

ANNUAL REPORT 2023

Financial Statements and Reports for the year ended

31ST DECEMBER, 2023



07006959477



helpdesk@kw-irs.com



www.kw-irs.com





KW-iRS
KWARA STATE INTERNAL REVENUE SERVICE

Core Values

Service **H**onesty **I**ntegrity **R**esponsibility **T**rust

Mission

To serve the residents of Kwara State using the most convenient strategies that will add value and integrity to the revenue mobilization process and actualize the developmental objectives of the Government

Vision

To Mobilize Revenue for the Strategic Development of Kwara State

KWARA STATE INTERNAL REVENUE SERVICE

Financial Statements for the Year ended 31 December 2023

Statutory information

Legal Existence

Kwara State Board of Internal Revenue (BIR) was restructured to be known as Kwara State Internal Revenue Service ("here in referred to as the Service") on 22nd June 2015 through Kwara State Revenue Administration Law No 6 of 2015 (as amended).

This law may be cited as the Kwara State Revenue Administration (Amendment) Law 2017. The Service commenced on 1st October, 2015.

The board shall be responsible for;

- (a) Providing general policy guidelines regarding the functions of the Internal Revenue Service and supervising the implementation of such policies;
- (b) ensuring assessment, the effective and optimum collection of all revenue, including taxes, levies and penalties due to the State Government under the relevant federal and state laws;
- (c) doing all such things that may deemed necessary and expedient for the assessment and collection of revenue.;

(d) accounting for all amounts so collected;

(e) making recommendations, where appropriate to the Joint Tax Board on tax policy, tax reform and tax legislation;

(f) tax treaties and exemptions as may be required from time to time

(g) appointing, promoting, transferring and imposing discipline on employees of Internal Revenue Service;

(h) making recommendations to the Governor regarding the terms and conditions of employment and the remuneration of staff of the Internal Revenue Service;

(i) controlling the management of Internal Revenue Service on matters of policy, subject to provisions of any regulations setting up the Internal Revenue Service; and

(j) doing such other things as are in the opinion of the Board necessary to ensure the efficient performance of the functions of the Internal Revenue Service under this law.



KWARA STATE

Brief History

Kwara State is one of the 36 states that make up the Federal Republic of Nigeria, Africa's most populous country. Kwara shares boundaries with the Republic of Benin to the West and the River Niger to the North, Ekiti and Kogi States to the East, and Oyo and Osun States to the South.

The capital city, Ilorin, is situated 306km inland from the coastal city of Lagos and 500km from the federal capital, Abuja. Major towns include Offa, Ajase-Ipo and Jebba. Other towns include Patigi, Erin-Ile, Ilofa, Osi, Lafiagi, Afon, Kaiama, Isanlu-Isin, Omu-Aran, Share, Shonga, Ilesha Baruba and Igbaja.

Kwara was created in May 1967, as one of the first 12 States to replace the nation's four regions. Originally, the State was known as West Central State, but the name was later changed to Kwara, a local name for the Niger River. The size of the State has been reduced over the years, as new States have been created within the Federation. The total landmass of Kwara State today is 32,500 square kilometers.

Kwara State is known as the State of Harmony on account of the peaceful relations that exist among its

multicultural and diverse population of its estimates 3.5m million people. Followers of the three great religious faiths to be found in Nigeria, Islam, Christianity and traditional, coexist within the State.

States in Nigeria enjoy a high degree of autonomy. Each State, for example, can set industrial policy, and independently seeks to attract investment. This is normally located within a broader national policy and must naturally comply with federal rules (with regard to import duties, for example). Foreign, Defense and Energy Policies are the sole pressure of the Federal Government, although the latter is changing, as the option of using Independent Power Producers (IPP) becomes more attractive. Each State is divided into Local Government Areas (LGAs) and in the case of Kwara, there are 16 such LGAs, namely: Asa, Baruten, Edu, Ekiti, Ifelodun, Irepodun, Isin, Ilorin East, Ilorin South, Ilorin West, Kaiama, Moro, Patigi, Offa, OkeEro and Oyun.

Geography

Kwara State comprises rainforest in the southern parts with wooded savannah covering the larger part of the State.

The soil is fertile and the State is well watered by the various tributaries of the Niger River which run through hills and valleys, none of which rise to any great height. The western section of the State is at a slightly higher altitude than the eastern.

Kwara is a summer rainfall area, with an annual rainfall range of 1,000mm to 1,500mm. The month of December and January coincide with the cold and dry harmattan period. Average maximum temperatures vary between 30°C and 35°C.

Unique Selling Point

Kwara State is known for its peaceful character, its tourist sites such as the great Owu Water Fall, its innovation, its rich farmlands, and its strong educational sector which has been reinforced with recent heavy investments in the basic education sector. New investments in technology, hospitality and tourism projects like the Dolby Studio-enabled Visual Arts Centre, Film Factory, Ilorin International Conference Centre, Garment Factory, Ilorin Aviation College, and the proposed multimillion dollar Agro-processing zone are projecting Kwara for a new future shaped by these new initiatives.

Added to the above, Kwara's modest commitments to small scale businesses and support for smallholder farmers is fast changing its public perception from a mere 'civil service' State to a new hub of tourism, agribusiness, entertainment, innovation and enterprise — amid renewed efforts to retool the civil service to meet new expectations in a digital age.

CORPORATE INFORMATION



Board

No of months served

Shade Omoniyi, HCIB, ACTI	Executive Chairman	5
Olatunji Balogun, FCA, ACTI	Member	5
Omolara Ojulari, ACA, ACTI	Member	5
Musa Idris Esq.	Member	5
Modupe Adekeye	Member	5
Abdulrasaq Folorunsho, ACA, ACTI	Member	5
Isiaq Yinka Olorukooba	Member	5
Adio Olanrewaju Rasaan	Member	5
Fatimah Asabe Jiyah	Member	5
Falola Olanrewaju Jimoh Esq.	Member	5
Shehu Abdullahi Esq. ACTI	Secretary to Board	5

Management Staff

No of months served

Shade Omoniyi, HCIB, ACTI	Executive Chairman/Ag. Director, MDAs	12
Omolara Ojulari, ACA, ACTI	Director, Account & Finance	12
Olatunji Balogun FCA, ACTI	Director, Admin & Operations	12
Shehu Abdullahi Esq. ACTI	Director, Legal & Compliance	12
Mohammed Usman, ACTI	Director, Income Tax	12
Bisi Alabi, FCA, FCTI	Ag. Head, Internal Audit	7

Auditors

Waheed Afolabi & Co.
(Chartered Accountants)
40 Adegbola Street, Anifowoshe,
Ikeja, Lagos

Registered Office

27, Ahmadu Bello Way, GRA, Ilorin, Kwara State.

