

A man with short dark hair and glasses, wearing a light blue dress shirt and a red tie with small white polka dots, is seated at a desk. He is looking down at a silver laptop, with his right hand on the keyboard. The background is a plain, light-colored wall. A large, semi-transparent red triangle is overlaid on the left side of the image, containing the text 'TRANSPARENCY REPORT 2022'.

**TRANSPARENCY
REPORT
2022**



CONTENTS

Page

1. INTRODUCTION	2
2. LEGAL STRUCTURE, OWNERSHIP AND GOVERNANCE	3
3. NETWORK ARRANGEMENT AND GOVERNANCE STRUCTURE	4
4. INTERNAL QUALITY CONTROL SYSTEMS	5 - 7
5. RISK AND QUALITY MANAGEMENT	8
6. QUALITY MONITORING PROGRAMME	9
7. AUDIT QUALITY INDICATORS	10
8. STRATEGY, CULTURE AND PERFORMANCE	11 - 15
9. PROCEDURES FOR CLIENTS' ACCEPTANCE AND FOLLOW-UP COOPERATION WITH EXISTING CLIENTS	16
10. ETHICS AND INDEPENDENCE	17
11. FINANCIAL INFORMATION	18
12. PARTNERS REMUNERATION	19
13. INTERNAL QUALITY CONTROL EFFECTIVENESS STATEMENT	20
14. APPENDICES	21-25

INTRODUCTION

FROM THE OFFICE OF THE MANAGING PARTNER, EBENEZER OLASEINDE OLABISI

I am immensely proud of the way our team has reacted to the tumultuous events of the past 12 months. Both the firm and our employees have demonstrated extraordinary resilience in the face of ongoing uncertainty in the business landscape. As the managing partner of BDO Nigeria, I am delighted to present my report of our achievements, challenges, and strategies moving forward. Despite the unique circumstances, our firm has demonstrated resilience, adaptability, and a commitment to excellence throughout the year under review.

1. Regulatory Compliance and Quality Assurance

In adherence to Nigeria's regulatory framework, particularly the Financial Reporting Council of Nigeria (FRCN) Audit Regulations, we maintain a steadfast commitment to upholding the highest standards of audit quality and risk management. Our focus remains on ensuring independence, transparency, and integrity in all our engagements. We continuously invest in training and resources to enhance our capabilities and maintain compliance with evolving regulations.

2. Financial Performance

In 2022, BDO Nigeria achieved a revenue of above N1.4 billion. This solid performance amidst external pressures underscores our firm's stability and growth trajectory. Our continued success is a testament to the dedication of our team and the trust of our valued clients.

3. People-Centric Approach

Our firm's success is deeply rooted in our people. We prioritize their well-being, professional development and satisfaction. While we have not adopted agile or remote working arrangements, we remain committed to providing a supportive environment that fosters growth, collaboration, and work-life balance. We recognize the importance of a strong team culture in driving our firm forward.

4. Client Satisfaction and Service Excellence

At BDO Nigeria, delivering exceptional client service is at the heart of what we do. We leverage our expertise, industry insights, and personalized approach to meet and exceed our clients' expectations. Our commitment to quality, responsiveness and innovation sets us apart in the marketplace. We will continue to listen to our clients, anticipate their needs and deliver value-added solutions.

5. Corporate Responsibility and Sustainability

As a responsible corporate organisation, BDO Nigeria is committed to making a positive impact on society and the environment. We align our efforts with international and local initiatives on sustainable business practices. Our focus areas include community development and promoting diversity and inclusion within our organisation and beyond.

6. Looking Ahead

As we look to the future, BDO Nigeria remains optimistic and ambitious. We will continue to focus on delivering exceptional client service, maintaining the highest standards of professionalism and fostering a culture of continuous improvement and innovation. We are confident that by staying true to our core values and leveraging the collective talent of our team, we will navigate the challenges ahead and achieve even greater success.

