



# Data Protection Annual Audit Returns in Nigeria

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What **Controllers** and **Processors** Must Get Right

# Introduction

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Data has become one of the most valuable assets of the digital economy, and as a result, the protection of personal information has assumed heightened regulatory and commercial significance. Countries, including Nigeria, have introduced several data protection laws and regulations that impose specific compliance obligations on data controllers and data processors. One of the key requirements under Nigerian law is the filing of annual data protection audit returns by March 31 each year. These audit returns are a mandatory, recurring compliance obligation that holds organisations accountable, enables regulators to assess compliance with applicable data protection laws, and encourages organisations to establish robust data governance practices. Accordingly, we will discuss the requirements surrounding Data Protection Annual Audit Returns in Nigeria and highlight the key issues that controllers and processors must address to avoid regulatory exposure and reputational risk.

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## Regulatory Significance

Heightened focus on personal information protection in the digital economy.

## Mandatory Deadline

Annual filing required by March 31 each year for compliance.

## Accountability

Enables regulators to assess adherence to data protection laws.

## Risk Mitigation

Prevents regulatory exposure and reputational damage for organizations.

# Legal and Regulatory Framework

Under Nigeria's data protection regime, data controllers<sup>1</sup> and data processors<sup>2</sup> are required to file annual Compliance Audit Returns (CAR). This statutory obligation was initially set out in the compliance framework of the now defunct Nigeria Data Protection Regulation 2019 (NDPR) and is now firmly established under the Nigeria Data Protection Act 2023 (NDPA), the principal legislation governing the processing of personal data in Nigeria.

Under the NDPA, the Nigeria Data Protection Commission (NDPC) is empowered to monitor and ensure compliance with data protection obligations, including through audits.<sup>3</sup> This oversight is given practical effect by the General and Implementation Directive 2025 (GAID), which requires data controllers and data processors classified as of Major Importance (DCMI/DPMI) to conduct periodic assessments of their data protection practices and to submit the results to the NDPC.<sup>4</sup> The GAID classifies DCMI/DCPI as data processors or controllers domiciled, resident in and operating in Nigeria, which keep or have access to a filing system for the processing of personal data, and processes the personal data of more than two hundred (200) data subject in six months, in sectors such as Education, Finance, Aviation, Communication, Oil & Gas, Health, Insurance, Hospitality, etc.<sup>5</sup>

The GAID 2025 also introduces a tiered classification system that categorises DCMI/DCPIs as Ultra-High Level (UHL)<sup>6</sup>, Extra-High Level (EHL)<sup>7</sup>, or Ordinary-High Level (OHL)<sup>8</sup> entities<sup>9</sup>. This classification determines which controllers and processors must file annual CARs and the scope of their compliance obligations. The Directive also outlines the matters to be covered in an audit, including<sup>10</sup>:

- a. The lawfulness of processing activities,
- b. The adequacy of technical and organisational security measures, and
- c. The presence of a functional Data Protection Officer.

Notably, a distinctive feature of Nigeria's audit regime is the role of the Data Protection Compliance Organisation (DPCO). Licensed by the NDPC, DPCOs are responsible for conducting compliance audits and submitting CARs on behalf of controllers and processors.<sup>11</sup> The GAID 2025 further standardises compliance timelines for DCMI/DCPIs, depending on their date of establishment:

- a. For a DCMI/DCPI established before June 12, 2023, it shall file its CAR not later than March 31 each year; and
- b. For a DCMI/DCPI established after June 12, 2023, it shall file its CAR not later than fifteen (15) months after its establishment and shall subsequently file its CAR annually.<sup>12</sup>

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## Penalties

Failure to comply with this requirement exposes defaulting entities to enforcement actions and administrative penalties, which include:

- An additional administrative penalty, which shall be 50% of the stipulated CAR filing fee for DCMI/DPMIs who fail to file their CAR as and when due.<sup>13</sup>
- A fine of up to 2% of the defaulting entity's annual gross revenue in the preceding financial year or ₦10,000,000 (Ten Million Naira), whichever is greater, for DCMI/DCPIs who fail to file their CAR.<sup>14</sup>

## Filing Timelines



**Established  
Before June 12, 2023**

**March 31**

Must file CAR not later than March 31 of each year.



