

AFIAAR Member Profile 2025: -

<b>1.Jurisdiction</b>	<p><b>1.1 Insert the name of the jurisdiction in English:</b></p> <p><b>NIGERIA</b></p>
<b>2.Member</b>	<p><b>2.1 Insert the name of the AFIAAR Member, both in English and the in the local language:</b></p> <p><b>FINANCIAL REPORTING COUNCIL OF NIGERIA (FRC)</b></p> <p><b>2.2 Include relevant contact information, including address, telephone numbers, email and a link to the Member's website</b></p> <ul style="list-style-type: none"> <li>• <b>4th and 5th Floors, Alexander House Plot 8, Otunba Jobi Fele Way (By Japaul House) Central Business District Alausa, Ikeja, Lagos. Nigeria</b></li> <li>• <b>+234 7074603191 +234 7074603192</b></li> <li>• <b>enquiries@frcnigeria.gov.ng</b></li> <li>• <b><a href="https://frcnigeria.gov.ng/">https://frcnigeria.gov.ng/</a></b></li> </ul> <p><b>2.3 Include the basis for establishment of the Member, as well as the legislation or regulations which provide the Member the authority/mandate with respect to accounting and auditing regulation. Please describe with an appropriate level of detail the mission and responsibilities of the Member with respect to accounting auditing regulation:</b></p> <p><b>The Financial Reporting Council (FRC) of Nigeria was established by the Financial Reporting Council of Nigeria Act, No. 6, 2011 (as amended in 2023), which provides its legal mandate to regulate accounting, auditing, actuarial practice, valuation, sustainability reporting, and corporate governance in Nigeria. The FRC promotes</b></p>

	<p>high-quality financial reporting and auditing standards that foster transparency, accountability, and investor confidence.</p> <p>It is responsible for setting and enforcing accounting and auditing standards in line with international best practices, monitoring financial statements of public interest entities, overseeing the audit profession, implementing corporate governance codes, and providing technical guidance and capacity building. It also collaborates with domestic and international stakeholders to strengthen the financial reporting ecosystem.</p> <p><b>2.4 Please indicate whether the Member has responsibility for the following tasks within the area of Audit Oversight:</b></p> <p>Licensing <input type="checkbox"/> NO (The FRC registers professionals, firms and other PIEs)</p> <p>Registration <input checked="" type="checkbox"/> YES</p> <p>Audit and/or Ethics Standards Setting <input checked="" type="checkbox"/> YES</p> <p>Permanent Education / Continuous Training of Auditors <input checked="" type="checkbox"/> YES</p> <p>Inspection <input checked="" type="checkbox"/> YES</p> <p>Enforcement <input checked="" type="checkbox"/> YES</p> <p>Accounting and Sustainability Standards Setting <input checked="" type="checkbox"/> YES</p> <p>Review of Financial Statements <input checked="" type="checkbox"/> YES</p> <p>Oversight over professional bodies <input checked="" type="checkbox"/> YES</p> <p>Other: <u>Development and Implementation of codes of corporate Governance</u></p>
<p><b>3. Governing body composition, members and the process of appointing members</b></p>	<p><b>3.1 Describe with an appropriate level of detail the current composition and process of appointment of the Member's governing body, including, where possible, the names, the organization they represent (if any) and brief backgrounds of the governing body members, or provide a link to a page on your website where this information is provided.</b></p> <p>The governing body of the Financial Reporting Council of Nigeria, referred to as the Board, is constituted in accordance with Section 2 of the FRC Act (as amended in 2023) and comprises representatives nominated by key professional bodies, regulatory agencies, and relevant government ministries and institutions, including but not limited to the Institute of Chartered Accountants of Nigeria, the Association of National Accountants of Nigeria, and the Offices of the Accountant-General and Auditor-General of the Federation. Members are nominated by their respective organizations, while the Chairman and the Executive</p>