I extend my heartfelt appreciation to each member of the BDO Nigeria team for their dedication, resilience, and unwavering commitment to excellence. Together, we will continue to build a brighter future for our firm and our clients.



LEGAL STRUCTURE, OWNERSHIP AND GOVERNANCE

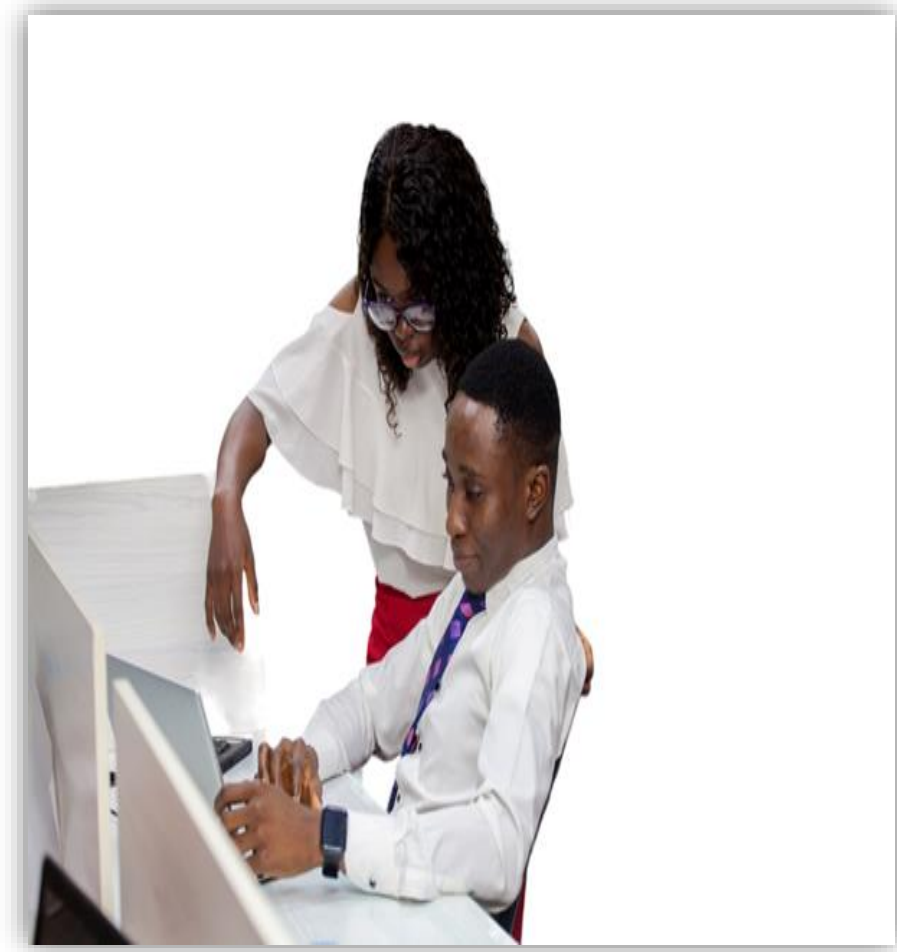
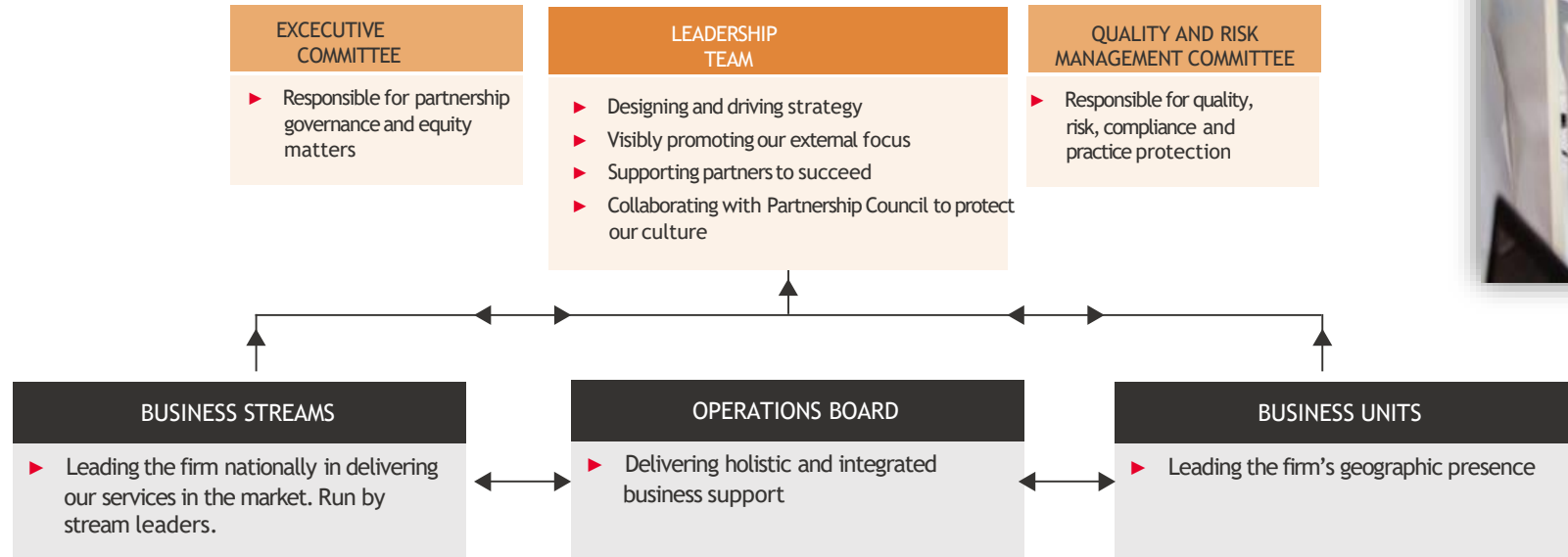
BDO stands as a leading professional services firm, ranked fifth globally, with a vast network encompassing over 1,803 offices spanning 167 countries with 111,397 staff. Our firm offers a comprehensive suite of services, reflecting the calibre and depth of expertise synonymous with our brand. BDO International 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, meeting with the World Council at least once annually to align strategies and objectives. BDO Nigeria operates within the EMEA Region, which encompasses member firms spanning 91 countries. Specifically, BDO Nigeria aligns with the Western Cluster within the Africa Region.