Principal Bankers

Guaranty Trust Bank Plc
First Bank Plc
First City Monument Bank Plc



Corporate Head Office

*27, Ahmadu Bello Way, GRA,
Ilorin. Kwara State.*



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ADDRESS OF AREA OFFICES

EKITI AREA OFFICE

Local Government Secretariat, Araromi-Opin,
Ekiri L.G.A, Kwara State

EDU AREA OFFICE

Opposite Sauki Clinic, Lafiagi, Kwara State

OKE-ERO AREA OFFICE

Beside Nigeria Police Area Command, Illofa,
Kwara State

MORO AREA OFFICE

Beside Moro L.G.A Secretariat, Bode Saadu,
Kwara State

KAIAMA AREA OFFICE

Kisi Road, Opposite Al-barka Filling Station,
Dansiya Area, Kaiama, Kwara State

OFFA AREA OFFICE

Opposite Offa Local Government Secretariat, Beside
High Court Along Igbonna, Offa, Kwara State

OYUN AREA OFFICE

FRSC Office Olowoye Junction, Along Osogbo
Erin-Ile road, Erin-Ile, Kwara State

BARUTEN AREA OFFICE

Baruten Local Government Secretariat Premises,
Kosubosu, Kwara State

PATIGI AREA OFFICE

Beside Area Court, Patigi, Kwara State

IREPODUN AREA OFFICE

Sub Treasury Office, Palace way, behind Local
Government Secretariat, Omu-Aran, Kwara State

IFELODUN AREA OFFICE

Sub Treasury Office, Palace way, behind Local
Government Secretariat, Omu-Aran, Kwara State

ASA AREA OFFICE

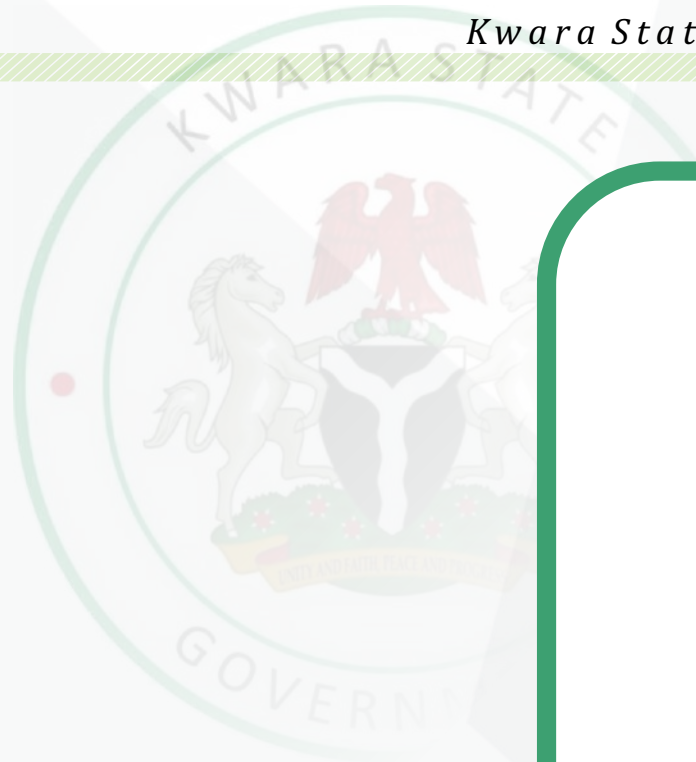
Eiyenkorin Round-about, Eiyenkorin, Kwara State

ISIN AREA OFFICE

All Saint Anglican Church Shopping Complex,
Oke-Onigbin, Isin Local Government, Kwara
State

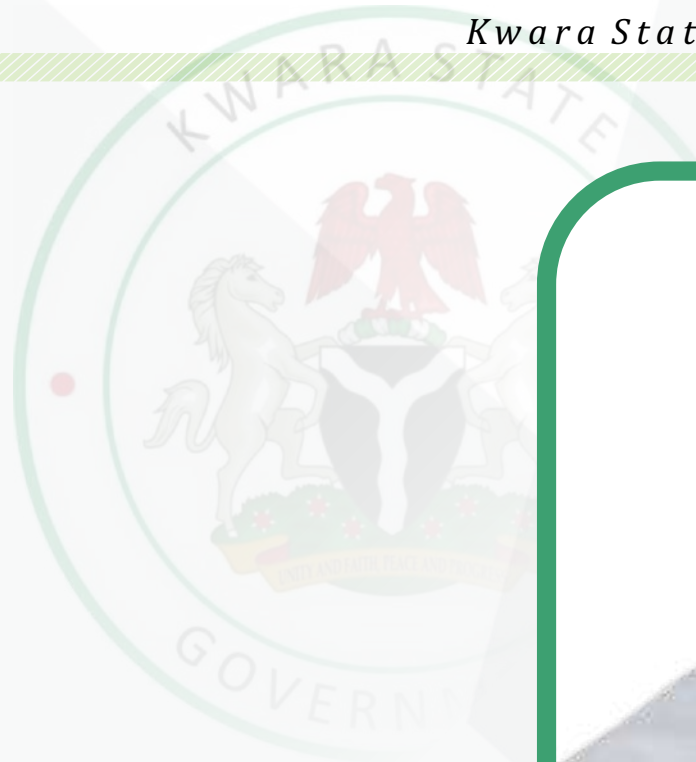
ABUJA LIAISON OFFICE

**Kwara State Government Liaison Office,
79 Kwame Nkrumah Crescent,
Asokoro, Abuja**

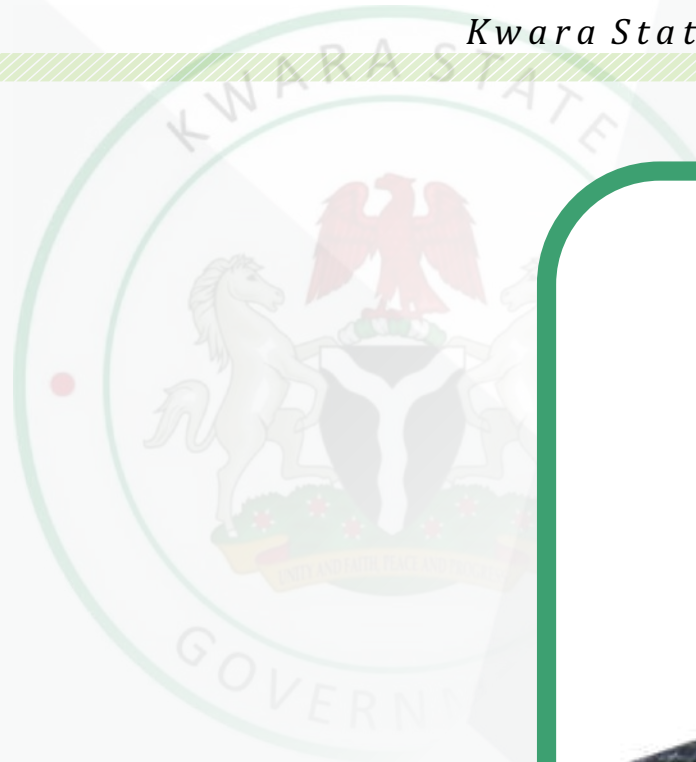


His Excellency

Mallam AbdulRahman AbdulRazaq CON
Governor, Kwara State/Chairman, Nigeria Governors' Forum



His Excellency
Kayode Alabi
Deputy Governor, Kwara State



Shade Omoniyi
Executive Chairman, KW-IRS



Shade Ominiyi
Executive Chairman, KW-IRS



Omolara Ojulari
Director, Accounts & Finance



Olatunji Balogun
Director, Admin & Operations



Shehu Mogaji Abdullahi
Director, Legal & Compliance



Mohammed Shehu Usman
Director, Income Tax



Bisi Alabi
Ag. Head, Internal Audit

REPORT OF THE BOARD OF DIRECTORS

Directors' Report

The Board members are pleased to submit their report together with the audited financial statements for the year ended 31st December, 2023.