	<p>Secretary/CEO are appointed by the President of the Federal Republic of Nigeria. The Board oversees the strategic direction and regulatory functions of the Council, while day-to-day operations are managed by a dedicated executive team.</p>
	<p><b>3.2 What are the eligibility criteria / requirements and composition requirements for the members of the governing body? E.g. Does national legislation require representatives on the governing body from certain organizations, or with specific experience, etc.</b></p> <p>In accordance with Section 2 of the Financial Reporting Council of Nigeria Act (as amended in 2023), the governing body of the Council—referred to as the Board—shall consist of representatives from designated professional bodies, regulatory agencies, and government institutions. These include, but are not limited to, the Institute of Chartered Accountants of Nigeria (ICAN), the Association of National Accountants of Nigeria (ANAN), the Office of the Auditor-General for the Federation, the Office of the Accountant-General of the Federation, and relevant ministries.</p> <p>These representatives are nominated by their respective organizations and appointed by the Honorable Minister of Industry, Trade and Investment. They are required to have the experience needed for the board committee in which they are to serve.</p> <p>The Chairman of the Board and the Executive Secretary/Chief Executive Officer are both appointed by the President of the Federal Republic of Nigeria.</p>
	<p><b>3.3 Is there a restriction or recusal process that is applicable to members of the governing body of the Member who are current or former auditors/practitioners?</b></p> <p>Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> (YES)</p> <p>Does this include a “cooling-off” period for former auditors?</p> <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No (YES)</p> <p>If yes to either of the above, please describe:</p> <p>Yes, there is a restriction and recusal process applicable to members of the governing body of the Financial Reporting Council of Nigeria who are current or former auditors/practitioners. Any</p>

	<p>member who has a conflict of interest—whether due to current or prior professional relationships—is required to disclose such conflicts and refrain from participating in related discussions or decisions.</p> <p>This ensures objectivity and maintains the integrity of the Council’s oversight functions. Additionally, there is a “cooling-off” period, which restricts former auditors or practitioners from participating in regulatory matters involving their former firms or clients for a defined period after leaving practice, thereby preventing undue influence and ensuring independence in decision-making.</p>
<p><b>4. Independence</b></p>	<p><b>4.1 Please describe the national independence requirements for the governing body and its members, and legal or regulatory requirements/provisions in place that safeguard their independence from the audit profession.</b></p> <p>In Nigeria, the independence of the governing body and members of the Financial Reporting Council is safeguarded by the provisions of the FRC Act, 2011 (as amended in 2023). The Act requires that members of the governing board act in the public interest and prohibits them from engaging in decisions where a conflict of interest exists.</p> <p>To protect independence from the audit profession, members are required to declare any affiliations or prior engagements that could impair objectivity. There is also provisions for recusal in cases of potential bias a “cooling-off” period during which former auditors or practitioners are restricted from participating in regulatory matters involving their previous firms or clients.</p> <p>Furthermore, the composition of the governing body—drawn from a diverse range of institutions including regulatory agencies, government ministries, and professional bodies—ensures no single interest group, including the audit profession, can dominate decision-making. These legal and structural safeguards are designed to uphold the integrity, impartiality, and independence of the Council’s oversight functions.</p> <p><b>Are employees of the Member covered by the same or separate set of independence requirements?</b></p> <p><input checked="" type="checkbox"/> Same set of requirements <input type="checkbox"/> Different set of requirements</p>

	<p><b>If there are separate independence requirements for employees, please describe:</b></p> <hr/> <p><b>4.2 Are there any additional safeguards in place that provide for the Member's overall independence from the audit profession? E.g. through the appointment process, specific Board actions, etc.</b></p> <p>Yes <input checked="" type="checkbox"/> No <input type="checkbox"/></p> <p><b>If yes, please describe:</b></p> <p>Yes, the Financial Reporting Council of Nigeria has several safeguards to ensure its overall independence from the audit profession. These include a diverse appointment process for its governing board, drawing members from various professional bodies, regulatory agencies, and government ministries to prevent dominance by any single group. The Chairman and Executive Secretary/CEO are appointed by the President, further ensuring institutional independence.</p> <p>The FRC Act mandates public interest as the guiding principle. the Council operates under the oversight of the Federal Ministry of Industry, Trade and Investment, and key regulatory actions involve broad stakeholder input, reinforcing its autonomy and objectivity.</p>
<p><b>5. Funding Arrangements</b></p>	<p><b>5.1 Describe the main funding arrangements of the Member, including the setting and approval of the budget:</b></p> <p>The Financial Reporting Council of Nigeria is primarily funded through internally generated revenue, including registration fees, annual levies, and service charges from regulated entities such as public interest entities, professional firms, and individuals.</p> <p>The Council prepares its annual budget, which is first approved by its governing board and subsequently reviewed and approved by relevant government institutions, ensuring accountability, transparency, and alignment with national regulatory priorities.</p> <p>This funding structure supports the Council's operational independence and sustainability.</p>