Below is BDO global governance structure and responsibilities:



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 59 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 59 years, BDO has grown into a US\$12.8 billion enterprise, operating in 164 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 Professional Services, 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 firm, 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 compliance with professional standards, as well as regulatory and legal guidelines. 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 consist of 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 improvement.

While we persist in our efforts to minimize instances of audits failing to meet our stringent standards for audit quality, we have implemented measures aimed at enhancing our External Audit Quality Review (AQR) outcomes. Beginning with the 2021/2022 cycle, the Risk Management team now conducts targeted follow-up reviews on audits flagged for "improvement required" during external AQR inspections. This initiative assesses the implementation of remedial actions to address identified issues in subsequent year audits.



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.

RCA is performed in a number of scenarios including:

- ▶ Internal Audit Quality Assurance Review (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 Leadership Team (LT) together with six-monthly reporting provided to the Public Interest Committee and the Quality and Risk Management Committee (QRMC).

With ISQM 1 due to become effective on 15 December 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. 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 Firm, 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 licence.

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 changes 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 Leadership Team 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 control 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) are responsible for developing and issuing risk management policies which are subject to monitoring. In 2022, 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.

At global level, quality monitoring within BDO originates from the BDO Regulations, which stipulate that each firm is subject to Quality Review (QR). In practice, BDO firms are reviewed based on a risk assessment, and otherwise at least once every three years. Equally, the results of the firms' own Engagement Inspection Programmes (EIPs) are monitored through the global annual Quality Management Programme. Our current focus is on developing QR Programmes that will be performed across all the service lines of our firms (including advisory, tax, BSO and others), and will cover topics such as client acceptance and continuance, and ethics and risk management. These programmes will be developed further as policies are updated as part of the review of the International Risk Management Manual. The QMP is managed by the Global Risk & Compliance department and Quality Reviews are carried out by a team of independent and suitably qualified dedicated reviewers.

The scope of an audit Quality Review includes an assessment of the design and effectiveness of the firm's Engagement Inspection Programme (EIP), an assessment of compliance with professional standards, and the review of a sample of engagement files.



Over the years, the QMP has evolved from a focus primarily on the review of the audit engagement files to the review and assessment of the internal controls of our firms. 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 2022, work included the assessment and monitoring of our firms' compliance with professional standards - in addition to the six functional areas that cover leadership, responsibility for quality, ethics and independence, client acceptance and continuance, human resources, engagement performance, and monitoring. 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 in the tables at the right.

METRICS ON EXTERNAL INVESTIGATIONS

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

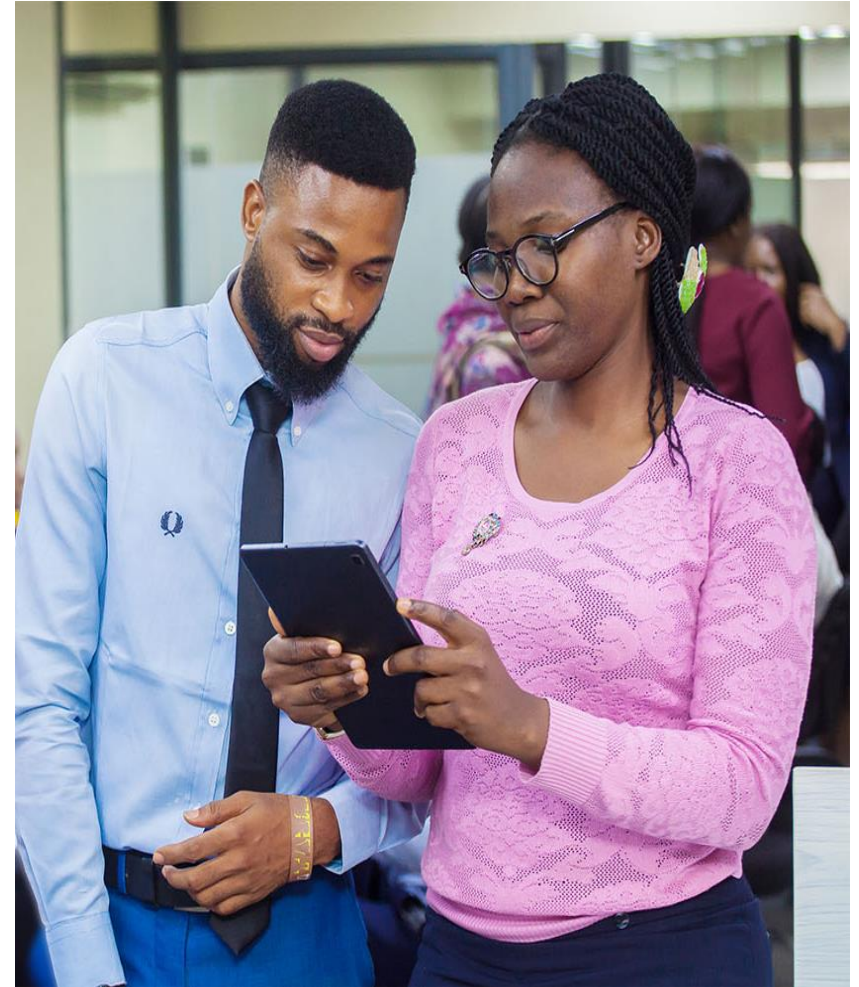
Did any regulatory body, such as ICAN, FRCN, NAICOM etc., file any complaints against the firm or any of its staff within the year under review?

