although it would be overly simplistic to use these metrics as blunt ‘benchmarks’ in their own right, when combined with contextual descriptions, we are confident that they will provide additional valuable information to audit committees and other stakeholders. We set out the identified metrics below:

METRICS ON EXTERNAL INVESTIGATIONS

Number of cases in the last 12 months in which the:

Did any regulatory body, such as ICAN, FRCN, NAICOM etc., file any complaints against the firm or any of its staff within the year under review?

We have no such complaints against the firm or any of its staff in the period under review

METRICS ON INTERNAL INSPECTIONS

Results of firm’s internal audit quality reviews

The conclusion of the Engagement Inspection Program (EIP) conducted in 2023 by the Head of Monitoring and Remediation (HMR) and the Risk Management Partner of our Firm is Acceptable with some areas for improvement.



STRATEGY, CULTURE AND PERFORMANCE

As a member of the international BDO network, BDO Nigeria aligns its Strategy, Culture and Performance with the standards set by the global BDO entity. We consistently integrate initiatives from the global body to enhance our internal strategy, culture and performance.

PUBLIC INTEREST

The foundation of the accountancy and auditing professions, and BDO as well, is serving the public interest. We are aware of and acknowledge this duty, as well as the duties that accompany being a sizable firm that performs audits for public interest entities.

Our stakeholders anticipate that we would act with integrity and objectivity in the performance of our duties.

The Institute of Chartered Accountants of Nigeria (ICAN) Code of Ethics outline these duties, which include five core values: objectivity, integrity, professional competence, maintain discretion and act in a professional manner. Our services to our clients are built upon these core ideas.

The regulatory requirements for the public interest entities (PIEs) are getting more complex than in the past. We understand that this will only continue to increase in the future



BDO Global and ICAN quality assurance assessments, as well as other internal and external criteria, are utilized to evaluate how well high-quality audits are performed. However, we look forward to FRCN review in the year 2024. The firm actively develops its monitoring of audit quality indicators to provide richer real-time indicators of audit quality. We carefully analyse the results of both internal and external reviews to ensure quality.

Throughout this year, our collaboration with audited entities has remained robust, aimed at delivering audit services seamlessly amidst the challenges occasioned by various economic reforms of the new government. This endeavour necessitated clear communication, a focus on identifying high-risk areas, and agile resource deployment strategies.

In line with ISQM 1, the new quality management standard, we have taken proactive steps to implement necessary changes. We anticipate that adherence to this standard will enhance audit quality and promote consistency across our firm.

Above all, our paramount objective is to cultivate and uphold trust in our firm, which hinges on fostering the right organizational culture. Trust in our audit services is fundamental to instilling confidence in capital markets.

STRATEGY, CULTURE AND PERFORMANCE

OUR STRATEGIC FRAMEWORK: REBUILDING AND MEASURING SUCCESS

BDO's Strategic Framework describes what we are doing as a firm to help businesses and our people succeed. It highlights what makes BDO special and sets out our key priorities in order to achieve sustainable profitable growth.

There are five key elements of the framework:

1. Our vision
2. Our mission
3. Our beliefs
4. Our core values.



OUR VISION

BDO aims to lead the way in providing outstanding client service. Our focus isn't on revolutionizing how services are delivered, but on consistently delivering exceptional quality across all our offices, worldwide. Wherever you operate, we have the expertise to assist you. Our commitment to objectivity and independence fosters trust with our clients. We're large enough to tap into a vast network of experts yet remain agile and inventive in addressing our clients' needs.

OUR MISSION

We provide comprehensive, world-class, affordable and value-adding professional assistance to our clients, thereby contributing significantly to the success of our clients.

OUR BELIEFS

An important part of understanding the BDO approach is to know the key beliefs that all our people carry in our day-to-day work and interaction with each other and clients.

- We believe that we are one.
- We believe that local distinctiveness is our strength.
- We believe that client proximity drives success.
- We believe that integrity is absolute.

OUR CORE VALUES

Our core values represent the principles we are committed to upholding now and in the future. They define what we stand for as a firm and are there to guide us in our day-to-day work and decisions.