	<p><b>5.2 Is the funding free from undue influence by the profession?</b></p> <p>Yes <input checked="" type="checkbox"/> No <input type="checkbox"/></p> <p>Please describe with an appropriate level of detail the safeguards in place to prevent undue influence by the profession:</p> <p>Yes, the funding of the Financial Reporting Council of Nigeria is designed to be free from undue influence by the accounting and auditing profession, with several practical safeguards in place to protect its independence. These include a diversified funding structure; a multi-stakeholder board with broad representation; the presidential appointment of key leadership; government oversight of the budgeting process; statutory audits by the Auditor-General; transparent and standardized fee structures; and mandatory conflict of interest disclosures by board members and senior officials.</p> <p><b>5.3 Which of the categories below represents the funding regime of the oversight body?</b></p> <p>a) State funding <input type="checkbox"/>  b) Fees levied directly on auditors/audit firms <input type="checkbox"/>  c) Fees levied on professional organisations <input type="checkbox"/>  d) a) and b) <input type="checkbox"/>  e) a) and c) <input type="checkbox"/>  f) a), b) and c) <input type="checkbox"/>  g) Other <input type="checkbox"/> Provide details: <b>b&amp;c</b></p>
<p><b>6.Audit Market</b></p>	<p><b>6.1 Provide the number of audit firms subject to inspections. Include an indication of the number of public interest audits (PIEs) and other audits that fall under the Member's oversight or mandate.</b></p> <p>The Financial Reporting Council of Nigeria oversees inspections of all audit firms within its mandate, with specific focus depending on the scale of their public interest work. Firms auditing more than 20 public interest entities (PIEs) are subject to annual inspections, while those auditing fewer than 20 PIEs undergo inspections at least every three years.</p> <p>In addition, the FRC retains the authority to initiate special inspections at any time when warranted by risk or concerns</p>

	<p>However, the exact number of firms in each category—those auditing more than 20 PIEs versus those below that threshold—is not publicly disclosed by the Council</p> <p><b>6.2 Please describe the sizes (in terms of revenue / number of listed entity clients / number of partners and audit staff / etc. – whichever measure is commonly used and available in your jurisdiction) and market shares of each of the largest 6 audit firms in the Member’s jurisdiction.</b></p> <p>In Nigeria, the audit market is highly concentrated, with the Big Four firms—KPMG, Ernst &amp; Young (EY), PricewaterhouseCoopers (PwC), and Deloitte—dominating the market share in terms of audit fees from listed entities. These firms also lead in terms of number of listed clients, partners, and audit staff, although exact figures are not publicly disclosed. Mid-tier firms such as BDO, Baker Tilly, and Nexia Agbo Abel &amp; Co. hold only a minor share of the market, primarily serving smaller or niche clients.</p>
<p><b>7, Inspection/Audit Quality Review System</b></p>	<p><b>7.1 Does the Member have the responsibility for recurring inspections of audit firms undertaking audits of public interest entities (PIEs)?</b></p> <p>Yes <input checked="" type="checkbox"/> No <input type="checkbox"/></p> <p><b>7.2 Is this responsibility undertaken directly or through oversight of inspection conducted by another organisation?</b></p> <p>Directly <input checked="" type="checkbox"/> Through Oversight <input type="checkbox"/></p> <p>If directly, please describe the responsibility, including the follow-up and reporting process, and the regulatory measures available to be taken as a result of inspections (if described in Question 15 Enforcement, please reference that section for details on such measures).</p> <p>Yes, the Financial Reporting Council of Nigeria is directly responsible for recurring inspections of audit firms that audit public interest entities (PIEs). Firms auditing more than 20 PIEs are inspected annually, while others are inspected at least once every three years.</p>

The FRC conducts these inspections to assess compliance with auditing standards and ethical requirements, and issues detailed reports requiring corrective actions. Firms are expected to respond and implement improvements, and where deficiencies persist, the FRC may impose regulatory measures such as sanctions, suspension, etc as outlined in the enforcement provisions.