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

METRICS ON INTERNAL INSPECTIONS

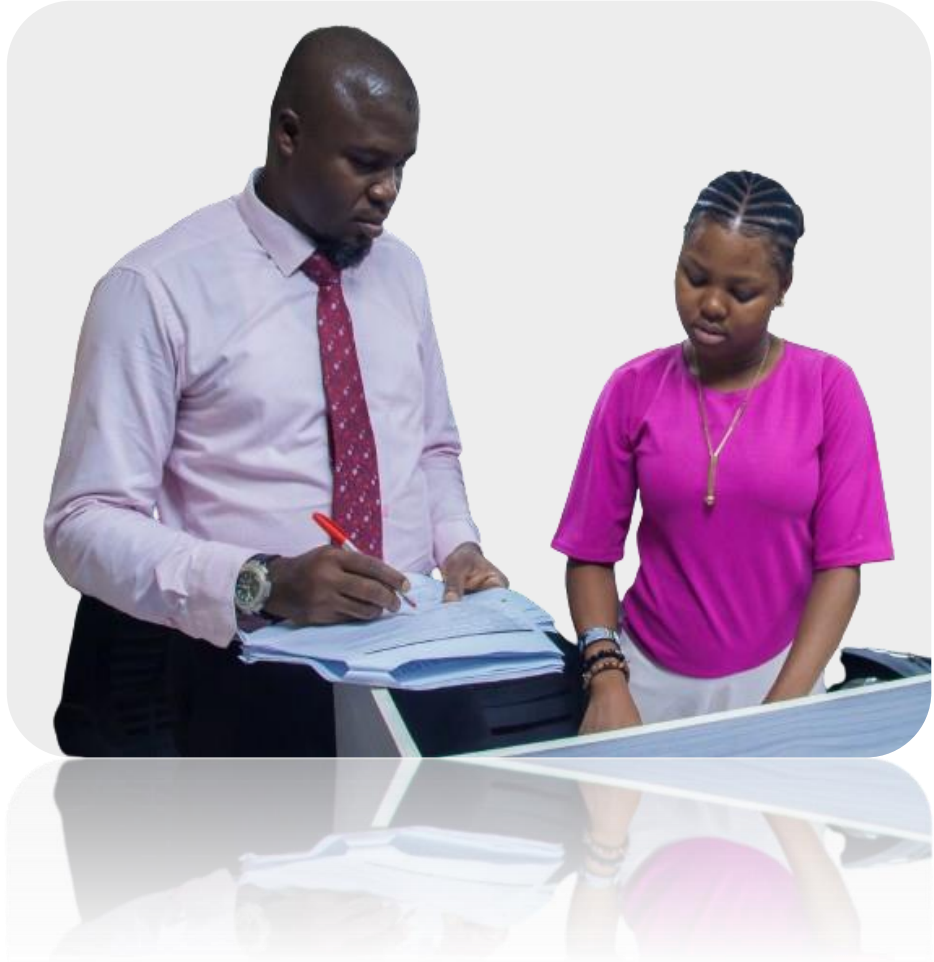
Results of firm’s internal audit quality reviews

The 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.



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 values

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. 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 despite the aftermath of the global Covid-19 pandemic. 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 fulfil 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.