Events after the reporting date

In the opinion of the Directors, the state of the Service's affairs continues to be satisfactory and no event have occurred to date which would affect the financial statements presented.

Principal Activities

The Service's principal activities are collection of tax revenue, levies and penalties due to Kwara State Government.

Result for the year (Income & Expenditure)	₦ (000)
Revenue	8,849,999
Expenses	<u>5,620,311</u>
Surplus for the Year	<u>3,229,688</u>


Internally Generated Revenue Performance

The Service generated a total sum of **N56,423,965 billion** during the year ended 31st December, 2023. Details of the statement of Internally Generated Revenue and disbursement for the year ended 31st December, 2023 are shown on page 28 of this Financial Statements.

Independent Auditors

In accordance with section 357(2) of the Companies and Allied Matters Act, Cap, C20, Laws of the Federation of Nigeria, 2004, Messrs Waheed Afolabi & Co. have indicated their wiliness to continue as Independent Auditor to the Service. A resolution will be proposed at the meeting authorizing the Directors to fix their remuneration.

By Order of the Board


Shehu Mogaji Abdullahi Esq.
Company Secretary/Legal Adviser
Ilorin, Nigeria
NBA/SCN/028154

18th March, 2024

Statement of Responsibility of the Board

The Companies and Allied Matters Act (CAP C20), Sections 334 and 335 of the Laws of the Federation of Nigeria, 2004 requires the Board to prepare financial statements for each financial year that gives a true and fair view of the financial affairs of the organization at the end of the year and of its surplus or deficit. The responsibilities include ensuring that the organization:

- (a) Keeps proper accounting records that disclose, with reasonable accuracy, the Financial position of the organization with the requirements of the companies and Allied Matters Act (CAP C20) Laws of the Federation of Nigeria 2004.
- (b) Establish adequate internal controls to safeguard its assets and to prevent and detect fraud and other irregularities; and
- (c) Prepare a financial statements using suitable accounting policies supported by reasonable and prudent judgments and estimates, and are consistently applied.

The Board accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with Standards issued by the Financial Reporting Council of Nigeria and the requirement of the Companies and Allied Matters Act (CAP C20) Laws of the Federation of Nigeria, 2004.

The Board is of the opinion that the financial statements give a true and fair view of the state of financial affairs of the organization and its Surplus or Deficits. The Board further accepts responsibility for the maintenance of the accounting records that may be relied upon in the preparation of the statements, as well as adequate systems of internal financial control.

Nothing has come to the attention of the Board to indicate that the Organization will not remain a going concern for at least twelve months from the date of this statement.



Mrs Shade Omoniyi
Executive Chairman
FRC/2016/IMN/00000014515



Mrs. Omolara Ojulari
Director, Finance and Accounts
FRC/2022/PRO/ICAN/001/528955

Report on the financial Statements to the Board Members of Kwara State Internal Revenue Service

Opinion

We have audited the accompanying financial statements of **Kwara State Internal Revenue Service (KW-IRS)**, which comprises the statement of financial position as at 31st December 2023, and the statement of financial performance, changes in net assets, statement of cash flows and comparison between budget and actual amounts for the year ended, and a summary of significant accounting policies and other explanatory information.

Basis of Opinion

We conducted our audit in accordance with international standards of Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of Financial Statements section of our report. We are independent of the management in accordance with ethical requirements that are relevant to our audit of the financial statements, and we have fulfilled our other responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Independence

We are independent of the Management in accordance with the International Ethics Standards Board of Accountants' Code of Ethics for Professional Accountants (IFSB Code). We have fulfilled our other ethical responsibilities in accordance with the IFSBA Code.

Responsibilities of Management and those Charged with Governance for the Financial Statements

Management is responsible for the preparation of financial statements in accordance with International Public Sector Accounting Standards and for each internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Service's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Service or to cease operations, or has no realistic alternative but to do so. Those charged with the governance are responsible for overseeing the financial reporting process.

Auditors Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's report that include our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decision of users taken on the basis of these financial statements.

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentative, or the override of internal control.

We also obtain an understanding of internal control relevant to the audit in order to design procedure that are appropriate in the circumstance, but not the purpose of expressing an opinion on the effectiveness of the service internal control, and evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

We conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Board's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosure is inadequate, to modify our opinion, our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Service to continue as a going concern.

Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieve fair presentation.

Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities to express an opinion on the service financial statement. We are responsible for the direction, supervision and performance of the service audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during the audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirement regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Form the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters, we describe these matters in our auditor's report unless law of regulation precludes public disclosure about the matter of when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequence of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the other legal and regulatory requirements

The Companies and Allied Matter Act requires that in carrying out our audit we consider and report to you on the following matter. We confirm that:

- i. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- ii. The Service has kept proper books of account, so far as appears from our examination of those books and returns adequate for our audit have been received from branches not visited by us;
- iii. The Service statement of financial position and statement of comprehensive income are in agreement with the books of account.



For: Waheed Afolabi & Co

Chartered Accountants

Lagos, Nigeria

14th February, 2024

Engagement Partner: Waheed Afolabi, FCA

FRC/2013/ICAN/00000005063

STATEMENT OF EXECUTIVE CHAIRMAN



Shade Ominiya
Executive Chairman, KW-IRS

We give glory to Almighty God for His favour in our lives and the live of KW-IRS. God Almighty has been helpful to us in ensuring the task given to us by His Excellency, the Executive Governor of Kwara State, Mallam Abdulrahman Abdulrazaq, CON is being carried out with success. Year 2023 is characterized by another excellent milestone achievement in the lives of KW-IRS. At the beginning of the year 2023, we gave ourselves a budget of N50bn and we tagged it, “**Our KW-IRS, Our N50Billion!**”.

I am happy to announce that we surpassed that target of N50 billion! We recorded a milestone collection of **N56,423,965,121.21, (Fifty-Six Billion, Four Hundred and Twenty-Three Million, Nine Hundred and Sixty-Five Thousand, One Hundred and Twenty-One Naira, Twenty-One Kobo)** as internally generated revenue. This is the first time in the history of the State that over N50bn will be generated internally in terms of revenue. We give all glory to Almighty God and to His Excellency for giving us the opportunity to serve.

As usual, the year 2023 did not fail to present itself with quite a number of major challenges, including revenue leakages, lack of voluntary tax compliance, and notably, insignificant collaborative efforts from major stakeholders in the State, amongst others. These challenges posed serious impediments that require our immediate attention.

