

2024 Transparency Report  
Deloitte Nigeria





# Table of contents

Preface	3
A message from leadership	4
Deloitte network	8
Deloitte Audit & Assurance: Our commitment to serving the public interest	15
External and internal quality monitoring	30
Independence, ethics, and additional disclosures	30
Appendix A   Financial information	37
Appendix B   Public interest entities	38



# Preface

This report sets out the practices and processes that are employed by Deloitte & Touche Nigeria for the period 1 June 2023 to 31 May 2024.

The report was prepared in accordance with the Financial Reporting Council of Nigeria's Rule 12: Audit Transparency Report.

Throughout this report:

- The Deloitte Pan African Trust is referred to as "Deloitte Africa"
- Deloitte & Touche Nigeria is referred to as "Deloitte Nigeria" or "the Firm"

The terms "Deloitte, we, us, and our" refer to one or more of Deloitte Touche Tohmatsu Limited, its network of member firms, and their related entities. For more information about the Deloitte network, please see page 8.



# Leadership message – **Deloitte Nigeria**

With our technology transformation and Generative AI strategy especially in the rapidly evolving business landscape, the integration of innovation and technology is a critical expectation

This report sets out the practices and processes that are currently employed by Deloitte Nigeria, in accordance with the requirements of Rule 12: Audit Transparency Report, issued by the Financial Reporting Council (FRC) of Nigeria.

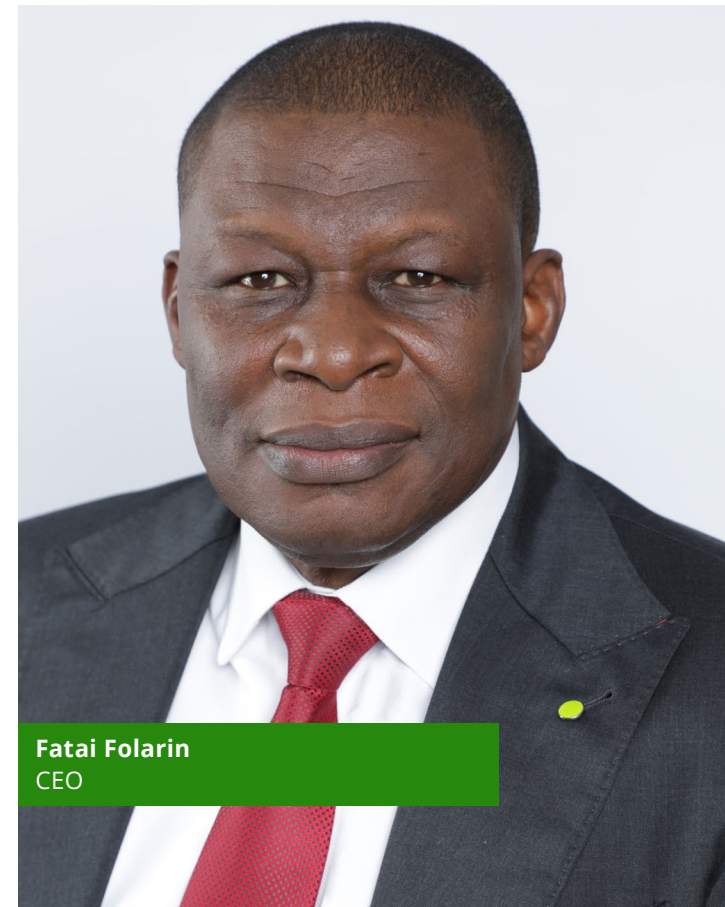
I am excited to present to you our annual Audit Transparency Report. Firstly, because of our ongoing realignment in the past financial year. Secondly, as an expression of our continued commitment to responsible business practices, and because this report provides us the opportunity to clearly articulate our standards as an organisation, and as professionals whose unified purpose is to make an impact that matters.

Looking at both global and regional economic

and geopolitical occurrences in the past financial year, there is more than ever before, the need for organisations like ours to foster trust across the network of all our stakeholders through our Audit function in the areas of quality, confidentiality, integrity, and excellence.

In this report, we reiterate our commitment to serving public interest, our priority focus on quality: specifically our Quality Management and Quality Assurance processes, our Technology Transformation, Generative AI strategy, and the importance of leadership's tone at the top in ensuring that we continue to go beyond the expected and deliver meaningful impact across board.

We also know that for us to continue to deliver



**Fatai Folarin**  
CEO

excellently, the tone at the top must be in tandem with ethical principles, as this creates a solid foundation for integrous systems and processes, and how we show up as professionals. It was in view of this that we held last November, a six-day programme featuring engagement sessions with various service lines. These sessions helped the leadership to reiterate the importance of Deloitte's Codes of Professional Conduct, while exploring different scenarios, expected responses, and the duty of everyone in ensuring the adherence to these codes. And as a culture at Deloitte, everyone is encouraged to be observant and use the Speak Up platform to report any unethical behavior when noticed.

With our technology transformation and Generative AI strategy especially in the rapidly evolving business landscape, the integration of innovation and technology is a critical expectation, which equally applies to the audit profession. The pursuit of continuous improvement and the delivery of a versatile and comprehensive audit are vital components of Deloitte's commitment to quality and excellence. Our latest audit platform, Deloitte Levvia and OMNIA exemplify our dedication to providing high-quality digital audits, regardless

of size or complexity. We continue to seek ways for operational efficiencies while retaining quality in all that we do.

Deloitte (as a global firm) is currently undertaking its most significant overhaul of global operations in the last decade, motivated by the necessity to streamline our organisational structure considering anticipated market challenges. At a time like this, we have determined that the foundation of sustained success during the times of disruption lies in anchoring our efforts to a purpose that goes beyond our daily operations. While the future remains uncertain, having a well-defined guiding principle enables organisations such as ours to adeptly manage unpredictability and continue progressing with resilience and agility.

**Fatai Folarin**

Chief Executive &  
West Africa Leader

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Our latest audit platform Deloitte Levvia and OMNIA exemplify our dedication to providing high-quality digital audits, regardless of size or complexity. And we continue to seek ways for operational efficiencies while retaining quality in all that we do.

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# Deloitte Nigeria Audit & Assurance leadership message – **Audit and Assurance Leader**

## To our clients and stakeholders

I am delighted to present you with the third edition of our Deloitte Nigeria Audit Transparency Report. As audit leadership, we present this report not just in compliance with the Financial Reporting Council Rule 12, but also as a testament of our dedication to quality, transparency and accountability to our clients, stakeholders, and the public. The transparency report is an attestation to our unwavering belief in trust and confidence being fundamental to the work we do. Within the pages of this report, you will have a comprehensive insight into our audit methodology, the core values that inform our conduct in the marketplace and the measures we take to always ensure quality and independence in rendering services to our clients.

The current financial year has been quite challenging in our clime for capital markets, businesses, people and, by implication, the audit profession. The changes in the economic landscape, foreign exchange market,

inflationary pressures amongst others have been rapid, impressionable and impactful on the economic environment, businesses, and people. This has necessitated businesses and people to continue to redefine business and lifestyle strategies.

At Deloitte Nigeria, we believe that during these uncertain times, as audit practitioners, we must live up to our role of driving confidence, with a relentless focus on quality, confidentiality, integrity and top-notch business practices. The quality of our work is at the heart of our profession. The drive to live up to our role helps to set our priorities right and informs how we define success as a business. Our culture of quality and resilience reflect in our reputation in the marketplace today.

Our people at Deloitte have shown exceptional agility in responding to these ongoing challenges and finding innovative solutions, coming together with a shared ambition to protect the public interest, support each other and make an impact that matters in



**Michael Daudu**  
West Africa Audit &  
Assurance Leader



everything we do. We achieve this through our shared values of serving with integrity. By acting ethically and with integrity, our people and firm have earned the trust of clients, regulators, and the public. Upholding that trust is our single most important responsibility, we approach our work with a collaborative mindset, teaming across businesses, geographies, and skills to deliver tangible, measurable, and attributable impact. We recognise the impact our people have on our business and continue to invest in their learning as well as tools and technology that enable them to deliver an efficient and quality audit.

Our transformative audit experience is a direct result of our investment in cutting-edge tools and technology. Infact, our audit process is fueled by innovation. Our investments in cloud technology and digital solutions are bringing artificial intelligence, automated workflow processes and advance analytics into the audit process. This continues to be a distinct differentiator for us in the marketplace. Enhanced tools empower our people, enable them to plan and execute an efficient and data driven audit and provide valuable insights to our clients.

Our investment in innovation and technology places us in a leading position to embrace

emerging technologies needed to maintain our commitment to audit quality, service excellence and enables us to respond to the dynamic nature of our environment in a pragmatic manner.