Our firm is distinctive and as we grow, we want to preserve and build on the strengths of our culture and the characteristics that make us successful, different and an enjoyable place to work. Living up to our Core Values will help us to achieve this.

Our six Core Values complement each other and are all equally important.

1. BDO Promotes Mutual Support.
2. BDO is professional.
3. BDO Fosters Strong Relationships
4. BDO Demonstrates Leadership
5. BDO Delivers Excellence
6. BDO Encourages Social Responsibility.

Our commitment to quality, independence and ethics is essential. It means we satisfy our public interest responsibilities, comply with all regulatory requirements, adhere to independence requirements of ethical standards across the whole firm and live by the spirit and principles of regulation.

STRATEGY, CULTURE AND PERFORMANCE



HOW DO WE MEASURE UP?

Brand: BDO aims to be a name synonymous with understanding the needs of ambitious, entrepreneurially-spirited and high-growth businesses; helping them succeed.

We use three main KPIs to measure progress with regard to the development of our brand. Firstly, we monitor progress by reference to the results of BDO Global and ICAN's Audit Quality Review (AQR) reports.

Unifying culture: In assessing our cohesive organizational culture, we meticulously track both partner and staff engagement scores. Periodically, BDO conducts what we refer to as "Family Meetings" to solicit feedback from both technical and non-technical staff regarding the overall culture at BDO and its pivotal role in uniting our diverse workforce. In addition, we took decisions to ensure all inclusive and sustainable long term plans for our firm.

International: As part of our commitment, BDO Nigeria strives to enhance its integration into a robust international network, providing specialized expertise to facilitate the success of our individuals and businesses on a global scale. We are dedicated to deepening our understanding of how to effectively manage global relationships and deliver high-quality work, whether on-site or remotely. We take pride in our capabilities, extensive reach, and adaptability to fulfill work requirements across the globe. As part of this effort, we gauge our effectiveness through referrals within the BDO network.

STRATEGY, CULTURE AND PERFORMANCE

Leading our markets: In line with our global brand, BDO Nigeria remains steadfast in its commitment to bolstering the development of the Nigerian economy, catering to a diverse range of clients from private enterprises and businesses to public markets and the public sector.

A key indicator of our success lies in the number of listed companies that we audit. In 2023, we have notably expanded our portfolio to include a significantly higher number of listed companies and public interest entities compared to previous years. This growth reflects our dedication to providing top-notch audit services and contributing to the advancement of Nigeria's economic landscape.

Digital mind-set: In today's rapidly evolving digital technology landscape, cultivating a digital mindset is paramount to our future expansion. Our digital vision is crafted to ensure our agility, relevance, competitiveness, and ease of doing business, particularly amid swiftly shifting industry paradigms that present both challenges and opportunities.

We instill a digital mindset throughout our firm through various initiatives. BDO Nigeria actively supports numerous innovations at the global level, including artificial intelligence, blockchain technology, and software development. Moreover, we are bolstering our IT consulting unit by enlisting individuals equipped with advanced IT expertise.

Rearticulating Our Values: BDO has always had strong, deep-seated values. Our core purpose defines why we do what we do; and our values define how we do it.

We have launched a rearticulated set of values: Mutual Support, Professionalism, Strong Relationships, Leadership, Excellence and Social Responsibility. Our values encourage us to be ourselves and support us as we strive to help each other succeed.

Our values are more than just a component of our strategic framework.

Together with our core purpose they set out what is important to us and define the behaviours that we all commit to live by with each other, our clients and society as a whole, binding us together in one community.

Social Responsibility: BDO Nigeria, we believe in giving back to society and making a positive impact beyond our business endeavours. Social responsibility is a core value that guides our actions towards supporting communities, protecting the environment, and promoting sustainability.

Excellence is non-negotiable at BDO Nigeria. We strive to surpass expectations and deliver exceptional results in everything we undertake. From the quality of our services to the effectiveness of our solutions, excellence is our benchmark.

Leadership is not just about titles; it's about taking initiative, inspiring others, and driving positive change. At BDO Nigeria, we encourage everyone to embrace their leadership potential and lead by example in their roles. Whether it's guiding clients through challenges, mentoring junior colleagues, or contributing innovative ideas, we empower each other to step up and make a difference.