Our interest in the year 2023 was to refocus on improved efficiency and monitoring to ensure full implementation of established automation processes; efficient use of KW-IRS Self-Service Portal, internal systems, Point of Sales (POS) terminals deployed to revenue collection points, continuous advocacy, and sensitization campaigns to stimulate voluntary tax compliance.

Others include collaborative efforts with other MDAs and major stakeholders in the State.

Staff Welfare and Operational Efficiency

Let me use this medium to commend all staff for their resilience and dedication. Despite all the issues and differences, we have had, the focus for the job has been paramount and this has shown in our performance and has made KWIRS the preferred place to work in the State. Management will continue to do the utmost best within capacity on welfare of Staff and as may be dictated by the State Government.

We have continued to invest in our staff to enhance required proficiency; refocus their commitment to improved revenue collection, and promote an open-minded culture by deliberately exposing them to more advanced and novel innovations critical to their daily job requirements.

As a means of improving on staff capacity, the training and re-training of staff has always been a priority for the Management. We were able to train about **400** members of staff in 2023 and this has shown in the capacity of Staff.

We also have newly certified Tax professionals in the Service. The value which will manifest in the job and how tax matters are handled with Taxpayers.

STATEMENT OF EXECUTIVE CHAIRMAN

We were able to maintain our ISO certifications and we remain the only IRS in the Country to be certified. The beauty of the certifications is that it shows in what we do, our processes and how we relate to outsiders.

New Revenue House Project

The completion of the new Revenue House is very important to His Excellency, Governor AbdulRahman AbdulRazaq, CON. All hands are on deck to ensure the project timeline is strictly adhered to. I believe that by the time the structure is completed, the need to have all staff accommodated in a single building with all amenities befitting an IRS will have been achieved.

Community Impact Projects

Our Community Impact Projects are executed in line with the Service 5Es Policy (Education, Environment, Enterprise, Energy and Empowerment), usually for vulnerable communities to cushion the burden of the government, promote tax compliance and give back to the community.

We executed several CIPs and intervention programs across the State in 2023. Projects such as the drilling of motorized boreholes, installation of solar-powered street lights at selected Local Government Areas and markets of the State, renovation of three classrooms and two staff offices at Ikerin -Opin in Ekiti Local Government Area, host maiden edition of record keeping training for market traders in Kwara State, payment of all the winners of the 2023 Tax Club Quiz Competition in the Schools and Teachers categories, sponsoring and payment of 30 Artisans on training at IVTEC, Ajase-Ipo.

Challenges

As the sole revenue agency of the State, we have been rocked by many setbacks. Surprisingly, these challenges seem to have remained with us despite our numerous advocacy and sensitization programs to enlighten taxpayers and other stakeholders on what our brand represents.

- Our predominant challenge remains the issue of misconception and lack of information as it concerns our mandate. Many Kwarans still do not understand that KW-IRS is an agency of government saddled with the responsibility of collecting all revenues on behalf of the State Government.
- We do not have any fiduciary right or access to the revenues being generated as it is paid directly into the State IGR account. This perception that we spend revenue generated is a serious setback which is not only harmful to the reputation of the Service, but has continued to disrupt the required public trust and support we deserve to unanimously drive and improve revenue.
- Increasing non-compliance rate of High Net-Worth Individuals in the State. These individuals have over the years been inadequately fulfilling their civic responsibilities. This act is harmful to the economic growth of the State and should be stopped.
- Inadequate collaboration State MDAs with KW-IRS. Many MDAs perceive KW-IRS as a burden based on its policies especially in the area of introduction of automation of revenue collection process to block leakages and diversions. Many are critical of our approaches and fail to render needed support for our course to succeed.

Vision 2024 for KW-IRS

Our mandate remains to mobilize revenue for the strategic development of Kwara State. We have institutionalized working systems and platforms to strategically drive revenue collection for the State. Our systems and platforms are flexible and user-friendly. While we celebrate our achievements, it is not over yet, as this is a call for better performance in 2024. Kwara State needs to sustain the tempo and remain counted in the league of viable States in Nigeria. As such, more concerted efforts are required in 2024. To achieve that, the outlook for year 2024 and beyond is as follows.

- Full utilization of technology, improve and adopt measures to ensure our automation processes eliminate all forms of revenue leakages and diversion of public funds to personal purse. We are going to achieve 100% cashless policy in all our collection points in the Service.
- After the four years project phase, it is time to transform to a service mode. Going forward and based on the current position of the Project Phoenix, below are the activities that will continue to run under the service mode:
 - ✓ Completed Modules that needs routine maintenance or support
 - ✓ Incomplete Modules that needs to be completed
 - ✓ New Modules request
 - ✓ Increase the number of POS terminals and other channels as may be required
 - ✓ On-boarding more tertiary institutions on harmonized school portal
 - ✓ Integration with more MDAs
 - ✓ Optimization of informal sector collection
- The Service is liaising with National Communication Commission (NCC), to develop KW-IRS USSD code for tax payments and collections. This will enhance efficiency level in the organization.
- We will ensure that all our platforms remain flexible for both staff and end users to totally eliminate the need for taxpayers to visit our office before they can carry out tax-related activities.
- The construction of the Kwara Revenue House will continue to progress and shall be completed in the year 2025 all things being equal. All staff, excluding those in tax stations across the State, will have the opportunity to work in a single building and pursue improved revenue mobilization collectively.
- The agency remains a performance-driven organization. Our staff welfare and development remain our top priority. We understand that actualizing our targets for the year starts with the morale of the staff. We will ensure they get what they deserve, in terms of training, retraining, promotions, equal distribution of reward, and award of excellence in recognition of outstanding performance and devotion to work.
- Our advocacy programs will be continuous and strategically designed to enlighten taxpayers on all their statutory rights, responsibilities as citizens, and the mandate of the Service.
- We will also continue to provide avenues for businesses to thrive in the State; expand our tax net, and improve our interventions to identified and deserving communities in the State as much as our budget permits.

Presidential Committee of Fiscal Policy & Tax Reforms Outcome

The President setup this Committee to recommend reforms to the Tax regime of the country as well as implement these reforms amongst other tasks. The team has one year to perform these tasks, and this means whatever reforms the Committee comes up with, the implementation will happen this year 2024. Based on the reforms already announced, it will affect whatever plans we make strategically for year 2024. Some of the reforms include,

- Harmonisation of Taxes, both vertically and horizontally. While we had vertical harmonisation in Kwara State till May 2018, it has been limited to only 4 items and we will need to put systems in place to accommodate all items from the Local Governments.
- Harmonisation from Federal to State could also see several tasks currently being handled by the State, moved to a unified collection platform and revenues shared based on an agreed formula. The several options are being reviewed for consideration.
- Reduction of all taxes to single digit from the over 60 currently being collected by the 3 tiers of Government. This can affect the revenue generated by states if the sharing formulae does not favour the state.
- Focus more on the higher yielding taxes and revenues and eradicating taxes on the lower income earning populace. This will also affect our IGR if the sharing formulae does not favour the state.
- Total dependence on use of technology, data for tax and other tools to implement these reforms. We need to align and prepare for implementation and be at the forefront to avoid loss of revenue.