Looking ahead, we are confident about the impact that we can make. We strongly believe that economic and societal success, resilience, and prosperity should be a synergy and close cooperation among the public administration, the private sector, and civil society. We remain focused on the growth and benefits of technology, adopt multidisciplinary service offering models, continue to foster our people's development as critical tools to the commitment to quality, service and excellence to our clients and stakeholders.

**Michael Daudu**  
Audit & Assurance Leader  
Deloitte Nigeria



# Deloitte Network

## Deloitte Nigeria: Legal structure and ownership

Deloitte Nigeria is connected to the Deloitte network through Deloitte Pan Africa Trust, a member firm of Deloitte Touche Tohmatsu Limited. Deloitte Africa holds practice rights to provide professional services using the “Deloitte” name which it extends to Deloitte entities within its territory comprised of Botswana, Ghana, Kenya, Malawi, Namibia,

Nigeria, South Africa, Tanzania, Uganda, Zimbabwe, and Zambia and territorial rights over Ethiopia, Lesotho, Rwanda, Burundi, and Eswatini. During the financial year ended 31 May 2024, Deloitte Africa re-entered the Ethiopian market and initiated a change in the Zimbabwean practice that is expected to conclude by 2025. The current partners in Deloitte Zimbabwe will take over the Zimbabwe country practice and will exit Deloitte Africa and the Deloitte network.

Deloitte Nigeria operates as a limited liability partnership, established under Nigerian law, with registered office at Civic Towers, Plot GA 1 Ozumba Mbadiwe Avenue, Victoria Island, Lagos, Nigeria with FRC registration number FRC/2022/COY/091021.

## Network description

### The Deloitte network

The Deloitte network (also known as the Deloitte organisation) is DTTL, a globally connected network of DTTL member firms and their related entities operating in over 150 countries and territories worldwide. These separate and independent member firms operate under a common brand.



Professional standards



Methodologies



Systems of quality management & risk management



Common technologies/platforms



Shared values





## Deloitte Touche Tohmatsu Limited (DTTL or Deloitte Global)

Deloitte Touche Tohmatsu Limited is a private company limited by guarantee and incorporated in England and Wales. DTTL serves a coordinating role for its member firms and their respective related entities and establishes policies and protocols with the objective of promoting a consistently high level of quality, professional conduct, and service across the Deloitte network. DTTL does not provide services to clients and does not direct, manage, or control any member firm or any of their respective related entities.

“Deloitte” is the brand under which approximately 460,000 dedicated professionals

and practitioners in independent member firms (or their respective related entities) throughout the world collaborate to provide audit and assurance, consulting, financial advisory, risk advisory, tax, and related services to select clients. These member firms are members of DTTL. DTTL, these member firms and each of their respective related entities form the Deloitte organization. Each DTTL member firm and/or its related entities provides services in particular geographic areas and is subject to the laws and professional regulations of the country or countries in which it operates. Each DTTL member firm is structured in accordance with national laws, regulations, customary practice, and other factors, and may secure the provision of professional services in its respective territories through related entities. Not every

DTTL member firm or its related entities provides all services, and certain services may not be available to audit and assurance clients under the rules and regulations applicable to audit firms. DTTL, and each DTTL member firm and each of its related entities, are legally separate and independent, cannot obligate or bind any other, and are liable only for their own acts and omissions, and not those of any other. The Deloitte organisation is a global network of independent firms and not a partnership or a single firm. DTTL does not provide services to clients.

The specific details of professionals for West Africa and Nigeria are given below:

		Partners		Professional Staff		Enablement		Total
		Audit	Non-Audit	Audit	Non-Audit	Audit	Non-Audit	
Nigeria	FY 24	16	26	325	433	26	112	938
Ghana	FY 24	5	7	157	182	5	45	401
West Africa	FY 24	21	33	482	615	31	157	1339



## Deloitte Africa: Governance – leadership in action

Deloitte Nigeria and other practicing firms within Deloitte Africa are governed by the Deloitte Africa Board, which is constituted in terms of the Partnership Agreement. The Board comprises independent Non-executive Directors, Ex-Officio Directors, and a cross-representation of partners of the firm.

The Board provides oversight on key matters including governance, strategy, alignment to the Global firm,

transformation, risk management, and regulatory matters.

The Board of Partners and Directors is constituted in terms of the partnership agreement and is elected by partners and directors every three years. The partnership agreement provides a basis for election, which is designed to ensure that the interests of all partners and directors are represented on the Board and that provision is made for external viewpoints, with appropriate emphasis on current strategic initiatives.

### Deloitte Africa Board



**Delia Ndlovu**  
Chair



**Yemi Saka**  
Deputy Chair  
West Africa



**Eshak Harunani**  
East Africa



**Doreen Mbogho**  
East Africa



**Nikiwe Bikitsha**  
Independent  
Non-Executive



**Oduware Uwadiae**  
Independent  
Non-Executive



**Wesley Govender**  
Southern Africa



**Alex Gwala**  
Southern Africa



**Saleem Cassim**  
Southern Africa



**Alice Tembo**  
Southern Africa



**Carike Nel**  
Southern Africa



**Penny Binnie**  
Southern Africa

### Ex-Officio Members



**Ruwayda Redfearn**  
CEO Ex-officio



**Graeme Berry**  
COO Ex-officio

### Specialist Member



**Fatima Abba**  
Southern Africa



**Zama Dlamini**  
Specialist Member

### DTTL Observer



**Ron Sonenthal**  
DTTL Observer



Africa governance include Africa Executive (Africa Exco) with executive role for Deloitte Africa. The Nigerian Chief

Executive officer, Fatai Folarin is a member of the Africa Exco representing the West Africa region.

### Africa Executive Committee



**Ruwayda Redfearn**  
Chief Executive



**Graeme Berry**  
Chief Operating  
Officer



**Joe Eshun**  
Managing Director  
Businesses



**Lungile Mahluza**  
Chief People Officer



**Navin Sing**  
Chief Risk Officer



**Ashleigh Theophanides**  
Chief Sustainability  
Officer



**Nina le Riche**  
Chief Growth  
Officer



**Eric Tshabalala**  
Africa Audit & Assurance  
Managing Partner



**Arun Babu**  
Africa Consulting  
Managing Director



**Temitope Odukoya**  
Africa Financial Advisory  
Managing Partner



**Gregory Rammego**  
Africa Risk Advisory  
Managing Director



**Itireleng Kubeka**  
Africa Tax & Legal  
Managing Director



**Fatai Folarin**  
West Africa  
Managing Partner



**Anne Muraya**  
East Africa  
Managing Partner



## Deloitte Nigeria: Governance – leadership in action

Deloitte Nigeria has an Executive Committee comprising the Chief Executive Officer, Chief Operating Officer, Chief Risk Officer, Business Unit Leaders, Talent Partner.

The following are the members of the Deloitte Nigeria Executive Committee for the period in focus:

### Deloitte Nigeria –Executive Committee Members



**Fatai Folarin**  
West Africa Chief  
Executive Officer



**Anthony Olukaju**  
West Africa Chief  
Operating Officer



**Michael Daudu**  
West Africa Audit &  
Assurance Leader



**Yemi Saka**  
West Africa Consulting  
Leader



**Oduware Uwadiae**  
Member, Africa Board



**Yomi Olugbenro**  
West Africa Tax and  
Regulatory Leader



**Yetunde Odetayo**  
West Africa Talent  
Partner



**Tope Aladenusi**  
West Africa Risk  
Advisory Leader



**Oluseye Arowolo**  
West Africa \*QIRR/  
OGC Leader



**Temitope Odukoya**  
West Africa Financial  
Advisory Leader



**Biney Abena**  
West Africa Chief  
Sustainability Officer

QIRR - Quality, Independence, Risk and Reputation  
OGC - Office of General Counsel



The Audit leadership comprises of Audit Leadership Committee (Leadco) which is made of the Audit industry and operations leaders.

Michael Daudu, the West Africa Audit & Assurance Leader, is appointed by the Deloitte Nigeria CEO. Michael Daudu and senior management develop and implement the strategy for the Audit & Assurance practice, including related policies and procedures. In all their activities, Deloitte Nigeria senior leaders are responsible for the overarching objective of audit quality, including compliance with applicable professional standards and regulatory requirements. Deloitte Nigeria strategy is developed in alignment with the overall strategic direction established

for the Deloitte network.

Deloitte Nigeria Audit & Assurance leader and senior management participate in Deloitte network groups that set and monitor quality standards, and from which a number of quality and risk initiatives emanate. Deloitte Nigeria is owned by the Partners, and it has a partnership agreement that sets out the governance framework.