If through oversight of another organisation, please describe with an appropriate level of detail the other organization, its relation to the Member, its role, and the arrangements for oversight by the Member:

**7.3 Please describe with an appropriate level of detail the requirements and practices regarding the frequency of inspections:**

The Financial Reporting Council of Nigeria follows a risk-based approach to audit firm inspections, requiring annual inspections for firms that audit more than 20 public interest entities (PIEs), while those auditing fewer PIEs are inspected at least once every three years.

Additionally, the FRC may conduct special or ad-hoc inspections in response to concerns such as complaints, whistleblower reports, or suspected audit failures. This approach ensures regular oversight while allowing flexibility to address emerging risks and uphold audit quality.

**7.4 Does the Member have its own inspection staff, use reviewers from the professional body or sub-contract to third parties, independent contractors, etc. for the conduct of inspections? Please tick the boxes that apply: (multiple responses allowed) Note that there is no need to tick a box if non-employee reviewers are used very occasionally and are not a core staffing approach.**

☒ **Employees of the Member**      ☐ **Professional body**  
☐ **Third Parties**      ☐ **Other**

**Please explain below:**

The Financial Reporting Council of Nigeria conducts inspections primarily through its own in-house inspection staff. These are full-time employees of the Council who are qualified professionals



	<p>with expertise in auditing, accounting, and regulatory compliance. The inspection team operates under the Directorate of Auditing Practice Standards and is responsible for planning, executing, and reporting on audit firm inspections.</p>
<b>8. Licensing</b>	<p><b>8.1 If the Member has the responsibility for Licensing of auditing firms, please indicate whether this responsibility is undertaken directly or through oversight of Licensing conducted by another organisation?</b></p> <p> <input type="checkbox"/> Directly           <input checked="" type="checkbox"/> Through Oversight         </p> <p>If directly, please describe the responsibility, including any changes, with an appropriate level of detail.</p> <p>If through oversight, please indicate the name of the other organisation and its composition. Also, give a description of the powers of the other organisation and procedure applied, as well as the role of the Member in these procedures.</p> <p>The Financial Reporting Council of Nigeria exercises oversight over the Institute of Chartered Accountants of Nigeria (ICAN) and the Association of National Accountants of Nigeria (ANAN), which are responsible for licensing individual auditors and accountants.</p> <p>Both ICAN and ANAN are established by Acts of the National Assembly and are governed by councils comprising representatives from various sectors. While they handle professional certification and licensing, the FRC oversees their regulatory processes to ensure alignment with national standards and international best practices.</p> <p>The FRC also collaborates with them on standard-setting, quality assurance, and other relevant matters, particularly for auditors of public interest entities, to uphold professional competence, ethical conduct, and public interest.</p>
<b>9. Registration</b>	<p><b>9.1 If the Member has the responsibility for Registration of individual audit practitioners, please indicate whether this</b></p>

	<p>responsibility is undertaken directly or through oversight of Registration conducted by another organisation?</p> <p><input checked="" type="checkbox"/> Directly <input type="checkbox"/> Through Oversight</p> <p>If directly, please describe the responsibility, including any changes, with an appropriate level of detail.</p> <p>The Financial Reporting Council of Nigeria undertakes the responsibility for the direct registration of individual audit practitioners, particularly those who audit public interest entities (PIEs). In line with the provisions of the FRC Act, 2011 (as amended), all individual auditors performing statutory audits of PIEs are required to register with the FRC, in addition to any membership they may hold with professional bodies such as ICAN or ANAN.</p> <p>If through oversight, please indicate the name of the other organisation and its composition (i.e. whether practitioners from the audit profession are involved in decision-making). Also, give a description of the powers of the other organisation and procedure applied, as well as the role of the Member in these procedures.</p>
<p><b>10. Auditing and Ethics Standards Setting</b></p>	<p><b>10.1</b> If the Member has the responsibility for Audit and/or Ethics Standard Setting, please indicate whether this responsibility is undertaken directly or through oversight of Audit and/or Ethics Standard Setting conducted by another organisation?</p> <p><input checked="" type="checkbox"/> Directly <input type="checkbox"/> Through Oversight</p> <p>If directly, please describe the responsibility, including any changes, with an appropriate level of detail.</p> <p>The Financial Reporting Council of Nigeria is directly responsible for setting audit and ethics standards through its Directorate of Auditing Practice Standards. In line with the FRC Act (as amended), it adopts and enforces standards aligned with international best practices, including those issued by the IAASB and IESBA. The Council also issues local guidance to address Nigeria-specific needs.</p>