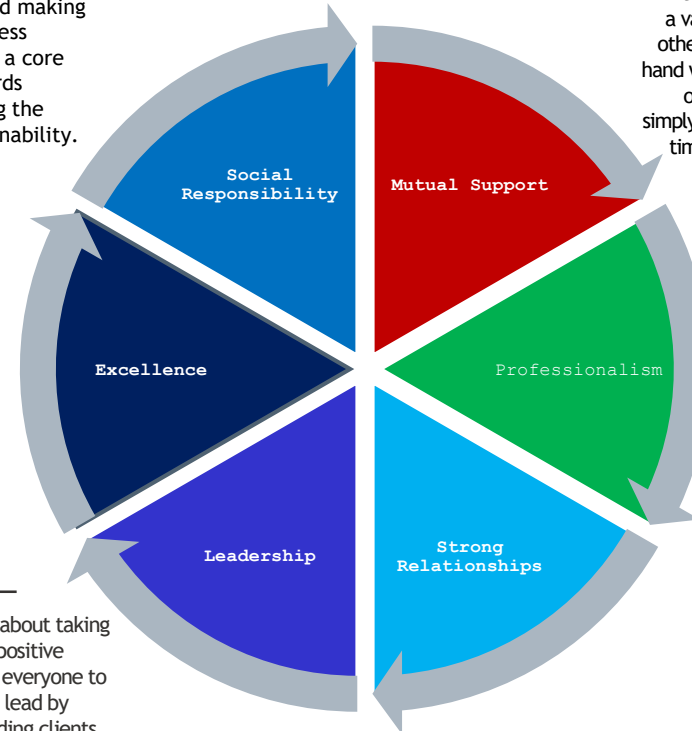
Our values are more than just a component of our strategic framework.

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.

Throughout this year, similar to businesses worldwide, BDO has directed its focus towards anticipating the challenges posed by the aftermath of COVID-19 and its implications for our clients and workforce, as well as the evolving landscape of work. We recognize the imperative of ongoing adaptation and evolution in our operational strategies.

The decisions made during this period will significantly impact talent acquisition and retention, as well as the enduring success of businesses. Moreover, we acknowledge the evolving preferences of our workforce, which increasingly prioritize flexibility and autonomy.

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 2020 and 2021 to embrace a new framework for an 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 Reviewers (EQR) 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.

NEW WORKING WORLD

It's also critical to recognize how the epidemic has affected the company's ability to uphold its ethical standards. We will keep making the necessary adjustments because we are aware of these changes. In this new reality, we need specifically invest in the non-financial components of our behaviour.

We are realigning the Ethics Partner to provide unambiguous reporting channels to the Leadership Team (LT) as part of broader modifications to our governance frameworks. This is not a just symbolic action; rather, it highlights the priority that our top leadership places on this issue. We may streamline and improve decision-making procedures and strengthen the Ethics Partner's position by framing ethics as such.

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 independence 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 2022. 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	159,295,660
Revenue from the statutory audit of separate and consolidated financial statements of other entities	746,662,249
Revenues from permitted non-audit services to entities that are audited by the statutory auditor or the audit firm:	185,945,657
Revenue from non-audit services to other entities. (This comprises of revenues from Tax and Advisory Services)	370,485,596
Total Revenue	1,462,389,162

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 ended on 30 September 2022.