The Audit Leadco executes audit and assurance business strategy for the Nigerian practice. The members also provide direction on operational, quality, growth and talent matters within the audit and assurance business.

#### The Nigeria Audit Leadership Committee (Leadco)



**Michael Daudu**  
West Africa Audit & Assurance Leader



**Hassan Lawal**  
Audit Quality & Risk Leader



**Oduware Uwadiae**  
Assurance Leader



**Folorunso Hunga**  
Consumer Business Audit Unit Leader



**David Achugamonu**  
Financial Service Industry Audit Unit Leader



**Abraham Udenani**  
Energy, Resources & Industrial Audit Unit Leader



**Seun Ejodame**  
Audit Talent Partner



**Chigozie Okoro**  
Audit Operations Leader



**Joshua Ojo**  
Audit Growth Leader





# Our purpose and commitment: **instilling trust and confidence**

At Deloitte Nigeria, our purpose is to make an impact that goes beyond the expected. For Audit & Assurance, this means constantly evolving audit and assurance processes, leveraging leading-edge technology, applying a diversity of skillsets, knowledge, and experience to deliver high-quality services. We take great pride in instilling confidence and trust in the capital markets and are committed to relentlessly raising the standards of quality and always acting with integrity, independence, and transparency. We are continuously building our capabilities to support delivering high-quality audit and assurance engagements and making leading contributions to shaping the profession's future.



# Deloitte Audit & Assurance:

## Our commitment to serving the public interest

### A focus on quality

Deloitte's commitment to quality permeates everything we do. The independent audit is a central element of the corporate reporting ecosystem, in place to enhance the confidence and trust of investors and other stakeholders, as well as to promote the effective functioning of the capital markets. Deloitte is keenly aware of our obligation to deliver audit and assurance services that meet the challenges and complexities of the current environment, while complying with professional and regulatory standards. For the corporate reporting ecosystem to function as intended, it is vital that the auditor's role be executed effectively.

Deloitte is committed to doing more than simply meeting regulatory requirements and conforming to expectations. Deloitte aims to go beyond the expected to set the standard of excellence for the profession. In keeping with that objective, our commitment to quality is unequivocal.

### Deloitte Global leadership

The Deloitte Global Audit & Assurance

Executive, which includes the Audit & Assurance Business Leaders from the larger member firms is led by Jean-Marc Mickeler, the Deloitte Global Audit & Assurance Business Leader. His responsibilities include working with the member firms to define and drive the global Audit & Assurance strategy, with a particular focus on:

- Driving key audit and assurance initiatives across the Deloitte network to accomplish quality outcomes.
- Leading transformational initiatives to innovate the way our audit and assurance engagements are executed to meet the evolving needs of our stakeholders.

### The company we keep

As part of Deloitte's Audit & Assurance commitment to supporting the capital markets, we are focused on engaging with entities where it serves the public interest and where we have the capabilities to perform quality work objectively and in compliance with applicable professional standards and laws and regulations, including those relating to ethics and independence.

The company we keep is a critical foundational aspect of our Audit & Assurance strategy and global shared values that guide our behavior to lead the way, serve with integrity, take care of each other, foster inclusion, and collaborate for measurable impact. Our audit and assurance portfolio risk appetite statement serves as the foundation for the company we keep. The risk appetite statement can be used as a tool to promote robust discussion of risk, and as a basis upon which acceptance and continuance decisions can be debated and challenged effectively and credibly.

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### The company we keep is a critical foundational aspect of our Audit & Assurance strategy

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The statement as shown below sets the tone for our risk culture and aims to drive global consistency in the engagement acceptance and continuance decision making process.



Deloitte's Audit & Assurance portfolio risk appetite underpins our purpose led agenda and reinforces our Principles of Business Conduct, which articulate the standards to which we hold ourselves, wherever in the world we live and work, in order to build and maintain a sustainable business for current and future generations.

Consistent with our commitment to purpose and to act in the public interest, we recognize that taking on a degree of risk is a natural consequence of doing business. In order to deliver high-quality audit and assurance services, we proactively identify and manage risk through our quality management processes, policies, and procedures to make informed decisions aligned to our strategy and values.

We aspire to have a portfolio of clients that aligns with our shared values, respects our people, recognises emerging issues and societal responsibilities, and is committed to providing transparency to stakeholders in the corporate reporting ecosystem. We endeavor to have a portfolio that does not include clients that lack integrity, engage in illegal activities, disregard the authenticity of financial accounting and reporting, or are unwilling to establish and maintain sufficient internal controls and related processes.

Deloitte Nigeria has detailed policies and procedures in place for the acceptance of prospective clients, the continuance of existing engagements, and the assessment of engagement risk. These policies and procedures are designed with the objective that Deloitte Nigeria will only accept or continue with

engagements where it:

- Can perform the engagement and has the capabilities, time and resources.
- Can comply with all relevant professional standards and laws and regulations, including those relating to ethics, independence, and conflicts of interest assessments and considerations.
- Considers the client's management team to act with integrity and in alignment with our shared values.

### **Fewer, stronger member firms**

Within the Deloitte member firm structure, Deloitte Nigeria is part of the Deloitte Africa member firm. As a locally registered and regulated audit firm in Nigeria, we have decision-making authority regarding regulatory matters and professional obligations and maintain ultimate responsibility for the execution of audit and assurance services in accordance with professional standards and local laws and regulations. Deloitte Nigeria is responsible for maintaining and operating an effective system of quality management to support the performance of high-quality audit and assurance engagements. As a member of a combined firm within the Deloitte network, we work in close cooperation with the other geographies in the Deloitte Africa member firm and benefit from additional oversight of quality, risk management, and monitoring activities. This structure fosters shared investment in innovation and resources as well as the sharing of leading practices across geographies, driving standardisation and consistency across the audit and assurance business and contributing to our collective aspirations of continuous improvement in quality.



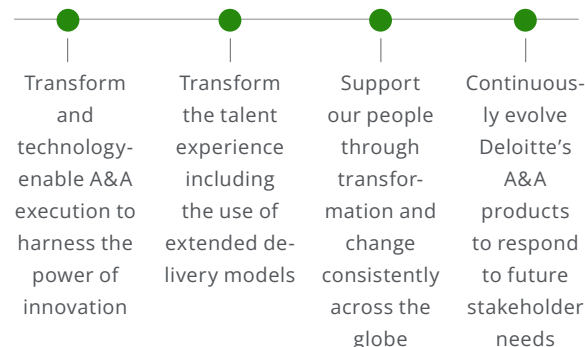


Our people's commitment to integrity, to serve the public interest, and to deliver high-quality assurance over the areas that matter most to our stakeholders is at the core of everything we do.

Our unwavering dedication to quality drives our sustained quality leadership position. We remain focused on excellence across people, process, and technology. Each of these core components helps us to deliver our vision for a better future, creating an impact that goes beyond expectations.

What does this look like? A constantly evolving audit and assurance practice, leveraging bright minds, effective processes, and world-class technologies from across our global organisation while drawing on our years of experience. We deliver high-quality services in an efficient and effective way that upholds integrity, builds confidence, and drives value by focusing on what really matters.

The Audit & Assurance transformation and change strategy is focused on the following outcomes:



### Delivering excellence through process, people, and technology transformation

With the Deloitte Way, Deloitte is bringing standardisation, consistency, and efficiency to drive quality into the core of how our engagements are executed: with automation that improves routine tasks and analytics that support audit execution—yielding a deeper and more insightful view into the available data. As a result, we are improving the quality of the services we deliver while also creating a richer talent experience for our people and clients.

Innovation and technology enablement are an expectation in today's fast-changing world, and this expectation holds true for the profession as well. Today's complex business environment requires that the audit and assurance we deliver is dynamic, multidimensional, and insightful. There is a demand for real-time, relevant information, and we are evolving our audit and assurance services as Deloitte clients innovate their businesses and processes. Leveraging evolving technology and data, Deloitte delivers deeper insights to create more consistent and transparent audit and assurance for our stakeholders.

Deloitte is committed to the continued investment in emerging technologies and diversity of thought that enables the delivery of enhanced quality, insights, and value to our clients and the markets. Deloitte's global audit platforms, Deloitte Omnia, Levvia and EMS, demonstrate our commitment to delivering digital, high-quality engagements of all sizes and levels of complexity. Deloitte Omnia is our cloud-based, end-to-end delivery platform for

large and complex engagements, while Deloitte Levvia delivers a streamlined, right-sized digital experience for low risk, less complex entities. Ongoing enhancement and global deployment of both platforms are well underway and will continue as we embed further innovation for a differentiated client and auditor experience.