**Established  
After June 12, 2023**

**15 Months**

File CAR not later than 15 months after establishment, and subsequently annually.

## Enforcement & Penalties

Failure to comply with filing requirements exposes defaulting entities to significant enforcement actions:



**50%**

### Administrative Penalty

Of the stipulated CAR filing fee for DCMI/DPMIs who fail to file as and when due.



**2%**

Annual Gross  
Revenue

OR

**₦10M**

Ten Million Naira

### Non-Filing Fine

Whichever is greater, for DCMI/DCPIs who fail to file their CAR.

# What the NDPC Assesses Through Audit Returns: CARs

The Nigeria Data Protection Commission (NDPC) does not treat Annual Audit Returns (Compliance Audit Returns - CARs) as routine filings, but rather as a supervisory and risk-assessment mechanism<sup>15</sup> through which the Commission evaluates the level of compliance of data controllers and processors with the extant data protection Legal framework discussed above. Therefore, the CAR framework enables the NDPC to do the following:

## ☰ Compliance Gap Assessment

Assess whether there are gaps in compliance with the obligations of data Controllers and Processors under the NDP Act and GAID. It assesses whether compliance is demonstrated in the organisation's operations and data processing, rather than merely stating it in policy documents.<sup>16</sup> This is reflected in the template in Schedule 2 of GAID, which requires disclosures of facts across governance, lawful bases for processing, security controls, accountability mechanisms, handling of data subject rights, and breach management.<sup>17</sup> Any inconsistencies between declared compliance in the CAR and the actual operational reality may therefore expose organisations to follow-up queries, investigations, or inspections.<sup>18</sup>

## 📊 Risk Profiling Tool

Audit returns also function as the NDPC's risk-profiling tool. The NDPC assesses the scale, nature, and sensitivity of personal data processed, including whether sensitive personal data is involved, whether vulnerable data subjects are affected, and whether high-risk lawful bases such as legitimate interest are relied upon.<sup>19</sup> The Regulator pays particular attention to organisations deploying new technologies or engaging in processing activities that may significantly impact the rights and freedoms of data subjects.<sup>20</sup>

## 👤 DPO & Continuous Accountability

NDPC evaluates the appointment, qualification, and independence of the Data Protection Officer (DPO), as well as the existence of internal reporting, monitoring, and accountability structures.<sup>21</sup> The Commission, by virtue of the yearly CAR, emphasises continuous accountability rather than periodic compliance. This is also evident in the requirement for semi-annual data protection reports, DPIAs, legitimate interest assessments, and documented compliance reviews.<sup>22</sup>

In a nutshell, the CAR allows the NDPC to determine whether an organisation is managing personal data risks in a manner consistent with the NDPA's principles of lawfulness, fairness, transparency, accountability, and security.<sup>23</sup>

### Determining Alignment with NDPA Principles

🔗 Lawfulness

⚖️ Fairness

👁️ Transparency

✔️ Accountability

🔒 Security

# Key Compliance Areas Controllers and Processors Must Get Right

To meet NDPC expectations and ensure defensible Annual Audit Returns, controllers and processors should implement the following:



## DPO & Governance Structure

- Appoint a competent and certified Data Protection Officer (DPO) with clear reporting lines to senior management<sup>24</sup> and establish and maintain data protection policies, procedures, and privacy notices aligned with the NDPA and GAID.
- Implement ongoing staff training and capacity-building programmes on data protection obligations, conduct periodic internal compliance reviews, and deploy privacy checklists for staff and contractors.<sup>25</sup>



## Documentations & Assessment

- Maintain Records of Processing Activities(ROPA), conduct and document Data Protection Impact Assessments(DPIA) for high-risk processing<sup>29</sup>, and retain documentation demonstrating compliance<sup>30</sup>.
- Establish procedures for handling Data Subject Access Requests and implement breach response protocols, including timely notification to the Nigeria Data Protection Commission and affected data subjects.<sup>31</sup>



## Lawful Basis Mapping

- Map all processing activities to a lawful basis recognised under the NDP Act and document and retain evidence supporting reliance on consent, contract, legal obligation, or legitimate interest.<sup>26</sup>
- Implement proportionate, risk-based security controls, including access controls, encryption, authentication mechanisms, system monitoring, and regularly updated safeguards<sup>27</sup> and maintain and periodically test incident response and disaster recovery plans.<sup>28</sup>