At BDO Nigeria, **Mutual Support** is more than just a value; it's a way of life. We believe in lifting each other up, sharing knowledge, and offering a helping hand whenever it's needed. Whether it's collaborating on projects, providing guidance to colleagues, or simply being there for one another during challenging times, mutual support forms the foundation of our teamwork and camaraderie.

Professionalism is ingrained in everything we do at BDO Nigeria. It's about maintaining the highest standards of integrity, ethics, and expertise in our work. From interacting with clients to delivering services, professionalism is reflected in our conduct, communication, and dedication to achieving excellence.

Building **Strong Relationships** is key to our success at BDO Nigeria. We believe in nurturing meaningful connections with our clients, colleagues, and communities. By listening attentively, understanding needs, and fostering trust, we lay the groundwork for long-lasting partnerships.

STRATEGY, CULTURE AND PERFORMANCE

TRANSFORMATION AND AGILE WORKING

BDO consistently maintains a forward-looking approach, continually assessing potential areas for adaptation, evolution, and refinement of our operational methods to uphold the delivery of exceptional service to our clients.

At the core of our vision lies a comprehensive consideration of "when," "where," and "how" we operate, carefully balanced with the needs of our clients to ensure the continued delivery of exemplary services. Thus, we are leveraging the positive outcomes observed during 2021 and 2022 to embrace a new framework for agile workforce.

We strive to provide our employees with greater autonomy and flexibility, allowing them to better balance their work and personal lives. This approach fosters enhanced well-being, access to a wider array of projects and learning opportunities, and ultimately, heightened job satisfaction.

From the perspective of our organization, this initiative aims to broaden our access to a more diverse pool of talent. Embracing agility equips us with the capability to adapt swiftly to future changes, enabling us to evolve continuously alongside the evolving demands of our clients.

The underlying objective is to ensure our sustained capacity to deliver high-quality service to our clients, maintain a consistent experience for both our employees and clients alike, and cultivate a strong sense of community within the organization.



PROCEDURES FOR CLIENTS' ACCEPTANCE AND FOLLOW-UP COOPERATION WITH EXISTING CLIENTS IN BDO NIGERIA

Client Evaluation

In the process of client evaluation, BDO Nigeria conducts a thorough assessment to determine the suitability of new clients and the continuation of collaboration with existing ones. This evaluation involves analysing various factors to ensure alignment with our standards and objectives:

1. We scrutinize the complexity of the engagement to ascertain our capacity to deliver high-quality service effectively and efficiently.
2. We assess the reputation and integrity of the client and its management to ensure alignment with our ethical standards and values.
3. We evaluate the expertise of our professionals and teams to ensure they possess the requisite skills and knowledge to handle the engagement effectively.
4. Financial aspects are carefully reviewed to assess the financial stability of the client and the feasibility of the engagement from a financial perspective.
5. Potential risks associated with the engagement, including violations of independence, conflicts of interest, and doubts regarding the client's integrity, are thoroughly identified and evaluated.

Engagement Evaluation

In the evaluation of engagements, BDO employs a rigorous process to ensure the quality and effectiveness of our services.

1. Engagements are allocated based on criteria such as understanding of the client, relevant expertise of professionals, and the ability to meet engagement timelines.
2. In cases where a previous financial audit was conducted by another accredited entity, communication is initiated to address any potential impediments to undertaking the engagement.

Continuance Process

BDO undertakes an annual re-evaluation of all its audit clients and recurring non-audit engagements to ensure continued alignment with our standards and objectives

1. The re-evaluation process identifies any risks associated with continuing the association with clients and recurring engagements.
2. Mitigating procedures, such as assigning additional professionals like Engagement Quality Review (EQR) Partners or involving additional specialists, are implemented as necessary to address identified risks and ensure the quality-of-service delivery.
3. Recurring or long-running non-audit engagements undergo periodic re-evaluation to ensure ongoing alignment with our standards and objectives.