### Deloitte A&A's GenAI strategy

Deloitte A&A continues to invest in artificial intelligence innovation, and we have already made significant progress on transforming the delivery of our work with our innovative technologies, Deloitte Omnia and Deloitte Levvia. We are focused on ethical and responsible use of GenAI for both clients and our people:

- Within the entities we audit, we are evaluating the impact of AI implementation on financial reporting and other disclosures, as well as the entity's assessment and response to AI-related risks (including related internal controls). Companies have already begun adopting and incorporating AI into their business processes, and we will be ready to consider any relevant implications to the financial reporting processes.
- We are assessing how we can use Gen AI in our audits and remain focused on harnessing the power of cognitive technologies within the Deloitte Levvia platform. We have solutions in use today already using AI. Going forward, we believe Gen AI will further support our auditors in delivering high quality audits including supporting further risk-



sensing, identification of potential issues, and automation of certain processes. Professional scepticism and the skill set that we rely on as auditors today will however continue to be critical to responsible use and evaluation of AI, specifically Gen AI.

- Finally, we are investing heavily in learning and development for Deloitte A&A practitioners and professionals, training them on the impact of Gen AI, its risks, limitations, and expectations about how to use Gen AI effectively on their engagements.

### Sustainability reporting

The foundations of business are changing rapidly—long-term resiliency and the ability to create enduring value is directly linked to alignment with the values and expectations of society. Market participants and other stakeholders are calling for greater insight into how organisations are building, protecting, and enhancing enterprise value over time. They are specifically demanding enhanced transparency around climate-related and broader Environmental, Social, and Governance (ESG) impacts and the dependencies of an entity's business model and strategy.

Deloitte recognises that climate change poses a risk to financial stability and impacts businesses in many sectors with increased disclosure and reporting expectations from various stakeholders. Deloitte's audit approach is designed to promote consistent and appropriate consideration of climate related risks and opportunities that enable a deeper understanding of potential impacts of climate

change on the financial statements to enable evaluation and well documented conclusions. We continue to emphasise this with our people through learnings, guidance, and other resources.

The evolution from traditional financial reporting to broader corporate reporting is happening at a rapid pace, with significant standard-setting activities driving companies to get ready themselves for new or enhanced disclosure requirements. The IFRS Sustainability Disclosure Standards published by the International Sustainability Standards Board (ISSB) create a global baseline for sustainability reporting. Other jurisdictions have passed their own corporate reporting requirements, notably the European Union's Corporate Sustainability Reporting Directive (CSRD), which mandates reporting in accordance with European Sustainability Reporting Standards (ESRS) and has significant extra-territorial reach, and the United States Securities and Exchange Commission's climate disclosure rule, which requires registrants to disclose climate related risks. Also, In Nigeria the Financial Reporting Council has mandated corporates to report in accordance with the IFRS Sustainability Disclosure Standards. Deloitte is a strong advocate for enhanced sustainability reporting and therefore plays an important role in raising awareness of these new requirements through active stakeholder engagement.

Corporate reporting standards and regulatory requirements are intended to drive better connectivity between financial and non-financial reporting and to help users of corporate disclosures better understand and compare

information about entities. To be effective, these standards need to enable corporate reporting that is comparable, based on a global baseline, and supplemented by local considerations where warranted. Given the comprehensive nature of certain sustainability reporting requirements and the pace at which it has been developed, further guidance and interpretation is needed in the marketplace to support both preparers and users of the information. As these standards are brought into regulation around the world, so also are the associated enforcement, monitoring, governance and controls, assurance, and training mechanisms. It is critical that the entire sustainability reporting ecosystem including standard-setters, policy makers, and regulators work together to limit fragmentation in support of consistent and comparable disclosures.

The developments in standard-setting and rule making make clear that information in financial reporting and information contained in sustainability reporting together are essential inputs to inform a stakeholder's view of an entity's value. Therefore, there is a growing demand for companies to integrate climate-related and other ESG considerations into internal control policies and procedures, enhancing the maturity of systems, processes, and governance over climate-related and other ESG information. Those charged with governance (e.g., audit committees, boards) are increasingly incorporating ESG considerations in their oversight responsibilities of an organisation's management, reporting, and data-collection processes and controls.



Deloitte understands that given the increased risks associated with climate change, it is important for climate-related factors to be properly integrated into corporate reporting. The ambiguity of these factors explains why some stakeholders' expectations may not be currently met by financial statements. As corporate reporting continues to evolve and stakeholders accommodate and adapt to market shifts and public sentiment, it is important to

allow for appropriate due process to develop robust standards applied consistently across the globe and to drive reporting that is responsive to the growing asks of investors and other stakeholders.

Deloitte remains committed to engaging in meaningful and transparent conversations with investors, standard-setters, regulators, and other relevant stakeholders. We continue

to support reduced standard and regulatory fragmentation and look forward to greater market confidence as consistency in standards is realised globally.

In Nigeria, there are several local laws and regulation that support ESG and Sustainability reporting and such regulations include:

S/N	Local Regulators	Regulatory requirements
1	Environment Impact Assessment Act	The Act mandates that an environmental impact assessment must be conducted for any project or activity that is likely to significantly affect the environment.
2	The Companies and Allied Matters Act (CAMA 2020)	The Act mandates directors to consider the impact of the company's operations on the environment in the community where the company carries out its business operations.
3	The Petroleum Industry Act (2021)	In chapter 3 of the PIA, the provision mandates operators to participate in environmental and social sustainability actions in the communities in which they operate such as decommissioning and the abandonment of petroleum wells, installations, structures, etc.
4	NGX Sustainability Disclosure Guidelines (2019)	This provides a framework for listed companies to disclose their ESG performance and cover key areas such as governance, environmental impact, labour practices, human rights, and community involvement.
5	Nigeria Code of Corporate Governance (2018)	The National Code of Corporate Governance now includes provisions related to sustainability reporting, encouraging companies to disclose ESG information.
6	Nigerian Climate Change Act (2021)	This Act was signed in 2021 and it aims to address climate change and promote sustainable development in the country.
7	CBN's Sustainability Banking Principles	The principles emphasise sustainability reporting and disclosure to ensure transparency and accountability in the banking sector.
8	SEC guidelines on sustainable financial principles for the Nigerian capital market (2021)	The guideline requires public interest/ listed entities to integrate ESG considerations into their operations and decision-making processes to avoid, minimise or offset negative impacts and stimulate a resilient, competitive, and sustainable capital market.





In addition, the Financial Reporting Council in its recently issued ISSB Adoption Readiness Roadmap requires that Assurance will be based on ISSA 5000 which is currently being developed by the International Auditing and Assurance Standards Board (IAASB) to address both limited and reasonable assurance. The standard is expected to become available before the end of 2024. However, entities can continue to assure their sustainability reports using International Standards on Engagement 3000 and 3402 until further communication on transitioning to ISSA 5000 is provided or when the standard becomes effective.

## Assurance

With the heightened focus and scrutiny of ESG reporting also comes the need for confidence over the quality of disclosures in the form of independent assurance. Assurance over sustainability reporting is increasingly becoming mandatory, as demonstrated by the corporate reporting regulations passed in the European Union that require limited assurance with an expectation to move to reasonable assurance in future years.

The growing demand for sustainability assurance highlights the importance of professional standards that enable consistent, high-quality execution globally. Deloitte is supportive of the IAASB's work to develop a global sustainability assurance standard, ISSA 5000, i.e., as a global baseline for sustainability assurance. Widespread adoption of ISSA 5000 is critical to avoid the undue complexity and cost associated with fragmented assurance standards.

Deloitte is well positioned to deliver high quality assurance on ESG information. As auditors, we uphold the core tenets of integrity, credibility, and objectivity and abide by professional requirements regarding competence, independence, and systems of quality management. Our audit work and related systems are subject to oversight and inspection and professional liability mechanisms to ensure credible assurance is delivered to the market.

Below are specific actions that Deloitte is undertaking to support execution of high-quality assurance that appropriately addresses both voluntary ESG reporting and mandatory reporting requirements:

- Developing and enhancing guidance for performing ESG assurance through Deloitte's global sustainability assurance methodology, which includes supplemental guidance for specific sustainability reporting standards and frameworks. Deloitte Nigeria assurance service offerings are performed in line with the Deloitte Global Assurance Methodology which is in accordance with ISAE 3000 and 3410.
- Building capacity through global and localised learning focused on ESG.
- Developing and starting to deploy technology-enabled solutions, such as a tool to evaluate a company's sustainability disclosures against common ESG standards.
- Engaging in shaping the capital market infrastructure for sustainability reporting tied to enterprise value through collaboration on climate and ESG standard setting reporting, and assurance initiatives, such as the IFRS Foundation, the International Auditing and Assurance

Standards Board (IAASB), and the International Ethics Standards Board for Accountants (IESBA).