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	Capital Express Assurance Limited	19	MBC Securities Limited	37	The Tourist Company of Nigeria Plc
2	Cashcraft Asset Management Limited & its Sub. Coys.	20	Mega Capital Services	38	Tradefi Tech Investments Limited
3	CFS Financial Services Limited	21	Mega Equities Limited	39	Union Dicon Salt Plc
4	Comercio Partners Asset Management Limited	22	Meyer Plc		
5	Comercio Partners Capital Limited	23	Morison Industries Plc		
6	Comercio Partners Trading Limited	24	Neimeth International Pharmaceuticals Plc		
7	Credite Capital Finance & Investment Limited	25	NEM Insurance Plc		
8	Ekocorp Plc	26	Nigerian Stockbrokers Limited		
9	Guinea Insurance Plc	27	NSL Enterprise And Real Estate Limited		
10	Huawei Technologies Company (Nigeria) Ltd.	28	Oando Plc		
11	Imperial Asset Managers Limited	29	Pillar Oil Limited		
12	Insurance Brokers Of Nigeria Limited	30	Prima Corporation Limited		
13	John Holt Plc	31	Propertygate Development & Investment Plc		
14	Jubilee - Life Mortgage Bank Plc	32	Prorisk Insurance Brokers Limited		
15	KC Gaming Networks Limited	33	Sage Grey Finance Limited		
16	Kedari Capital Limited	34	SCM Capital Asset Management Limited		
17	LASACO Assurance Plc	35	SCM Capital Limited		
18	Lekki Worldwide Investments Limited	36	The La Casera Company 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. Accugas Limited
2. ACO Systems Limited
3. Advanclly Technologies Nigeria Limited
4. African Business News Nigeria Limited
5. Aller Aqua Nigeria Limited
6. Apapa Boat Club
7. Avaya Nigeria Limited
8. Aviat Networks Communication Solutions Limited
9. Bazzar Farms and Store Limited
10. BNL ECL Participation Company Limited
11. BNL Engineering and Construction Limited
12. Card Center Nigeria Limited
13. CE Power Solutions Limited (Globeq Power Solutions Ltd)
14. Century Power Generation Limited
15. Chams Access Limited
16. Chams Switch Limited
17. Convinko Limited
18. CrossBoundary Energy Access Nigeria Assets Limited
19. CrossBoundary Energy Nigeria Limited
20. Cruystone Development And Investment Ltd
21. Cummins Energy Solutions Ltd
22. Deltatek Engineering Limited
23. Deltatek Offshore Limited
24. Deltatek West Africa Limited
25. Digibay Limited
26. Dizengoff W. A (Nigeria) Limited
27. DNM Construction Limited
28. Dolphin Telecommunications Limited
29. Dragages Engineering and Construction Limited
30. DWDP Product Limited
31. Energy & Allied Insurance Pool of Nigeria
32. Enyimba Economic City Devpt Coy Limited
33. Equitable Health Access Initiative
34. ERL Telecoms Services Limited
35. Eskimi Limited

S/N Company Name

36. Evans Baroque Limited
37. Evans Therapeutics Limited
38. EXP Marketing Nigeria Limited
39. Food Solutions Limited
40. Freddy Hirsch Nigeria Limited
41. Gas Fuels Global Investments Limited
42. Gilat Satcom Nigeria Limited
43. Global Offshore Drilling Limited
44. Global Travel Distribution Nigeria Limited
45. Hammakop Consortium Limited
46. HaskoningDHV Nigeria Limited
47. Henry Dunant Centre for Humanitarian Dialogue
48. Iges Gas & Power Limited
49. IHG Hotels Nigeria Limited
50. Ilesa Water Supply and Sanitation Project
51. Impala Energy Limited
52. Inqaba Biotec West Africa Limited
53. Iteco Nigeria Limited
54. IUP Access Services Nigeria Limited
55. Ivory Music Limited
56. James Fisher Nigeria Limited
57. Jos.Hansen & Soehne (Nigeria) Limited
58. KBR Nigeria Limited
59. KBR Oil and Gas Services Limited
60. Kellogg Energy Services (Nigeria) Limited
61. KHS Machines Nigeria Limited
62. Kia Africa Group of Companies Limited
63. Kwikform Nigeria Limited
64. Lagos Yacht Club
65. Likusasa Nigeria Limited
66. Loesche Nigeria Limited
67. London Offshore Consultants (Nigeria) Limited
68. Manipal International Press Limited
69. Master Card Foundation
70. MEBS Limited