Conclusion

Ladies and gentlemen, let us note not to rely on past successes. Past is done. We need to look for new challenges to conquer and this is why we keep challenging ourselves. When we said in our last strategic plan that we wanted to do N50bn by 2023, it sounded crazy and unattainable. Here we are with over N56bn in 2023! We shall work towards N100bn by 2027.

We are determined to continue to deploy all efforts and resources to the actualization of improved revenue for the State despite the growing global economic crisis.

We are resolute on maintaining our open-door policy and building a team spirit, as opposed to working in isolation with little result to exhibit at the end.

We shall continue to support the State to become economically viable through revenue collection and ensure we maintain a top position amongst the comity of States.

At this juncture, we would like to specially express our profound gratitude to His Excellency, the Governor of Kwara State, and Chairman, Nigerian Governors' Forum, Mallam AbdulRahman AbdulRazaq, CON for his unwavering support for the agency since the commencement of this administration. It has been five (5) good years of unprecedented development and records of landmark feats.

Our various innovations and policies would not have yielded the desired results without the support of a distinguished Governor like His Excellency.

We will continue to improve our work tempo, exude dynamism, and respond to requirements as the need for growth dictates. We will ensure we achieve our financial targets yearly and position Kwara State among the top-ranked viable States in the country in terms of IGR.

Our appreciation also goes to the members of the KW-IRS Management team and staff for their devotion to the revenue mobilization course over the past years. Together we will do even better in the subsequent years.

This we cannot do if our minds and attitude are not progressive and open to new and fresh ideas. We implore ourselves to put in our best for KW-IRS and indeed for Kwara State.

Thank you.



Shade Omoniyi, HCIB, ACTI
Executive Chairman

Statement of financial position

	Notes	2023 ₦'000	2022 ₦'000
ASSETS			
Current Assets			
Cash and Cash Equivalents	3	5,258,522	1,388,169
IGR Collection Account Balances	6	1,548,605	1,451,532
Receivables and Prepayments	7	860,219	860,582
Inventories	4	128,184	97,974
Total Current Assets		7,795,529	3,798,257
Non-Current Assets			
Investments	5	1,500,000	1,500,000
Property, Plant and Equipment	20	3,288,189	2,661,286
Total Non-Current Assets		4,788,189	4,161,286
Total Assets		12,583,718	7,959,543
LIABILITIES			
Current Liabilities			
Payables & Other Accrued	8	2,553,066	2,686,180
Employee Benefits	9	87,980.33	-
		2,641,046	2,686,180
Non-Current Liabilities			
Borrowings		-	-
FUNDS			
State Government Fund	10	4,581,616	3,567,195
Accumulated Fund	11	3,812,451	254,635
IGR Fund	6	1,548,605	1,451,532
		9,942,672	5,273,362
Total Funds and Liabilities		12,583,718	7,959,543

The financial statements on pages 2 to 31 were approved by the Board of Directors on _____ and signed on its behalf by:



Mrs Shade Omoniyi
Executive Chairman
FRC/2016/IMN/00000014515



Mrs. Omolara Ojulari
Director, Finance and Accounts
FRC/2022/PRO/ICAN/001/528955

The accompanying notes from 12-30 form an integral part of these financial statements

Statement of Financial Performance

	Notes	2023 ₦'000	2022 ₦'000
Total IGR Generated for the year	19	56,423,965	35,445,846
Subvention	12	8,849,999	5,982,417
		8,849,999	5,982,417
Expenses			
Consultants' Commission	14	1,888,483	1,883,289
Salaries wages and employee benefits	13	1,962,025	1,551,419
Depreciation and Amortization	15	237,387	174,875
Supplies and Consumables used	16	187,322	169,885
Other Operating Expenses	17	536,920	462,374
Transfer to Ministry of Finance		808,174	1,600,000
		5,620,311	5,841,841
Surplus/(deficit) for the period		3,229,688	140,575
Surplus/(deficit) for the period		3,229,688	140,575
Total Disbursement to the State Min of Finance	19	56,326,892	34,862,984
Net IGR Payables/(Receivables) for the year		97,073	582,862
Percentage of Net IGR to Operational Income		1	10

The notes on page 12 to 30 are integral part of these financial statements

Statement of Changes in Net Assets

	Notes	State Govt. Fund ₦'000	Accumulated Fund ₦'000	IGR Fund ₦'000	Total ₦'000
Balance as at 01 Jan. 2022		2,080,194	106,551	868,670	3,055,415
Additional Capital Fund from Min. of Finance	10	1,487,001			1,487,001
Prior Year Adjustment	10		7,509		7,509
Surplus/(deficit) for the period	11		140,575		140,575
IGR Fund	19			582,862	582,862
Surplus/(deficit) for the year					
Balance as at 31 Dec. 2022		<u>3,567,195</u>	<u>254,635</u>	<u>1,451,532</u>	<u>5,273,362</u>
Balance as at 01 Jan. 2023		3,567,195	254,635	1,451,532	5,273,362
Additional Capital Fund from Min. of Finance	10	1,014,421			1,014,421
Prior Year Adjustment	10		328,128		328,128
Surplus/(deficit) for the period	11		3,229,688		3,229,688
IGR Fund	19			97,073	97,073
Balance as at 31 Dec. 2023		<u>4,581,616</u>	<u>3,812,451</u>	<u>1,548,605</u>	<u>9,942,672</u>

The accounting policies and notes on page 12 to 30 are integral part of these financial statements

Statement of Cash Flows

	2023 ₦'000	2022 ₦'000
Cash Flow From Operating Activities		
Surplus/(deficit) for the period	3,229,688	140,575
Adjustment for Items not Involving Movement of Fund		
Depreciation and Amortizations	237,387	174,875
Prior Year Adjustment	328,128	8,911
Changes in Working Capital		
(Increase)/decrease in Inventories	(30,210)	29,992
(Increase)/decrease in Receivables & Prepayments	363	551
Increase/(decrease) in Payables and Accrued Expenses	(133,115)	225,385
Increase/(decrease) in Employee Benefits	87,980.33	0
Net Cash flow From Operating Activities	3,720,222	580,289
Cash Flow From Investing Activities		
Acquisition of Property, Plant and Equipment	864,290	1,660,886
Net Cash Flow from Investing Activities	(864,290)	(1,660,886)
Cash Flow From Financing Activities		
Capital Grant	1,014,421	1,487,001
IGR Fund	1,548,605	582,862
Net Cash Flow from Financing Activities	2,563,026	2,069,863
Net Increase /(Decrease in Cash & Cash Equivalent)	5,418,958	989,266
Cash and Cash Equivalent at the beginning of the Year	1,388,169	1,850,434
Cash and Cash Equivalent at the End of the Year	6,807,127	2,839,701
Bank balances from grant account	5,258,522	1,388,169
Bank balances from IGR Collection Account	1,548,605	1,451,532
	6,807,127	2,839,701

Statement of Comparison of Budget and Actual Amounts

Income	Final (Revised) Budget 2023	Actual On Comparable Basis 2023	Performance Differences 2023
	₦'000	₦'000	₦'000
Total IGR Fund for the year	56,423,965	56,423,965	-
Operational Income	2,775,021	2,775,021	(0)
Consultants' Commission	6,000,000	5,982,808	(17,192)
Other Income	92,170	92,170	(0)
	8,867,191	8,849,999	(17,192)
Expenses			
Consultants' Commission	6,000,000	(1,888,483)	4,111,517
Wages, salaries and employee benefits	2,098,774	(1,962,025)	136,750
Supplies and consumables used	187,584	(187,322)	262
Other Operating Expenses	628,120	(536,920)	91,201
Transfer to Ministry of Finance	-	(808,174)	(808,174)
	8,914,479	(5,382,924)	3,531,555
Surplus/(deficit) for the period	(47,288)	3,467,075	3,514,363

Note to financial statements & significant accounting policies

1 General Information.

1.1 Legal Form

Kwara State Board of Internal Revenue (BIR) was restructured to be known as

Kwara State Internal Revenue (herein referred to as the Service) on 22nd June, 2015 (as amended) by the Executive Governor of Kwara State. The Service commenced operations on 1st October, 2015. The Service office address is at 27, Ahmadu Bello way, Kwara State.