- Actively participating in various global platforms such as the World Economic Forum and the 2023 UN Climate Change Conference (COP28).
- Deloitte Nigeria has also organised several capacity building sessions to intimate corporates on the recent development and has hosted a webinar session with over 400 attendants and expert panelists representing various stakeholder groups.

Deloitte supports the continued collaboration of all participants in the corporate reporting ecosystem, working together to develop and implement common standards upon which to measure, disclose, and ultimately assure ESG information.

## Deloitte's commitment

Further, to help the world achieve the goals of the Paris Agreement, Deloitte is committed to WorldClimate, a strategy to drive responsible climate choices within the Deloitte network and beyond.

Refer to the 2024 Deloitte Global Impact Report for the complete report on this important initiative.

### Multidisciplinary model (MDM)

Deloitte's MDM brings the breadth and depth of services across Deloitte's businesses, connecting many different disciplines to provide expertise and broad perspective. The MDM is a core strength of Deloitte and will remain the foundation of our strategy. Our current strategy and business model have a positive impact on quality.

Specifically, the scope of corporate reporting is expanding and transforming considerably every day with the emerging voluntary and mandatory disclosure requirements around ESG, cyber, AI, data privacy, and more. Deloitte prides itself on having a deep bench of independent specialists who can be deployed around the world on audit and assurance engagements to provide subject matter expertise and new, insightful perspectives.

Other strengths of the MDM include:

- The possibility to develop industry or thematic insights (e.g., climate, governance, corporate strategy, etc.) through multiple lenses, which enhances auditors' understanding of business risks relevant to conducting audit and assurance services.
- The breadth of the MDM creates richer career paths and mobility for our people making the business attractive to individuals who may not want to limit their career options to providing audit and assurance services only.
- The global scale of the MDM brings greater resilience to each Deloitte business line, including audit and assurance, allowing continued investment in technology, methodology, and process to support

delivery of high-quality, cross-border services.

Deloitte leadership recognises that each Deloitte business line is important and critical to the organisation's ability to deliver on its public interest responsibilities. Therefore management's attention and investment allocation are not limited to the business lines with the highest growth rates.

Deloitte acknowledges the possibility and perception of conflicts of interest, and therefore has robust conflicts and independence policies and systems to help ensure that Deloitte's strategy is executed in alignment with regulatory and professional requirements. In some areas, Deloitte policies are more stringent than professional standards, laws, or regulations.

While we are always evaluating ways to improve Deloitte's ability to deliver on our public interest mandate, we remain confident that Deloitte's MDM and our shared purpose and values make us well-positioned to navigate future challenges while continuing to lead with quality.

We recently embarked on a thoughtful process to modernise and simplify Deloitte's storefront and go-to market strategy. Regarding Audit & Assurance, we are confident this modernised storefront will further enhance the quality of the engagements we deliver, align core skillsets and capabilities, and provide vibrant career paths for our people.



# Shaping the future of the profession

The provision of relevant and reliable financial and, increasingly, non-financial information is critical to both the capital markets and broader society. Policy makers, regulators, investors, company directors, audit committees, and auditors all have an important role so that users of corporate information have a clear and robust picture of uncertainties and risks in a company's business model to help support their informed decision making process.

Uncertainty and complexity are set to remain a central theme over the coming years, driven by heightened global challenges and the rapid advancement in technology.

In today's environment, a sharpened awareness regarding the heightened risk of fraud, the presence of emerging or evolving risk factors, and the need for effective internal control environments remains critical. Although the existing accounting frameworks have provisions for uncertainties, financial statement users and regulators should continue to expect a high degree of market and economic volatility in the near term.

Deloitte has consistently welcomed public statements and guidance issued by regulators that recognise uncertainties and emphasise the importance of high-quality, forward-looking corporate disclosures. Greater transparency benefits the public, just as raising awareness about these issues, especially when all corporate reporting ecosystem stakeholders

participate. More clarity about the unique and complementary responsibilities of management, audit committees, entities, auditors, regulators, and other stakeholders enables the investing public to hold accountable these parties in a way that effectively serves the public interest.

The value of high-quality audit and assurance services is not diminished in global unrest. Rather, investors and other stakeholders continue to call for professional services based on independence and objectivity-based principles and practices to engender trust and inspire confidence in the capital markets—and Deloitte is committed to leading the way.

Deloitte Nigeria's commitment to serving the public interest—especially as it relates to behaving according to the highest standards

of ethics, integrity, independence, and transparency is steadfast. Deloitte is keenly aware of the gravity of responsibility that comes with meeting professional obligations and discharging its role as auditors within the corporate reporting ecosystem globally. The following principles remain at the forefront and are continuously reinforced with Audit & Assurance practitioners:

- Exercise professional scepticism and due professional care.
- Critically evaluate the quality of audit evidence obtained and determine whether it is sufficient and appropriate to address relevant risks.
- Make well-reasoned professional judgments supported by clear documentation.
- Foster a culture of excellence and consultation.



- Demonstrate commitment to integrity and ethical behavior, including compliance with regulatory and professional obligations.
- Stay connected and support one another.

Deloitte is committed to establishing a meaningful vision for the profession's future which addresses society's shifting needs.

We are continually innovating to improve our effectiveness through technology, data, and ways of working. In parallel, the role of audit and assurance in the corporate reporting ecosystem, its responsibility to act in the public interest, and its evolving contribution to societal value remains at the forefront of our work in this area. Through proactive engagement with a range of stakeholders, we seek to understand today's rapidly developing issues faced by society (e.g., ESG, cyber, AI, data privacy, etc.) and the role that audit and assurance can play in responding and driving change for the better.

We strive to engage with these parties, both formally and informally, to share, offer, and debate ideas that foster our collective ambition to ensure the ongoing and growing relevance of audit and assurance to the capital markets.



# Professional development and performance management

Deloitte's culture of excellence and the design of learning programs place people at the forefront. Deloitte practitioners are technically proficient with high levels of ethics, integrity, professional scepticism, and objectivity, applying their judgement and experience with passion and commitment. We are continuously enhancing our skillsets, knowledge, and experience to go beyond the expected and deliver meaningful impact.

Deloitte is committed to delivering an unrivalled talent experience, developing practitioners, and furthering their careers by creating a life-long learning environment—advancing education, skillsets, and flexible career options that appeal to auditors of today and tomorrow.

Deloitte practitioners bring diverse backgrounds, knowledge, and skills that enhance capabilities as an organisation in delivering the highest quality. We support and empower our people to achieve their full potential by valuing and demonstrating diversity, equity, inclusion, and wellbeing.

Deloitte recognises and rewards its Audit & Assurance practitioners and professionals and makes meaningful investments in their futures.

## Learning and development initiatives

Deloitte's transformed approach to delivery is changing the experience for practitioners. Teams are empowered by advanced tools and technologies and more extensive use of data and analytics within a guided workflow to execute the end-to-end audit. For Deloitte practitioners, this means focusing on how the engagement is planned, executed, and managed consistently across the globe using our innovative techniques and capabilities. It also offers opportunities to enhance their technical and professional skillsets and competencies. For example, the following skills remain as important as ever—enhanced data analytics, project management, critical thinking, communication, professional judgement, and the application of accounting and auditing principles to work more effectively and deliver high-quality engagements. As capabilities and skillsets are enhanced, we build greater confidence and become ever-better evaluators of risk.

Deloitte has made substantial investments in talent and learning strategies and transformed the technical curriculum to build the refreshed skillsets and proficiency required by level:

- At the core, Deloitte has a single, global

mandatory audit technical learning curriculum, tailored for learners by level, using a dynamic blend of live instructor-led, digital on-demand courses, and on-the-job activities.

- In addition to the specialist learning opportunities, Deloitte's assurance learning offering is being expanded to respond to emerging business needs.

All client service practitioners are required to follow the firm's learning requirements for their roles and complete sufficient continuing professional development (CPD) each year on an outcome basis to ensure compliance with regulatory requirements. The mandatory learning curriculum is delivered to practitioners as follows:

- In person learning: These courses are developed globally and supplemented with local content based on the current needs of the practice.
- E-learning curriculum: This is global content on new emerging issues, as well as reinforcement of current principles.
- Audit Quality Webcasts which are attended by all partners and senior practitioners across the member firm: These webcasts allow for topical information and learning to be shared on a frequent and timeous

basis, including common practice review and external review findings, and new and emerging issues.