	<p>Recent amendments to the Act have strengthened the FRC's authority in standard setting, enabling regular updates, stakeholder engagement, and more effective enforcement to ensure audit quality and ethical compliance nationwide.</p> <p>If through oversight, please indicate the name of the other organisation and its composition (i.e. whether practitioners from the audit profession are involved in decision-making). Also, give a description of the powers of the other organisation and procedures applied, as well as the role of the Member in these procedures.</p>
<p><b>11. Accounting and Sustainability Reporting Standards setting</b></p>	<p><b>11.1</b> If the Member has the responsibility for Accounting and/or Sustainability Standard Setting, please indicate whether this responsibility is undertaken directly or through oversight of Accounting and/or Sustainability Standards Setting conducted by another organisation.</p> <p><input checked="" type="checkbox"/> <b>Directly</b> <input type="checkbox"/> <b>Through Oversight</b></p> <p>If directly, please describe the responsibility, including any changes, with an appropriate level of detail.</p> <p>The Financial Reporting Council of Nigeria is directly responsible for setting accounting and sustainability standards through its relevant directorates.</p> <p>In accordance with the FRC Act (as amended in 2023), the Council adopts and enforces international standards such as IFRS and the ISSB's Sustainability Disclosure Standards, while also issuing local guidance to address Nigeria-specific needs. Recent amendments expanded the Council's mandate to formally include sustainability reporting, strengthening its role in promoting transparency, accountability, and globally aligned financial and non-financial reporting.</p> <p>If through oversight, please indicate the name of the other organisation and its composition. Also, give a description of the powers of the other organisation and procedures applied, as well as the role of the Member in these procedures.</p>

<p><b>12. Public Sector Accounting Standards Setting</b></p>	<p><b>12.1 If the Member has the responsibility for Public Sector Accounting Standards Setting, please indicate whether this responsibility is undertaken directly or through oversight of Public Sector Accounting Standards Setting conducted by another organisation?</b></p> <p><input checked="" type="checkbox"/> <b>Directly</b> <input type="checkbox"/> <b>Through Oversight</b></p> <p><b>If directly, please describe the responsibility, including any changes, with an appropriate level of detail.</b></p> <p><b>The Financial Reporting Council of Nigeria is directly responsible for setting public sector accounting standards through its Directorate of Accounting Standards – Public Sector.</b></p> <p><b>It adopts and enforces standards based on IPSAS, and collaborates with key government bodies to support implementation. Recent reforms have strengthened the FRC’s role in promoting transparency, accountability, and consistency in public sector financial reporting across Nigeria.</b></p> <p><b>If through oversight, please indicate the name of the other organisation and its composition. Also, give a description of the powers of the other organisation and procedures applied, as well as the role of the Member in these procedures.</b></p>
<p><b>13. Permanent Education/Continuous Training of Auditors</b></p>	<p><b>13.1 If the Member has the responsibility for Permanent Education / Continuous Training of Auditors, please indicate whether this responsibility is undertaken directly or through oversight of Permanent Education / Continuous Training of Auditors conducted by another organisation?</b></p> <p><input checked="" type="checkbox"/> <b>Directly</b> <input type="checkbox"/> <b>Through Oversight</b></p> <p><b>If directly, please describe the responsibility, including any changes, with an appropriate level of detail.</b></p> <p><b>The Financial Reporting Council of Nigeria is directly responsible for the continuous training and professional development of auditors, especially those auditing public interest entities. Through its Directorate of Auditing Practice Standards, the FRC</b></p>