1.2 Principal Activities

The Service's principal activities are collection of tax revenue, levies and penalties due to Kwara State Government.

1.3 Financial Period

This set of financial statements covers the financial year from 1 January, 2023 to 31 December, 2023.

1.4 Basis of measurement

The financial statements have been prepared under the historical cost basis, except as otherwise stated.

2. Basis of Preparation – IPSAS 1

2.1 Statement of Compliance –IPSAS 1

The Service's financial statements have been prepared in accordance with and comply with International Public Sector Accounting Standard (IPSAS). The financial statements are presented in Naira, which is the functional and reporting currency of the Service. The accounting policies have been consistently applied to all the years presented.

Basis of Preparation – IPSAS 1

The financial statements have been prepared on the basis of historical cost, unless stated otherwise. The cash flow statement is prepared using the indirect method. The financial statements are prepared on accrual basis.

Notes to the Financial Statements

2.3 Functional and Presentation Currency

The financial statements are presented in Naira (₦), which is the Country's functional currency. All financial information presented in Naira has been rounded to the nearest thousands, except where otherwise stated.

2.4a Significant Judgments and Source of Estimation Uncertainty

The preparation of the Service's financial statements in conformity with IPSAS requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities at the end of the reporting period.

However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

2.4b Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

The service based its assumptions and estimates on parameters available when the financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Service. Such changes are reflected in the assumption when they occur. IPSAS1.140.

Note to financial statements & significant accounting policies

2.4c Revenue from Non-Exchange Transaction – IPSAS23

I. Transfer from other Government Entities

Revenue from non-exchange transaction with other government entities are measured at fair value and recognized on obtaining control of the assets (Cash, goods, services and property) if the transfer is free from conditions and it is possible that the economic benefits or service potential related to the asset will flow to the Service and can be measured reliably.

Notes to the Financial Statements

ii. Revenue from Exchange Transaction – IPSAS 9 Rendering of Services

The Service recognizes revenue from rendering of services by reference to the total amount of taxes and other revenue collected on behalf of Kwara State Government when the monthly outcome of the transaction/revenue generated can be estimated reliably. The statutory operational fund is usually an amount not less than 5% and not more than 10% of all revenue collected by the Service in the preceding year.

iii. Interest Income

Interest income is accrued using the effective yield method. The effective yield discount estimated future cash receipts through the expected life of the financial assets to that assets net carrying amount. The method applies this yield to the principal outstanding to determine interest each period.

iv. Rental Income

Rental income arising from operating leases on investment properties is accounted on a straight-line basis over the lease terms and included in the revenue. The Service does not currently earn interest income and Rental income during the reporting year.

2.5 Budget Information IPSAS 24

The annual budget is prepared on the cash basis that is all planned costs and income are presented in a single statement to determine the needs of the Service. As a result of the adoption the accrual basis for budgeting purposes there is a need to require reconciliation between the actual comparable amounts and the amounts presented as a separate additional financial statement in the statement of comparison of budget and actual amounts.

2.6 Investment Property IPSAS 16

Investment properties are measured initially at cost, including transaction cost. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and exclude the cost of day-to-day maintenance of an investment property. Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Subsequent to initial recognition,

Notes to the Financial Statements

Investment properties are measured using the cost model and are depreciated over its estimated useful life period.

Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying of the asset is recognized in the surplus or deficit in the period of de-recognition. Transfer 5

Property, Plant and Equipment- IPSAS- 17

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the item. When significant parts of property, plant and equipment are required to be replaced at intervals the Service recognize such parts as individual assets with specific useful lives and depreciates them accordingly

Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus or deficit as incurred. When an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

Deprecation on other assets is calculated using the straight-line method to allocate their cost to their residual values on a systematic basis over their estimated useful lives. The average useful lives are as follows:

Land	Nil
Building	5%
Furniture & Fittings	20%
Computer Equipment	20%
Motor Vehicle	25%
Plant & Machinery	10%

The asset`s residual values, useful lives and depreciation method are reviewed on an annual basis and are adjusted if appropriate. An asset`s carrying amount is written down to its recoverable amount if the asset`s carrying is greater than its estimated recoverable amount.

Notes to the Financial Statements

Each part of an item of office equipment, furniture and other tangible assets with a cost that is significant in relation to the total cost of the item is depreciated separately.

Gains and losses on disposal are determined by comparing proceeds with the carrying amount. These are included in the surplus or deficit under other operating expenses.

2.8 Intangible Assets- IPSAS-31

Intangible assets acquired separately are initially recognized at cost. The cost of intangible assets acquired in a non-exchange transaction is their fair value at the date of the exchange. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangible assets excluding capitalized development costs, are not capitalized and expenditure is reflected in surplus or deficit in the period in which the expenditure is incurred.

Useful life of the intangible assets is assessed as either finite or indefinite.

2.9 Research and Development Cost

The Service expenses research cost as incurred. Development costs on an individual project are recognized as intangible assets when the Service can demonstrate.

- 1) The technical feasibility of completing the asset will be available for use or sale.
- 2) Its intention to complete and its ability to use or sell the asset.
- 3) How the asset will generate future economic benefit or service potential.
- 4) The availability of resource to complete the asset.
- 5) The ability to measure reliably the expenditure during development.

Following initial recognition of an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized over the period of expected

future benefits. During the period of development, the asset is tested for impairment annually with any impairment losses recognized immediately in surplus or deficit.

Notes to the Financial Statements

2.10 Financial instruments- IPSAS 29

a. Financial assets

Financial assets within the scope of IPSAS 29 Financial Instrument Recognition and Measurement are classified as financial assets at fair value through surplus or deficit, loans and receivables, held-to-maturity investments or available-for-sale financial assets as appropriate. The Service determines the classification of its financial assets at initial recognition.

b. Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted as an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or cost that are an integral part of the effective rate. Losses arising from impairment are recognized in the surplus or deficit.

c. Held-to-maturity

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held-to maturity when the Service has the positive intention and ability to hold it to maturity. After initial measurement, held-to-maturity investments are measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and less or costs that are an integral part of the effective interest rate. The losses arising from impairment are recognized in surplus or deficit

d. Impairment of financial assets

The Service assesses at each reporting date whether there is objective evidence that financial asset or a service of financial assets is impaired. A financial asset or a service is deemed to be impaired if, and only if there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial assets or the service of financial asset that can be reliably estimated.