- Consequence management is enforced when learning is not completed timeously.
- Deloitte has also established specific learning opportunities for specialists working on audit engagements to support their knowledge and understanding of the audit process. All specialists are required to complete these courses before working on an audit engagement. The objective of the Deloitte Nigeria professional development programme is to help partners and practitioners maintain and enhance their professional competence and ensure consistency of execution. To supplement on-the-job development, the firm provides formal continuing professional development programmes in relevant subject areas consistent with the Deloitte Global Audit & Assurance Curriculum.







## Audit & Assurance Leadership appointments

Critical Audit & Assurance leadership roles are clearly defined. A role profile and key performance indicator framework provides a basis for consistent leadership appointments and evaluations across the Deloitte Audit & Assurance network, and align member firm and Deloitte Global Audit & Assurance strategic objectives. Deloitte has introduced globally consistent standards for member firm Audit & Assurance leaders, including Audit & Assurance Business Leaders, Audit & Assurance Quality Leaders, and Audit & Assurance Risk Leaders through clearly defined roles, responsibilities, and expected success outcomes. These inform objective setting and evaluation processes and reinforce Deloitte's culture of quality and excellence. Robust monitoring of succession planning helps ensure Deloitte is developing and appointing the appropriate individuals with the capabilities to achieve these consistent standards.

## Remuneration

Execution of high-quality is expected from all practitioners and is embedded across the Deloitte network. This is recognised through reward and recognition programmes and is built into performance standards at every level, against which practitioners' overall evaluations are measured.

In accordance with global policies, Deloitte Nigeria's partners are evaluated on an annual basis, and depending on the outcome of the evaluation, the remuneration of partners may increase or decrease. The evaluation includes

consideration of quality; based on regulatory and internal quality review outcomes; independence; and compliance with all relevant regulatory and internal policy requirements.

## Attraction and retention

The current environment for talent is extremely competitive and attraction and retention of our people is a strategic priority for Deloitte. Deloitte is focused on transforming the Audit & Assurance talent experience, including reimagining the ways of working to improve retention and further advance the diversity, equity, and inclusion (DEI), and wellbeing of Deloitte people. We are looking at opportunities to collectively expand the talent experience. This focus on our people and retention of top talent enhances Deloitte's ability to deliver high-quality.

Deloitte continues to receive recognition and awards across the globe for its commitment to delivering an unrivalled talent experience for its people [Awards and recognition | Deloitte Global](#).

# Deloitte's priority focus on quality

Deloitte's commitment to quality is central to everything we do. We consistently deliver on this commitment by instilling a culture of quality, integrity, and excellence across the network, establishing business and financial priorities, and developing effective processes, tools, and technologies applied in the execution of engagements. Deloitte's brand is defined by the high-quality audit and assurance services delivered and by the unwavering commitment to continuous improvement of our systems of quality management. Keeping pace with emerging economic, business, and regulatory conditions, as well as technological advances, is critical to the continual enhancement of Deloitte's role in protecting the public interest and supporting the effective functioning of the corporate reporting ecosystem.

## Leadership commitment and tone at the top

Deloitte's culture of quality, integrity, and excellence begins with a strong tone from the top—from senior leadership through to the leaders in all our offices and audit and assurance engagements. This commitment is demonstrated through the direct involvement of leaders in initiatives emphasising that quality and professional behavior are the highest priority for audit and assurance practitioners at all levels and consistent messaging that reinforces the importance placed on executing

high-quality engagements. Deloitte sets high ethical standards for the conduct of all its professionals and embeds integrity expectations into the Deloitte Global Principles of Business Conduct.

Deloitte's relentless pursuit of quality defines not just what we do, but who we are.

## System of quality management (SQM)

Deloitte believes an effective SQM is crucial for the consistent performance of high-quality engagements, and we continue to make significant investments in our people, processes, and technologies that underlie Deloitte's quality management processes.

Regulators and standard setters in Nigeria and globally are also focused on the effectiveness and continued improvements in firms' SQMs. The firm complies with ISQM 1 which requires annual evaluation of the SQM.

ISQM 1 introduces a risk-based approach to the SQM that require firms to respond to quality objectives and risks to our ability to execute high-quality audits in the following areas:

- 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 effective implementation of ISQM 1 has been and remains a key element of Deloitte's global audit and assurance quality strategy.

As part of the implementation of ISQM 1, quality objectives, quality risks and responses were formalised and brought together in a globally consistent technology platform to facilitate the design and maintenance of the system, as well as the operation through tri-annual self-assessments by business process owners and reporting capabilities to support the required annual evaluation.

The firm continues to work with leaders across the firm, as well as the broader network, to further enhance our proactive approach to managing the quality of engagements performed. Identifying and addressing risks to quality and driving continued advancements in quality management processes serves us well into the future as the environment within which we operate continues to evolve and become increasingly complex.

Consistent with Deloitte's culture of continuous improvement and innovation, the firm's efforts relating to ISQM 1 and our SQM provide us the opportunity to continually challenge ourselves—examining those areas where we can further enhance and transform our SQM. Quality is always front and center, and robust quality monitoring processes play an integral role in our ability to continually improve.

ISQM 1 requires an annual evaluation of the SQM. The firm performed its annual evaluation of its SQM as of 31 May 2024.

#### **Conclusion on the effectiveness of the SQM**

The firm is responsible for designing, implementing, and operating a SQM for audits or reviews of financial statements, or other assurance or related services engagements performed by the firm, that provides the firm with reasonable assurance that the objectives of the SQM are being achieved.

The objectives are:

- The firm and its personnel fulfill their responsibilities in accordance with professional standards and applicable legal and regulatory requirements, and conduct engagements in accordance with such standards and requirements; and
- Engagement reports issued by the firm or engagement partners are appropriate in the circumstances.
- The firm conducted its evaluation.

The firm concluded that the SQM provides the firm with reasonable assurance that objectives of the SQM are being achieved as of 31 May 2024.

Reasonable assurance is obtained when the SQM reduces to an acceptably low level the risk that the objectives of the SQM are not achieved. Reasonable assurance is not an absolute level of assurance, because there are inherent limitations of a system of quality management.

#### **Independence, objectivity, and professional scepticism**

The execution of high-quality audit and assurance engagements requires independence, objectivity, and professional scepticism. This means a continuous and tangible focus on Deloitte's critical role in serving the public interest, including creating a culture of quality where doing the right thing is of paramount importance. Deloitte consistently reinforces the important role of auditors as independent evaluators who must maintain a professional scepticism throughout our work. This approach is reflected in Deloitte policies, methods, procedures, and learning, and is further strengthened through quality management and accountability measures.

#### **Audit & Assurance approach**

Deloitte's approach to performing a high-quality engagement involves the use of audit and standards-based assurance methodologies, common across the Deloitte network, supplemented by tools for use by our practitioners to plan, perform, supervise, review, document, conclude, and communicate the results of each engagement. Deloitte's approach is underpinned by professional standards and the requirements of applicable laws and regulations.



Deloitte's audit methodology is risk-based, focusing on the financial statement account balances, disclosures, and underlying assertions that have a reasonable possibility of being materially misstated. Our methodologies are also dynamic—it evolves continuously to keep pace with the changing demands of investors, companies, and other stakeholders. It recognises that advances in the availability and management of large data sets and in statistical science are relevant to continuing to enhance the quality of Deloitte engagements.

### **Resources to support Deloitte practitioners in the execution of high-quality engagements**

The resources applied by Deloitte practitioners in the performance of their work include the proprietary tools, guidance, materials, and practice aids used in conducting engagements,

which are available to all our practitioners in the Deloitte Global Technical Library and Deloitte Global Research Portal, an extensive online library, and in our audit execution platforms EMS, Deloitte Omnia, and Deloitte Levvia. These resources drive greater standardisation and consistency across Deloitte firms. Deloitte regularly issues guidance to our practitioners and communicates developments that should be factored into audit risk assessments and responses to maintain and drive quality execution.

### **Consultation**

Quality and risk management considerations are integral to Deloitte's audit and assurance business and to the performance of engagements. That is why Deloitte views consultation as an essential, collaborative

process—one that involves robust challenge and helps determine the most appropriate answers to complex questions. Deloitte has identified circumstances where consultation outside of the engagement team is required to demonstrate an appropriate level of professional judgement and the exercise of professional scepticism.

Deloitte consultation policies require that conclusions are documented, understood, and implemented. Based on the consultation process effectiveness is Deloitte's investment in consultation resources with the appropriate skills and expertise. In addition to formal consultations, whenever engagement partners and teams need additional information or perspectives, they are encouraged to seek assistance from the Audit Quality & Risk team, or others in the organisation with specialised knowledge.





# External and internal quality monitoring

## Monitoring of quality

A continued focus on quality is of paramount importance to the Deloitte brand. It is critical that a Deloitte engagement is consistently executed and of high-quality, wherever in the world it is performed.