## Security & Management

- Execute written Data Processing Agreements and conduct due diligence, ongoing monitoring, and verification of processor compliance and incident response readiness<sup>32</sup> and ensure secure return or deletion of personal data upon termination of processing relationships.<sup>33</sup>
- Identify and document all international data transfers and ensure reliance on adequacy decisions, approved safeguards, or statutory exceptions<sup>34</sup> and conduct transfer risk assessments where required, and retain documentation for audit purposes.<sup>35</sup>

# Conclusion

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Data Protection Annual Audit Returns have become an integral part of regulatory oversight under Nigeria's data protection regime.<sup>36</sup> Compliance will no longer be assessed solely by whether a return is filed, but by the quality, accuracy, and defensibility of the information disclosed. Accordingly, organisations are advised not to approach CARs as a box-ticking exercise, but to embed audit readiness into their governance, risk management, and operational processes, thereby improving their position to demonstrate accountability and withstand enforcement action. As the NDPC continues to enforce compliance, Annual Audit Returns will increasingly serve as the entry point for regulatory engagement. Continuous compliance, supported by documented decision-making and proactive risk mitigation, is therefore essential.

## The Path Forward

Continuous compliance, supported by documented decision-making and proactive risk mitigation, is essential. The era of passive compliance is over; defensible, demonstrable accountability is the new standard.

# Endnotes

1. A data controller is an individual, private entity, public commission, agency or any other body who, alone or jointly with others, determines the purposes and means of processing of personal data.
2. A data processor is an individual, private entity, public authority, or any other body, who processes personal data on behalf of or at the direction of a data controller or another data processor
3. The Nigeria Data Protection Act 2023, s. 6(d)
4. GAID 2025, Art. 10
5. GAID 2025, Schedule 7, para 1.
6. These are data processors or controllers that process the personal data of over 5,000 data subjects through the means of technology under its technical control or through a service contract (amongst other requirements specified in the GAID)
7. These are data processors or controllers that process the personal data of over 1,000 data subjects through the means of technology under its technical control or through a service contract (amongst other requirements specified in the GAID)
8. These are data processors or controllers that process the personal data of over 200 data subjects through the means of technology under its technical control or through a service contract (amongst other requirements specified in the GAID)
9. GAID 2025, Art. 8(4)(a-c)
10. GAID 2025, Schedule 2
11. Kenna is a licenced Data Protection Compliance Organisation by the NDPC to carry out all the services of the DPCO under the Law.
12. GAID 2025, Art. 10(8)
13. GAID 2025, Art. 10(9)
14. NDPA 2023, s. 48(3)(4)
15. GAID 2025, Art. 10(1) - (2).
16. GAID 2025, Art. 10(3) - (4).
17. GAID 2025, Schedule 2.
18. GAID 2025, Art. 10(11).
19. GAID 2025, Schedule 2, Parts 1 & 3.
20. NDP Act 2023, s. 28; GAID 2025, Art. 29
21. NDP Act 2023, s. 32; GAID 2025, Arts. 11-14.
22. GAID 2025, Art. 13.
23. NDP Act 2023, s. 24.
24. NDP Act 2023, s. 32.
25. GAID 2025, Art. 30.
26. NDPA 2023, s. 25.
27. NDP Act 2023, s. 39.
28. GAID 2025, Schedule 2, Part 2.
29. GAID 2025, Arts. 13 -14
30. NDP Act 2023, ss. 13, 28;
31. NDP Act 2023, s. 40.
32. NDP Act 2023, s. 29.
33. GAID 2025, Schedule 2, Part 5
34. NDP Act 2023, ss. 41- 43.
35. GAID 2025, Schedule 2, Part 4.
36. NDP Act 2023, s. 6(d).

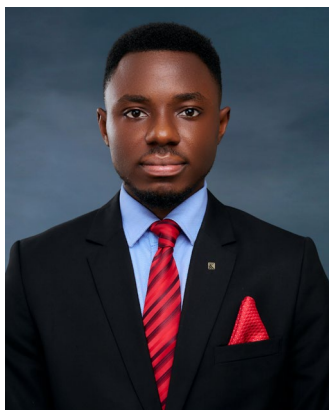
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