Evidence of impairment may include the following indications

Notes to the Financial Statements

- 1) The debtors or a service of debtors are expecting significant financial difficulty
- 2) Default or delinquency in interest or principal payments
- 3) The probability that debtors will enter bankruptcy or other financial reorganization.
- 4) Observable data indicates a measurable decrease in estimated future cash flows (e.g. changes in arrears or economic condition that correlate with default)

2.11 Financial liabilities

a. Initial recognition and measurement

Financial liabilities within the scope of IPSAS 29 are classified as financial liabilities at fair value through surplus or deficit or loans and borrowings as appropriate. The Service determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognized initially at fair value and in the case of loans and borrowings plus directly attributable transaction costs.

b. Loan and borrowing

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in surplus or deficit when the liabilities are derecognized as well as through the effective interest method amortization process IPSAS 29. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate.

2.12 Inventories- IPSAS 12

Inventory is measured at cost upon initial recognition. To the extent that inventory was received through non-exchange transactions (for no cost or for a nominal cost), the cost of the inventory is its fair value at the date of acquisition. After initial recognition, inventory is measured at the lower of cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at no charge or for nominal charge, that class of inventory is measured at the lower of cost and current replacement cost.

Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange or distribution.

Notes to the Financial Statements

Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the Service.

2.13 Provision- IPSAS 19

Provisions are recognized when the Service has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resource embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the Service expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain.

The expenses relating to any provision is presented in the statement of financial performance net of any reimbursable.

2.14 Contingent liabilities

The Service does not recognize a contingent liability, but discloses details of any contingencies in the notes to the financial statements, unless the possibility of an out flow of resources embodying economic benefits or service potential is remote.

2.15 Contingent assets

The Service does not recognize contingent asset, but discloses details of a possible asset whose existence is contingent on the occurrence or nonoccurrence of one or more uncertain future events not wholly within the control of the Service in the notes to the financial statements. Contingent assets are assessed continually to ensure that development are appropriately reflected in the financial statements

If it has become virtually certain that an inflow of economic or service potential will arise and the asset's value can be measured reliably, the asset and related revenue are recognized in the financial statements of the period in which the change occurs.

Nature and purpose of reserves

The Service creates and maintains reserves in terms of specific requirements. The Service states reserves maintained and appropriate policies adopted.

Notes to the Financial Statements

Changes in accounting policies and estimates- IPSAS 3

The Service recognizes the effects of change in accounting policy retrospectively. The effects of changes in accounting policy are applied prospectively if its retrospective application is impracticable.

2.16 Employee benefits-IPSAS- 25

Retirement benefit plans

The Service provides retirement benefits for its employees and Directors. Defined contributory plans are post-employment benefit plans under which Service pays fixed contributions into a separate Service (a fund), and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employment benefits relating to employee service in the current and prior periods.

The contribution to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable.

2.17 Foreign currency transactions – IPSAS 4

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. Payables or Receivables denominated in foreign currency are reported at the statement of financial position reporting date by applying the exchange rate on that date. Exchange differences arising from the settlement of creditors, or from the reporting of creditors at rates different from those at which they were initially recorded during the period are recognized as income or expenses in the period in which they arise.

2.18 Related parties – IPSAS 20

The Service regards a related party as a person or a Service with the ability to exert control individually or jointly, or to exercise significant influence over the Service, or vice versa. Members of key management are regarded as related parties and comprise the Board of Directors and senior management staff.

2.19 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at various commercial banks at the end of the financial year.

For the purposes of these financial statements, cash and cash equivalents also include short term cash imprests and advances to authorized persons.

Notes to the Financial Statements

3	Cash and Cash Equivalents	2023	2022
		₦'000	₦'000
	Guaranty Trust Bank	56,960	102,758
	First Bank Retention Account	4,489,295	933,075
	First Bank Expenditure	711,911	351,663
	FCMB	76	76
	Office Cash Account - Imprest	279	597
		5,258,522	1,388,169

Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

4	Inventories	2023	2022
		₦'000	₦'000
	Stock - Security Store Items	99,282	67,039
	Stock - Non Security Store Items	23,290	27,243
	Stock - Stationery	5,612	3,692
		128,184	97,974
5	Investment		
		Ilorin International Conference Centre	1,500,00

IGR Collection Accounts Balances represents Cash balances maintained by State Ministry of Finance which is not under the supervision of Kwara State Internal Revenue Service but serves as collecting agent.

Notes to the Financial Statements

6	IGR Collection Account Balances	2023	2022	7	Receivables and Prepayments	2023	2022
		₦'000	₦'000			₦'000	₦'000
	Access Bank	349,479	133,890		Loan to Government	13,419	13,419
	Eco Bank	57,250	117,676		Owned Companies - KP3		
	FCMB	455	36		Advances to Local Governments	2,250	2,250
	Fidelity Bank	48,708	71,421		Release to KWSG - Donation of Transformer	279,500	279,500
	First Bank	159,906	132,658		KWSG (Mass Titling Committee)	12,764	12,764
	GTB	486,926	436,393		Receivables - Kwara State Government (CAPEX)	436,920	436,920
	Heritage Bank	9,685	771		KWSG (Advance to Kwara State Auditor General)	3,213	3,213
	Jaiz Bank	11,203	17,986		Receivables - Ministry of Finance (Note 17)	110,646	110,646
	Keystone Bank	89,699	187,293		Kwara Health Insurance Fund	1,506	1,869
	Polaris Bank	145,322	179,493				
	Lotus Bank	17,511	19,835				
	Stanbic IBTC Bank	26,024	1,310				
	Sterling Bank	28,579	34,949				
	UBA	19,084	38,748				
	Union Bank	33,267	10,134				
	Unity Bank	17,552	22,308				
	Wema Bank	26,453	21,608				
	Zenith Bank	21,502	25,022				
		1,548,605	1,451,532			860,219	860,582

Notes to the Financial Statements

	2023	2022
	₦'000	₦'000
8 Payables & Other Accounts		
Staff Claims (Operational Expenses)	2,038	27,151
Other Consultants Payables	6,913	75,514
Contractors	-	2,531
Other Payables	1,018	6,457
Velox Enterprise Payable	1,799,353	1,799,353
CSCD Payables	370,232	370,232
Mazars Consulting Payables	130,520	130,520
Superflux International - Contractor of Security Documents	13,340	13,340
Federal Road Safety Commission	32,823	1,372
Consultants TAMA	1,351	-
KWIRS IGR - (WHT)	426	4,365
KWIRS IGR - (DEV. LEVY)	5,428	34,746
FIRS - VAT	13,983	-
FIRS - WHT	16,049	-
FIRS - Stamp Duty	1,587	-
KWIRS - Stamp Duty	85	873
Contributory Pension Scheme	475	171
National Housing Fund	545	287
Personnel Emohment	0	34
KWIRS IGR Payable	128	50,428
Compumetric Solutions Limited	123,494	143,571
Payable - Procurement Facility Office	7,232	4,648
SUBEB Fund	14,250	14,250
Min. of Finance - Transit (SUBEB/TENDER)	1,340	1,340
Federal Road Safety Commission Minor Order	5,456	-
Accrued Audit Fee	5,000	5,000
	2,553,066	2,686,183

Consultants' Commission: This represents the unpaid balances in respect of the revenue collection Consultants' engaged by the Service on behalf of the State Government.