ETHICS AND INDEPENDENCE

THE IMPORTANCE OF TRUST

Rebuilding faith in the audit profession requires ethics and independence above all else. Because of this, we strive hard to ensure that we all live by our cultural values, which include ethics and independence. In particular, we strive to live by values that represent our commitment to integrity, honesty, objectivity, responsibility, and respect. We have the structures, procedures, and resources in place to support our people as we all work to keep the highest standards of behaviour because we are aware that these principles are put to the test on a daily basis. We are particularly conscious of the special position that BDO occupies because we support the reform of the audit industry and take on increasingly difficult audit assignments for bigger companies.

Society's expectations are evolving at a rapid pace - the consultations on audit and corporate governance reform are reaching a conclusion, while enforcement action from regulators continues to provide a focus on the need to be ever-vigilant. It is important that to meet the expectations of stakeholders we understand and apply the spirit of the Ethical Standards and not merely the principles.

INVESTMENT

We are constantly alert to, and fully agree with, the need to enhance independence if we are to rebuild trust in audit. We are rising to the challenge by increasing resources in this area. Technology and data are also playing an increasingly important role, allowing us to be much more responsive to emerging issues and better protected against future ones. Dashboards that collate and analyse many data points, such as where, how and when our people are asking for assistance on independence or conflicts of interest matters, help us track trends and emerging issues and get ahead of any problem. These can also inform our training and guidance and the need for intervention where appropriate.

GLOBAL INDEPENDENCE

Naturally, audit independence and our business are both international. Our BDO Global Independence team updated mandatory policies and processes and promoted global consistency in behaviour last year by releasing a new independence document that was sent to all BDO member firms. It encourages the uniform application of independent policies and procedures and improves each firm's cross-border cooperation and communication.

Increased investment in independence indicators and remedies for conflicts of interest are part of the ongoing global investment in independence program.

TRAINING

As our firm expands, so does our dedication to upholding the greatest standards of moral conduct. Whether they are new to the firm or the field, new hires go through training courses. In addition, all partners and senior audit personnel receive yearly training.

As the firm expands, so does the need to sustain the highest standards and the reputation of the profession. Accordingly, our ethics teams are anticipating the demands over the next five years.

FEE DEPENDENCY

BDO Nigeria confers with the BDO global office in situations when the aggregate fees from an audit client are anticipated to surpass 10 percent of the firm's annual fee income for a consecutive pair of years. In line with ICAN guideline, those charged with governance at the client would be informed if the overall fees from an audit client that is a public interest entity and its affiliated entities accounted for more than 15 percent of the total fees of BDO Nigeria in a single year.

PARTNERS ROTATION

BDO Nigeria upholds the periodic rotation stipulations mandated by relevant laws, regulations, independence standards, and BDO's global policies concerning audit clients. These regulations prescribe constraints on the consecutive tenure of partners in specific capacities, followed by a period during which these partners are restricted from involvement in various activities:

Partners are prohibited from participating in audits, offering quality control, advising on technical or industry-specific matters, influencing audit outcomes, leading professional services, overseeing firm-client relations, or engaging in significant interactions with client governance.

BDO Nigeria monitors the rotation of audit engagement leaders, encompassing the engagement Partner and other pivotal roles subject to rotation requirements. Transition strategies are devised to ensure the assignment of partners possessing the requisite competence and aptitude to sustain consistent service quality for clients.

FINANCIAL INFORMATION

To the right is a table that shows the total revenue reported for the fiscal year ended 30 September 2023. These figures pertain to BDO Nigeria' annual financial statements and are classified according to Rule 12 of the Audit Transparency Report, as prescribed by the Financial Reporting Council of Nigeria.

	Revenue (₦)
Revenue from the statutory audit of separate and consolidated financial statements of public-interest entities belonging to a group of undertakings whose parent undertaking is a public-interest entity	706,735,110
Revenue from the statutory audit of separate and consolidated financial statements of other entities	1,040,523,915
Revenues from permitted non-audit services to entities that are audited by the statutory auditor or the audit firm:	232,312,367
Revenue from non-audit services to other entities. (This comprises of revenues from Tax and Advisory Services)	503,502,376
Total Revenue	2,483,073,768

PARTNERS REMUNERATION

The salaries of partners are fixed by the Executive Committee. Each partner is entitled to a fixed annual salary, i.e. basic salary and housing, furniture, property, telephone, car and entertainment allowances. The salaries are paid proportionately, (monthly) and are subject to the availability of funds. Partners are entitled to overseas ticket allowance for themselves and their family and overseas travelling allowance which are fixed from time to time by the Executive Committee.