The objective of monitoring and remediation processes are to provide relevant, reliable, and timely information about the design, implementation, and operation of the SQM to leadership to enable appropriate and timely actions to be taken to respond to identified deficiencies. This includes identifying deficiencies and good practices in the SQM and assessing the effectiveness of remedial actions in driving improvements in audit quality.

## SQM monitoring

SQM monitoring is an integral part of Deloitte Africa's monitoring activities and considers relevant requirements in ISQM 1, as well as evaluating the design, implementation and operating effectiveness of responses that address the quality risks that have been identified for the firm.

Key components of SQM monitoring include:

- Risk-based approach to selecting business

processes, quality risks and responses to monitor.

- Mandatory moderation panel to drive consistency in evaluating findings and deficiencies.
- Quality Management Observers and deputies, independent of Deloitte Africa, who drive global consistency by providing input and sharing best practices for monitoring programmes.
- Identifying appropriate resources (from within Deloitte Africa and from other Deloitte geographies or Deloitte Global) with the right experience.

Audit Quality Indicators (AQIs) are used in conjunction with other metrics to further assist Deloitte Nigeria in developing and monitoring quality action plans and reporting on the progress in its audit quality journey. The firm has the following AQI initiatives and reporting mechanisms:

- Monthly AQI reporting on our priority portfolio, comprising listed clients and large PIEs across Africa, which includes an assessment of various quality metrics.
- A monthly forum where results of the AQI reporting are discussed with the relevant Partners and if needed, remediation plans

are discussed and tracked in the next forum.

- Quarterly AQI reporting to Deloitte Global.
- Annual AQI reporting to Deloitte Global.

## Monitoring of in-process engagements

Continuous quality monitoring by Deloitte Nigeria involves the proactive identification of issues on in-process engagements in order to drive timely solutions and real time corrective actions. This is achieved through the following suite of activities:

- Deployment and monitoring of a series of core diagnostics, enabling engagement partners and teams, as well as Deloitte Nigeria audit and assurance quality leader(s) to continuously monitor quality and take immediate action.
- A programme of subject matter specific "health checks" to assist Deloitte Nigeria audit and assurance quality leader(s) in assessing progress and identifying potential issues on in-process engagements, specifically in relation to engagements where a limited assurance engagement on management's assessment of the Entity's internal control over financial reporting is performed.

- Results of monitoring in-process engagements are evaluated overall to determine if additional communication and support is needed for engagement teams regarding adherence to the methodology or updates thereto.

### Inspections of completed engagements

Key components of inspections of completed engagements include:

- Risk-based engagement selection and consideration of all major industries served by Deloitte Nigeria while considering and selecting all signing partners or partner equivalents on a cyclical basis.
- Mandatory moderation panel to drive consistency in findings and engagement ratings.
- Quality Management Observers and deputies, independent of Deloitte Nigeria,

who drive global consistency by providing input and sharing best practices for monitoring programs.

A central review team for Deloitte Africa with the right experience and industry knowledge, to perform consistent and fair inspections.

### External inspections

In addition to Deloitte firm's own monitoring of quality, we can be subjected to external monitoring by the Financial Reporting Council (FRC), the Institute of Chartered Accountants of Nigeria (ICAN), and the Public Company Accounting Oversight Board (PCAOB). However, we were not subjected to external inspection or review by FRC, ICAN or PCAOB within the FY24 financial year.

### Root cause analysis and remediation

Continuous improvement is essential to Deloitte's culture of quality and excellence. Understanding why engagement level findings and SQM deficiencies occur is critical to designing effective remedial actions. When engagement level findings or SQM deficiencies are identified, whether through internal or external monitoring activities, actions are taken to identify gaps and develop appropriate remediation activities. Remediation is imperative to drive continuous improvement in quality and avoid future similar findings. An audit quality remediation plan is prepared by Deloitte Nigeria and provides for effective implementation and monitoring of key audit quality priorities.



# Independence, ethics, and additional disclosures

## Deloitte Global Independence



Sets **independence policies and procedural expectations** based upon the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants and, where applicable, the independence standards of the US Securities and Exchange Commission and the Public Company Accounting Oversight Board.



Supports network services that a firm uses in the design, implementation, and operation of their system of quality management, including:

**Technical resources:** Global systems to provide its people with entity information to support compliance with personal and professional independence requirements, including financial interests, scope of service, and business relationship approvals.

**Intellectual resources:** Independence policy, e-learning, confirmation templates, monitoring instructions and other tools, templates, and guidance.

**Human resources:** Technical independence expertise, as required, which also informs potential enhancements to intellectual resources.



Participates In various elements of a firm's **system of quality management** monitoring and remediation process, as determined to be appropriate.



Promotes **independence awareness** across the Deloitte network through active engagement with independence and business leadership groups and periodic communications and alerts.

## Deloitte Nigeria Independence

Deloitte Nigeria has quality responses that address quality objectives and quality risks as they relate to the relevant ethical requirements for independence. These responses include policies and procedures that are based on expectations set out in Deloitte Global Independence policies, and which are supplemented, as appropriate, to reflect additional national or regional requirements that may be more restrictive than Deloitte Global policies. Deloitte Nigeria's leadership reinforces the importance of compliance with independence and related quality management standards, thereby setting the appropriate tone at the top and instilling its importance into the professional values and culture of Deloitte Nigeria. Strategies and procedures to communicate the importance of independence to partners, other practitioners, and support staff have been adopted, emphasising each individual's responsibility to understand and meet the independence requirements. The Director of Independence is responsible for overseeing independence matters within Deloitte Nigeria, including the design, implementation, operation, monitoring, and maintenance of the system of quality management related to independence.

As part of the firm's system of quality management, Deloitte Nigeria has:

- Implemented responses to address quality objectives and quality risks it has identified

for its key independence areas;

- Performed appropriate monitoring activities over its key independence areas; and
- Has appropriate independence governance in place.

The firm's key independence areas include:

- Client, engagement, and business relationships, including use of the independence business process tools, the Deloitte Entity Search and Compliance (DESC) system, and the Service Request Monitoring (SRM) application;
- Firm and personal financial relationships, including the use of the Global Independence Monitoring System (GIMS);
- Employment and other relationships;
- Independence confirmations;
- Independence consultations;
- Independence-related policies, communications, and learning;
- Breaches of independence requirements;
- Disciplinary measures for failure to adhere to applicable independence requirements.



### **DESC** - Deloitte Entity Search and Compliance

Global, searchable database containing specific entity information relevant in determining personal and professional independence restrictions



### **SRM** - Service Request Monitoring

Application integrated with DESC that provides a standard business process workflow for submitting and reviewing preapproval requests to provide services to and enter into business relationships with clients



### **GIMS** - Global Independence Monitoring System

Application that contains financial relationship data with relevant independence compliance indicators



## Long association requirements of audit partners and practitioners

When individuals are involved in audit engagements over extended periods of time, familiarity- and self-interest threats may arise. In order to address these threats Deloitte Africa has implemented an internal policy on the long association of partners and professional staff on audit and review engagements. The policy is based on local regulatory requirements, as well as the International Code of Ethics for Professional Accountants (IESBA Code).

In accordance with the Audit Regulation 2020 and the Deloitte Africa internal policies and procedures, Nigerian audit engagement partners of Public Interest Entities (PIEs) rotate from audit clients after a maximum of 5 years, and a maximum tenure of 7 years for non-PIEs audit clients. The key audit partner rotation is followed by a cooling-off period of 3 years. Engagement Quality Reviewers are also required to rotate after 5 years on a PIE audit client, followed by a 3-year cooling off period.

## Ethics

All Deloitte people are expected to act with integrity in accordance with high ethical standards as described in the Deloitte Global Principles of Business Conduct (“Global Code”). The Global Code is embedded into each member firm’s Code of Conduct and defines the commitments that all Deloitte people make regarding ethical standards, as well as explaining each individual’s responsibilities to their clients, colleagues, and society. In addition to the Global Code, other foundational elements of Deloitte’s ethics

programme include global policies, a programme of training and communications, and established reporting channels supported by defined incident management protocols. For continuous improvement, regular programme assessments and reviews are conducted, and feedback is collected from Deloitte people through an annual ethics survey.

Ethics at Deloitte is led by the Deloitte Global Chief Ethics Officer at the global level, and by member firm Ethics Officers at the local level, all of whom are experienced partners with direct access to the member firm’s CEO and governing body. Deloitte Global and member firm ethics leaders work together to continually monitor risk and to reinforce compliance with the Global Code.

Deloitte Nigeria maintains policies and procedures that build on global policies and are designed to provide reasonable assurance that its people comply with relevant ethical requirements.