S/N Company Name

71. Media Fuse Dentsu Holding Company Limited
72. Medicentre Limited
73. Mega Life Sciences Limited
74. Merck Pharmaceutical and Life Sciences Limited
75. MeritAfrika Limited
76. Metalum Limited
77. Mother2Mothers Nigeria Limited
78. Nesthakk HDD Services Limited
79. New Nigeria Foundation
80. Newglobe Education Services Limited
81. Niger-Benue Transport Company Limited
82. Nigeria Liability Insurance Pool
83. Nigerian Westminster Dredging and Marine Limited.
84. Nomiworld Limited
85. NOV Oil & Gas Services Limited
86. Oando Deepwater Nigeria Limited
87. Oando Foundation
88. Oando Oil Limited
89. Oando OML131 Limited
90. One97 Communications Nigeria Limited
91. Onmobile Satcom Nigeria Limited
92. Oriental Foods Industry Limited
93. Paymente Limited
94. Pera-Beam Limited
95. Persado Marketing Services Limited
96. Pipe Coaters Nigeria Ltd
97. Powergas Natural LNG Limited
98. Primeport Logistics Limited
99. Propertygate Development & Invst Limited
100. Pula Advisers Nigeria Limited
101. Puratos Nigeria Limited
102. Reals Pharmaceutical Limited
103. Red Offshore Nigeria Limited
104. Red Transport Nigeria Limited
105. Remote Medical International Limited

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

S/N Company Name

106. Response Architects Limited
107. Rexel Limited
108. RK8 Offshore Limited
109. SAS Software Limited
110. Savannah Energy & Technologies Innovation Limited
111. Savannah Energy Uquo Gas Limited
112. Scope Markets Limited
113. Segilola Resources Operating Limited
114. SGI Consultancy Limited
115. Shaldag Limited
116. Shipside Drydock Limited
117. Siegwark West Africa Limited
118. Smartmark Limited
119. Smollan Retail Solutions Limited
120. Softworks Limited
121. Soudal Sealants Adhesives and PU Foam Limited
122. Subtech Offshore Services Nigeria Limited
123. Supermaritime (Nigeria) Limited
124. Sycomp Global Integration Technologies Nig. Ltd.
125. TAG College Limited
126. Techinvest Limited
127. Technoserve Business Solutions Limited
128. Tejas Communications
129. Telnet (Nig) Limited
130. Tenaris Global Services
131. The Bridge Clinic
132. The Citadel Global Community Church
133. The Musical Society of Nigeria
134. The Norwegian Refugee Council
135. The Salvation Army, Liberia Command
136. Time Unicorn Limited
137. Topline Limited
138. Trace Awa Limited
139. Tranos Contracting Limited
140. Tsebo Rapid Nigeria Limited

S/N Company Name

141. Tubular Technical Services
142. Ultimium Limited
143. UNDP
144. UNICEF
145. Universal Energy Resources Limited
146. Vanni International
147. Vertiv Nigeria Limited
148. Visa West Africa Limited
149. VITAL Products Plc
150. Wilo Pumps Nigeria Limited
151. Wipro Technologies Nigeria Limited
152. 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) and the Financial Reporting Council (FRC) of Nigeria	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)



This publication has been carefully prepared, but it has been written in general terms and should be seen as containing broad statements only. This publication should not be used or relied upon to cover specific situations and you should not act, or refrain from acting, upon the information contained in this publication. No entity of the BDO network, its partners, employees and agents accept or assume any liability or duty of care for any loss arising from any action taken or not taken by anyone in reliance on the information in this publication or for any decision based on it.

"BDO Nigeria", "we," "us," or "our" refer to one or more of BDO International Limited, its network of independent member firms ('the BDO network'), and their related entities. The BDO network (referred to as the 'BDO network') is an international network of independent public accounting, tax and advisory firms which are members of BDO International Limited and perform professional services under the name and style of BDO (hereafter: 'BDO member firms'). BDO International Limited is a UK company limited by guarantee. It is the governing entity of the BDO network.

Service provision within the BDO network is coordinated by Brussels Worldwide Services BV, a limited liability company incorporated in Belgium.

Each of BDO International Limited, Brussels Worldwide Services BV and the BDO member firms is a separate legal entity and has no liability for another entity's acts or omissions. Nothing in the arrangements or rules of the BDO network shall constitute or imply an agency relationship or a partnership between BDO International Limited, Brussels Worldwide Services BV and/or the BDO member firms. Neither BDO International Limited nor any other central entities of the BDO network provide services to clients.

BDO is the brand name for the BDO network and for each of the BDO member firms.