Partners are also entitled to the net profit of the business, after charging partners salaries, in the same proportion in which they hold capital or other proportion as the Executive Committee may decide. A proportion of the share of profit of each is paid to him periodically after considering the operational and investment cash requirements. In the event that the net profit of the business is insufficient to pay the salaries, the salaries shall be abated proportionately.

Furthermore, Audit quality is incorporated into the determination of partners' remunerations. Audit quality is promoted through rewarding engagement partners who consistently produce engagements of a high quality. Imposing monetary penalties or sanctions on engagement partners whose engagements were found to not be of a high audit quality often leads to changes in behaviour and also helps to promote audit quality in the Firm



INTERNAL QUALITY CONTROL EFFECTIVENESS STATEMENT

To ensure compliance with the International Standards on Auditing (ISA), as well as professional, regulatory, and legal requirements, BDO Nigeria has implemented an internal quality control system. Through the efforts of our Quality Control Team, Internal Inspection, Audit Quality Framework monitoring program, and feedback from recent external monitoring activities, we have confirmed that our internal quality control system effectively for the fiscal year ending on September 30, 2023.



Ebenezer O. Olabisi
Managing Partner,



Olugbemiga A. Akibayo
Head of Audit and Assurance



Henry B. Omodigbo
Head of Audit and Accounting
Quality Management (HAAQM)

APPENDIX I: LIST OF PUBLIC INTEREST ENTITIES (PIE) CLIENTS

Below is a list of our public interest entities (PIEs) audit clients

S/N	Company Name	S/N	Company Name	S/N	Company Name
1	Bancorp Finance Limited	19	Guinea Insurance Plc	37	Nigerian Stockbrokers Limited
2	Bancorp Securities Limited	20	Huawei Technologies Company (Nigeria) Ltd.	38	NSL Enterprise And Real Estate Limited
3	Brent Mortgage Bank Limited	21	Imperial Asset Managers Limited	39	OANDO PLC
4	Capital Bancorp Plc	22	Insurance Brokers Of Nigeria Limited	40	Pillar Oil Limited
5	Capital Express Assurance Limited	23	John Holt Plc	41	Prima Corporation Limited
6	Capitalfield Asset Management Company Limited	24	Jubilee - Life Mortgage Bank Plc	42	Prorisk Insurance Brokers Limited
7	Capitalfield Financial Management Limited	25	KC Gaming Networks Limited	43	Qualinvest Capital Limited
8	CardinalStone Partners	26	Kedari Capital Limited	44	Sage Grey Finance Limited
9	Casava Micro Insurance Limited	27	LASACO Assurance Plc	45	SCM Capital Asset Management Limited
10	Cashcraft Asset Management Limited & its Sub. Coys.	28	Lekki Worldwide Investments Limited	46	SCM Capital Limited
11	CFS Financial Services Limited	29	MBC Securities Limited	47	Segilola Resources Operating Limited
12	CIT Burea De Change Limited	30	Mega Capital Services	48	The La Casera Company Plc
13	Comercio Partners Asset Management Limited	31	Mega Equities Limited	49	The Tourist Company of Nigeria Plc
14	Comercio Partners Capital Limited	32	Meyer Plc	50	Tradefi Tech Investments Limited
15	Comercio Partners Trading Limited	33	Moneyfield Mircofinance Bank Limited	51	Union Dicon Salt Plc
16	Credite Capital Finance & Invstment Limited	34	Morison Industries Plc		
17	Ekocorp Plc	35	Neimeth International Pharmaceuticals Plc		
18	Global Credit Rating Company Limited	36	NEM Insurance Plc		