The ethical requirements for audit and related assurance services provided by Deloitte Nigeria are prescribed by the Financial Reporting Council of Nigeria (Amendment) Act 2023. Deloitte Nigeria also complies with Deloitte Global policies and procedures, which align with the requirements and guidance set out in the international Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, a standard-setting body of the International Federation of Accountants (IFAC). When Financial Reporting Council of Nigeria (Amendment) Act 2023 are more restrictive than the Deloitte Global policies

and procedures, Deloitte Nigeria follows the applicable Financial Reporting Council of Nigeria (Amendment) Act 2023.

Deloitte Nigeria reinforces its commitment to ethics and integrity through communication tools, learning programmes, compliance processes, and measurement systems for all people. Learning includes but is not limited to targeted content for onboarding, manager and senior manager promotion, partner admission, independent contractors, and refresher programmes every two years. Recent global training topics have included a focus on the importance of owning up to one’s mistakes, being an active bystander, navigating personal relationships in the workplace, demonstrating respect, integrity and professionalism on social media, and ethical learning. Courses have included a confirmation that professionals are aware that answers should not be shared with others and doing so would constitute a violation of the Global Code. In addition, Deloitte Nigeria conducts ethics reviews of senior leaders and requires all partners, other practitioners, and support staff to confirm annually that they have read and comprehended the member firm’s Code of Conduct and understand that it is their responsibility to comply with it.

In November 2023, Deloitte Nigeria organised our Ethics Month, a six-day programme featuring engagement sessions with various service lines. During these sessions, practitioners discussed Deloitte’s Code of Professional Conduct, exploring different scenarios and the expected responses. Practitioners were encouraged to use the Speak Up platform to report any unethical behavior





they observed.

As part of the Ethics Month activities, firm wide communications reminded practitioners that Deloitte Africa's Code of Professional Conduct is essential for maintaining the integrity, reputation, and standards of Deloitte Africa. This code ensures that the actions of all practitioners contribute positively internally, to the business world, and to the larger society. A dedicated Chief Ethics Officer is appointed to drive our ethics strategy and programme.

We strongly believe that the tone at the top is critical to our ethics culture and as such leadership demonstrates ethical leadership not only in word, but also in the decisions and actions. As part of the drive to ensure an ethics culture, our Chief Ethics Officer regularly facilitates conversations with all partners, directors, and professional staff on topical issues. A functioning network of Ethics Champions across the firm assists in driving our ethics messaging throughout all service lines and all regions across the continent. Our annual ethics survey confirmed that 96% of respondents believe that Deloitte is an ethical workplace.



# Deloitte Global Ethics

Deloitte is committed to conducting business with honesty, distinctive quality, and high standards of professional behavior.

Deloitte's Global Principles of Business Conduct ("Global Code") outlines Deloitte's ethical commitments as a network and expectations for Deloitte's approximately 460,000 people, giving a strong, principled foundation. The foundations of the network's ethics program are comprised of the following elements:







# Appendix A | Financial information

Disclosure in accordance with Financial Reporting Council's Rule 12: Audit Transparency Report  
The breakdown of the Deloitte Nigeria's 2024 financial year revenue:

FY24		
Audit and Related Services to Audit clients:	Naira (Billion)	Naira (Billion)
Statutory audit for Public Interest Entities (PIEs)		8.2
Statutory audit for Non-Public Interest Entities		7.3
Audit Support Services		5.8
Permissible Assurance Services		0.8
Non-audit services to non-audit clients:		
Assurance Services	2.4	
Advisory and other Services	26.0	
Sub-Total		28.4
<b>Total</b>		<b>50.5</b>



# Appendix B

## FY24 Public Interest Entities (PIE) Audit Clients

Name
AB Microfinance Bank Limited
Adino Financial Services Limited (Adino Capital Limited)
Adino Partners Limited
Advans La Fayette Microfinance Bank Limited
Afam Power
Afriland Properties Plc
Airtel Mobile Commerce Nigeria Limited
Airtel Networks Limited
Apapa SPM Limited
Aradel Energy Limited
Aradel Holdings Plc
Aradel Refineries Limited
ARM Agribusiness Fund Managers Limited
ARM Harith Investment Fund Limited
ARM Investment Managers Limited
ARM Pension Managers (PFA) Limited
ARM Private Equity Fund (managed by ARM Capital Partners)
ARM Securities Limited
ARM Traditional Asset Management Company Limited
ARM Trustees Limited

Name
Asset and Resources Management Holding Company
ATC Nigeria Wireless Infrastructure Limited
Atlantic Shrimpers Limited
Babban Gona Farmer Services Nigeria Limited
Beloxxi Industries Limited
Branch International Financial Services
Champions Breweries Plc.
Chapel Hill Advisory Partners Limited
Chapel Hill Denham Management Limited
Chevron Company Pension Fund Administrator Limited
CitiHomes Finance Company Limited
Clane Company Nigeria Limited
Credit Direct Limited
Custodian and Allied Insurance Limited
Custodian Investment Plc
Custodian Life Assurance Limited
Dangote Fertilizer Limited
Dangote Industries Limited
Dangote Oil Refining Company Limited (DORC)
Dangote Petroleum Refinery and Petrochemicals FZE
DHL International Limited



Name
DLM Advisory Partners Limited
DLM Asset Management & Research Company Limited
DLM Capital Group Limited
DLM FX Company Limited
DLM Securities Limited
DLM Trust Company Limited
Dufil Prima Foods Plc
ECM Terminals Limited
Ecobank Transnational Incorporated
EDC Fund Management Limited
EDC Limited Togo
EKO Hotels Limited
Emerging Africa Trustees Limited
Emerging Markets Telecommunication Services (EMTS - Etisalat)
Enageed Resource Limited
Energia Limited
Eterna Plc
FBN Insurance brokers Limited
FCMB Capital Markets Limited
FCMB Group Plc
FCMB Pensions Managers Limited
Fidelity Bank Nigeria
Fidson Healthcare Plc
Financial Derivatives Company Limited
FINCA Microfinance Bank Limited

Name
FIRST ALLY ASSET MANAGEMENT LIMITED
First City Monument Bank (FCMB) Limited
First Independent Power Limited
Five Star Logistics Limited
Frontier Capital Alternative Assets Limited
GlaxoSmithKline Consumer Nigeria Plc
Global Accelerex Limited
Greenview International Corporation
Habenera Nigeria Limited
Harith Investment Company Limited (Manager)
Harith Investment Fund Limited
Indorama Eleme Fertilizers & Chemicals Limited (IEFCL)
Ipnx Nigeria Limited
Jaiz Bank PLC
JUBAILI BROS. (ENG) LIMITED
KEPCO Energy Resource Nigeria Limited
Lekki Port LFTZ Enterprise Limited
Lighthouse Capital Limited
Lighthouse Finance Limited
Lighthouse Registrars Limited
Links Microfinance Bank Limited
LM Ericsson Nigeria Limited
Lotus Bank Limited
Lotus Capital Limited
Lotus Financial Services Limited



Name
Lucky Fibres (Nigeria) Limited
Main One Cable Company Nigeria Limited
MOUKA LIMITED
MRS Oil Nigeria Plc
NatCom Communications Limited
Nathan Finance Company Limited
Netcodietsmann Company Limited
New Electricity Distribution Company Limited
Newcross Petroleum Limited
Nigerian Breweries Plc
North South Power Limited
Notore Chemical Industries Plc
Now Now Digital Systems Limited (Contec Global Limited /Pay Now Now)
NPF Microfinance Bank Plc
Old Mutual General Insurance Company Limited
Old Mutual Life Assurance Company Limited
Old Mutual West Africa Company Limited
OVH Energy Marketing Limited
Page Asset Management Limited
PAL Pensions - Audit of UNICO Fund only
Parallex Bank Limited
Pernod Ricard Nigeria
Premium Trust Bank Limited
Presco Plc
Procter and Gamble Nigeria Limited

Name
Riparian Farming Limited
Roomans Insurance Brokers Limited
Royal Exchange General Insurance Company Limited
SCIB Nigeria & Co. Limited
Smartcash Payment Service Bank Limited
Smile Communications Nigeria Limited
Sparkle MicroFinance Bank Limited
Stanbic IBTC Pension and other funds
Sterling Financial Holdings Company Plc
Sundry Foods
Suntrust Oil Company Nigeria Limited
Tak Agro & Chemicals Limited (Tak Fertilizer Limited)
TangerineAPT Pensions Limited (8 Funds)
The Mauritius Commercial Bank Representative Office in Nigeria
Transcorp Hotels Plc
Transcorp Power Limited
Transnational Corporation of Nigeria Plc
UACN Property Development Company (UPDC) Plc
United Capital MUTUAL FUNDS
WIOCC Nigeria Limited



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