	<p>conducts, workshops, and technical training to ensure auditors stay current with auditing standards and regulatory expectations.</p> <p>If through oversight, please indicate the name of the other organisation and its composition (i.e. whether practitioners from the audit profession are involved in decision-making). Also, give a description of the powers of the other organisation and procedures applied, as well as the role of the Member in these procedures.</p>
<p><b>14. Oversight and Accreditation of Professional Accountancy Bodies</b></p>	<p><b>14.1</b> If the Member has the responsibility for Oversight and Accreditation of Professional Accountancy Bodies, please describe with an appropriate level of detail:</p> <p>The Financial Reporting Council of Nigeria registers, monitors, and supervises professional organizations to ensure they uphold high standards of accounting, auditing, and financial reporting.</p> <p>This includes evaluating the governance and quality assurance frameworks of professional accountancy organizations, enforcing compliance with relevant standards, and promoting best practices in the public interest.</p>
<p><b>15. Enforcement</b></p>	<p><b>15.1</b> If the Member has the responsibility for Enforcement, please indicate whether this responsibility is undertaken directly or through referral to other organisation(s)?</p> <p><input checked="" type="checkbox"/> Directly <input type="checkbox"/> Through Referral</p> <p>If directly, please describe the responsibility and procedures applied (including investigations, disciplinary actions or sanctions), as well as the reporting process for disciplinary action.</p> <p>The Financial Reporting Council of Nigeria carries out enforcement responsibilities directly, as empowered by the FRC Act, 2011 (as amended). It investigates cases of non-compliance with standards, or regulatory breaches by individuals and firms, particularly those serving public interest entities.</p> <p>Based on findings, the FRC may impose sanctions such as fines, suspension or withdrawal of registration, and referrals to professional bodies.</p>

	<p>If through referral, please indicate the name of the other organisation(s) and its composition (i.e. whether practitioners from the audit profession are involved in decision-making). Also, give a description of the enforcement powers of the other organisation and procedures applied, as well as the role of the Member in these procedures.</p>
<b>16. Other responsibilities in audit oversight and auditing regulation</b>	<p><b>16.1</b> If the Member has the responsibility for other tasks within the area of Audit Oversight or Audit Regulation, please describe with an appropriate level of detail:</p> <p>In addition to its core responsibilities, the Financial Reporting Council of Nigeria undertakes several other tasks within the area of audit oversight and regulation.</p> <p>These include the maintenance of a public register of audit firms and individual auditors approved to audit public interest entities, the development and issuance of technical guidance and practice notes, and the monitoring of audit quality trends across the profession.</p> <p>The FRC also engages in stakeholder consultations, regulatory impact assessments, and collaboration with international standard-setting and oversight bodies to align Nigeria's audit regulatory framework with global best practices.</p>
<b>17. Other responsibilities of the member outside the area of accounting and auditing regulations</b>	<p><b>17.1</b> Please describe with an appropriate level of detail, the responsibility of the Member for tasks outside the area of audit oversight or audit regulation such as supervision of financial reporting or securities regulation or filing of financial statements.</p> <p>Outside audit oversight, the Financial Reporting Council of Nigeria is responsible for supervising financial reporting across the private, public, and not-for-profit sectors by developing, adopting, and enforcing accounting standards such as IFRS and IPSAS.</p> <p>It reviews financial statements of public interest entities to ensure compliance and also regulates corporate governance and sustainability reporting among other activities</p>

<p><b>18. Member update for public information (if any)</b></p>	<p><b>15.1 Are there any major news, activities, events or updates (on audit matters, the Member's organisation, the governing legislation or the authority/responsibilities) that you wish to keep the public informed of since completing last year's Member Profile?</b></p> <p> <input checked="" type="checkbox"/> <b>Yes</b> <input type="checkbox"/> <b>No</b> </p> <p><b>If yes, please describe these changes with an appropriate level of detail:</b></p> <p>Since the last Member Profile, the Financial Reporting Council of Nigeria has introduced several key updates, including the issuance of Rule 14 to strengthen enforcement actions, the launch of a mandatory electronic filing system for audited financial statements via its National Repository Portal, and efforts to improve compliance with the submission of Internal Control over Financial Reporting (ICFR) reports.</p>
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