APPENDIX II: LIST OF NON-PUBLIC INTEREST ENTITIES CLIENTS

Below is a list of our non-public interest entities audit clients

S/N Company Name

1. 100 Kobo Logistics Limited
2. Accugas Limited
3. ACO Systems Limited
4. Advanclly Technologies Nigeria Limited
5. African Business News Nigeria Limited
6. Aller Aqua Nigeria Limited
7. Apapa Boat Club
8. Arev Nigeria Limited
9. Avaya Nigeria Limited
10. Aviat Networks Communication Solutions Limited
11. Avitech Software Solutions Limited
12. Bacita Sugar Companies Limited
13. Bazaar Farms and Store Limited
14. BNL ECL Participation Company Limited
15. BNL Engineering and Construction Limited
16. Cambridge Education Nigeria Limited
17. Capitalfield Energy & Allied Services Limited
18. Card Center Nigeria Limited
19. CE Power Solutions Limited (Globeleq Power Solutions Ltd)
20. Century Power Generation Limited
21. Chams Access Limited
22. Chams Switch Limited
23. Continental Broadcasting Service Limited
24. Convinko Limited
25. CrossBoundary Energy Access Nigeria Assets Limited
26. CrossBoundary Energy Nigeria Limited
27. Cruystone Development And Investment Ltd
28. Cummins Energy Solutions Ltd
29. Deltatek Engineering Limited
30. Deltatek Offshore Limited
31. Deltatek West Africa Limited
32. Digibay Limited
33. Dizengoff W.A Nigeria Limited
34. DNM Construction Limited

S/N Company Name

35. Dolphin Telecommunications Limited
36. Dragages Engineering and Construction Limited
37. DWDP Product Limited
38. Edutech Advanced Business Technologies Limited
39. Energy & Allied Insurance Pool of Nigeria
40. Enyimba Economic City Devpt Coy Limited
41. Equitable Health Access Initiative
42. ERL Telecoms Services Limited
43. Eskimi Limited
44. Evans Baroque Limited
45. Evans Therapeutics Limited
46. EXP Marketing Nigeria Limited
47. Finatech Software Solutions Limited
48. Food Solutions Limited
49. Freddy Hirsch Nigeria Limited
50. Garden Ventures Technologies Limited
51. Gas Fuels Global Investments Limited
52. Gilat Satcom Nigeria Limited
53. Global Offshore Drilling Limited
54. Global Travel Distribution Nigeria Limited
55. Hammakop Consortium Limited
56. HaskoningDHV Nigeria Limited
57. Henry Dunant Centre for Humanitarian Dialogue
58. Igpes Gas & Power Limited
59. IHG Hotels Nigeria Limited
60. Ilesa Water Supply and Sanitation Project
61. Impala Energy Limited
62. Indigo Drilling Limited
63. Inqaba Biotec West Africa Limited
64. Intertek Testing Services Nigeria Limited
65. Iteco Nigeria Limited
66. IUP Access Services Nigeria Limite
67. Ivory Music Limited
68. James Fisher Nigeria Limited

S/N Company Name

69. Jos.Hansen & Soehne (Nigeria) Limited
70. KBR Nigeria Limited
71. KBR Oil and Gas Services Limited
72. Kellogg Energy Services (Nigeria) Limited
73. KHS Machines Limited
74. Kia Africa Group of Companies Limited
75. Kwikform Nigeria Limited
76. Lagos Yacht Club
77. Likusasa Nigeria Limited
78. RA School International
79. Loesche Nigeria Limited
80. London Offshore Consultants (Nigeria) Limited
81. Manipal International Press Limited
82. Master Card Foundation
83. MEBS Limited
84. Media Fuse Dentsu Holding Company Limited
85. Medicentre Llimited
86. Mega Life Sicences Limited
87. Merck Pharmaceutical and Life Sciences Limited
88. MeritAfrika Limited
89. Metalum Limited
90. Mother2Mothers Nigeria Limited
91. Nesthakk HDD Services Limited
92. New Nigeria Foundation
93. Newglobe Education Services Limited
94. Niger-Benue Transport Company Limited
95. Nigeria Liability Insurance Pool
96. Nigerian Westminster Dredging and Marine Ltd.

APPENDIX II: LIST OF NON-PUBLIC INTEREST ENTITIES CLIENTS (CONT'D)

S/N Company Name

97. Nomiworld Limited
98. NOV Oil & Gas Services Limited
99. Oando Deepwater Nigeria Limited
100. Oando Foundation
101. Oando Oil Limited
102. Oando OML131 Limited
103. One97 Communications Nigeria Limited
104. Onmobile Satcom Nigeria Limited
105. Oriental Foods Industry Limited
106. Paymente Limited
107. Pera-Beam Limited
108. Persado Marketing Services Limited
109. Pipe Coaters Nigeria Ltd
110. Powergas Natural LNG Limited
111. Powertech Advanced Business Technologies Limited
112. Primeport Logistics Limited
113. Propertygate Development & Invst Limited
114. Pula Advisers Nigeria Limited
115. Puratos Nigeria Limited
116. Reals Pharmaceutical Limited
117. Red Offshore Nigeria Limited
118. Red Transport Nigeria Limited
119. Remote Medical International Limited
120. Response Architects Limited
121. Rexel Limited
122. RK8 Offshore Limited
123. SAS Software Limited
124. Savannah Energy & Technologies Innovation Limited
125. Savannah Energy Uquo Gas Limited
126. Scope Markets Limited
127. Segilola Gold Limited
128. SGI Consultancy Limited
129. Shaldag Limited
130. Shiplside Drydock Limited

S/N Company Name

130. Smartmark Limited
131. Smollan Retail Solutions Limited
132. SNV Netherlands Development Organization Ltd/Gte
133. Softworks Limited
134. Soudal Sealants Adhesives and PU Foam Limited
135. Splashers Technologies Limited
136. Subtech Offshore Services Nigeria Limited
137. Supermaritime (Nigeria) Limited
138. Sycomp Global Integration Technologies Nig. Ltd.
139. TAG College Limited
140. Techinvest Limited
141. Technoserve Business Solutions Limited
142. Tejas Communications
143. Telnet (Nig) Limited
144. Tenaris Global Services
145. The Bridge Clinic
146. The Citadel Global Community Church
147. The Musical Society of Nigeria
148. The Norwegian Refugee Council
149. The Salvation Army, Liberia Command
150. Time Unicorn Limited
151. Topline Limited
152. Trace Awa Limited
153. Tradexpress Auto Nigeria Limited
154. Trans Contracting Limited
155. Transocean Support Services Nigeria Limited
156. Trips Corporate Travel System Limited
157. Tsebo Rapid Nigeria Limited
158. Tubular Technical Services
159. Ultim Limited
160. UNDP
161. UNICEF
162. Universal Energy Resources Limited

S/N Company Name

163. Vertiv Nigeria Limited
164. Visa West Africa Limited
165. VITAL Products Plc
166. Wilo Pumps Nigeria Limited
167. Wipro Technologies Nigeria Limited
168. Wipro Unza Africa Limited

APPENDIX III: KEY LEGAL ENTITIES AND AREAS OF OPERATIONS

Name of Entity	Legal Structure	Regulatory Status	Nature of Business	Areas of Operation
BDO Professional Services Nigeria	A partnership registered under the Nigerian law.	It is subject to the regulatory control of the Corporate Affairs Commission (CAC), the Financial Reporting Council (FRC) of Nigeria and the Securities and Exchange Commission (SEC)	Partnership	Provision of Audit Tax Advisory Services
BDO Management Consulting Limited	A corporate entity registered under the Nigerian law	It is under the regulatory control of the Corporate Affairs Commission.	Limited Liability Company	Management Consulting and Advisory Services
Tinubu Associates Unlimited	A corporate entity registered under the Nigerian law	It is under the regulatory control of the Corporate Affairs Commission.	Unlimited Liability Company	Corporate Advisory Services

APPENDIX IV: THOSE CHARGED WITH GOVERNANCE



Ebenezer O. Olabisi
Managing Partner,



Kamar Salami
Head of Tax



Olugbemiga A. Akibayo
Head of Audit and Assurance



Henry B. Omodigbo
Head of Audit and Accounting
Quality Management (HAAQM)



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