	2023	2022
	₦'000	₦'000
9 Employee Benefits		
Defined Contribution Plan		
Terminal Benefit	87,980	-
	87,980	-

Notes to the Financial Statements

	2023	2022
	₦'000	₦'000
10 Fund Capital		
At January 1 st	3,567,195	2,089,105
Addition	1,005,759	
Reserve	8,662	
Prior Year Adjustment Note 21	-	(8,911)
Additional Capital from Ministry of Finance	-	1,487,001
	4,581,616	3,567,195
	2023	2022
	₦'000	₦'000
11 Accumulated Fund		
At January 1 st	254,635	106,551
Prior Year Adjustment	328,128	7,509
Surplus of Income Over Expenditure	3,229,688	140,575
	3,812,451	254,635
12 SUBVENTION		
Statutory Allocation (Operational Fund)	2,775,021	2,410,400
Consultancy Commission	5,982,808	3,565,528
	8,757,829	5,975,928
Other Income Note 12(a)	92,170	6,489
	8,849,999	5,982,417
	2023	2022
	₦'000	₦'000
13 Salaries wages and employee benefits		
Salaries and Allowances	1,473,094	1,136,137
Performance Bonus	327,786	264,702
Responsibility Allowance	44,288	45,761
Contributory Pension	116,858	104,820
	1,962,025	1,551,419
14 Consultants' Commission		
Financial Consulting	1,888,483	1,883,289
	1,888,483	1,883,289

Notes to the Financial Statements

	2023	2022
	₦'000	₦'000
15 Depreciation and Amortization		
Depreciation Charges	237,387	174,875
	237,387	174,875
	2023	2022
	₦'000	₦'000
16 Supplies and Consumables used		
Office Stationeries/Computer Consumables	28,236	21,529
Books and Journals	1,390	51
Magazines & Periodicals	2,613	2,288
Printing of Non Security Documents	47,932	38,939
Printing of Security Documents	107,151	107,078
	187,322	169,885
	2023	2022
	₦'000	₦'000
17 Other Operational Expenses		
Transport & Travel	45,404	41,995
Utilities – General	45,148	39,288
Maintenance service – General	43,467	43,409
Training – General	40,377	40,021
Other Services – General	35,854	35,213
Fuel & Lubricant – General	59,804	59,920
Financial Charges - General	27,714	18,827
Miscellaneous Expenses - General	239,153	183,702
	536,920	462,374
	2023	2022
	₦'000	₦'000
17 Transport & Travel		
Local Transport & Travel	27,090	27,057
International Transport & Travel (Training)	18,313	14,938
	45,404	41,995
17 Utilities – General		
Electricity Charges	18,028	13,553
Internet Access Charges	18,569	18,557
Software Charges/License Renewal	8,551	7,177
	45,148	39,288

Notes to the Financial Statements

	2023	2022
	₦'000	₦'000
17.3 Maintenance service – General		
Maintenance of Motor Vehicle/Transport Equipment's	26,505	26,431
Maintenance of Building & Residential QTRS	10,005	10,003
Maintenance of Office/IT Equipment	3,977	3,981
Maintenance of Plant/Generators	2,979	2,994
	43,467	43,409
	2023	2022
	₦'000	₦'000
17.4 Training – General		
Local Training	34,477	33,333
Foreign Training	5,900	6,688
	40,377	40,021
	2023	2022
	₦'000	₦'000
17.5 Other Services – General		
Security Expenses	15,885	15,441
Cleaning & Fumigation Services	19,969	19,771
	35,854	35,213
17.6 Fuel & Lubricant – General		
Motor Vehicle Fuel Cost	29,973	29,947
Plant/Generator Fuel Cost	29,831	29,973
	59,804	59,920
17.7 Financial Charges - General		
Audit Fee	5,000	5,208
Audit Expenses	4,626	
Bank Charges (Others than Interest)	3,909	2,719
Insurance Premium	14,179	10,900
	27,714	18,827

Notes to the Financial Statements

	2023	2022
	₦'000	₦'000
17.8 Miscellaneous Expenses - General		
Refreshment & Meals	1,962	1,938
Publicity & Advertisements	39,961	29,975
Postages & Courier Services	3,207	2,801
Welfare Package	9,963	9,989
Subscription to Professional Bodies	2,776	2,749
Annual Budget Expenses & Administration	333	328
Operational Expenses	47,975	27,961
Monitoring & Evaluation (Community Impact)	99,980	99,984
Meeting/Visitation Expenses	32,995	7,977
	239,153	183,702
17.9 Prior Year Adjustment		
Office Equipment	(4,102)	249
Employee Benefits	(23,175)	
Accumulated Fund	17,491	
Consultants Commission	337,835	
Federal Inland Revenue VAT	79	
	328,128	249

Notes to the Financial Statements

	2023	2022
	₦'000	₦'000
18 Receivables -Ministry of Finance		
Balance brought forward	110,646	110,646
Additions During the year	-	-
Total	110,646	110,646
Less: Refund During the year	-	-
	110,646	110,646
19 Current Year IGR	2023	2022
	₦'000	₦'000
Directorate of Corporate	13,918,524	14,018,027
Directorate of Informal Sector	306,496	-
Directorate of MDA's (MLA)	607,267	
IGR Collection – Ministries	16,758,933	4,629,334
Parastatals	1,838,036	1,296,851
Local Governments IGR	135,619	152,124
Tertiary Institutions	16,417,487	15,349,510
Property Tax Department	1,506,789	
Directorate of MDA's (Stamp Duties and Registration & Renewal of Consultants)	4,934,814	
Total Internally Generated Revenue	56,423,965	35,445,846
Disbursement	2023	2022
	₦'000	₦'000
Sweeping to TSA Account	24,065,801	16,645,692
Retained Collections	16,417,487	15,501,634
Ministerial Retained Collection	557,658	187,775
Bank Charges	44,076	12,717
Hajj/Christian Pilgrims Accounts	15,241,870	2,515,167
Total Fund Disbursed	56,326,892	34,862,984
Net IGR Payables/(Receivables) for the year	2022	2022
	₦'000	₦'000
IGR Fund brought Forward	1,451,532	868,670
IGR Fund carried Forward	1,548,605	1,451,532

Notes to the Financial Statements

Fixed Assets

20	Property, Plant and Equipment	Land	Building	Furniture & Fittings	Plant and Machinery	Office Equipment	Motor vehicle	Total
		₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
	Cost							
	As at 1st January, 2023	200,000	2,511,106	94,500	24,216	300,650	482,106	3,612,579
	Prior Year Adjustment					(4,102)		
	Additions for the year		808,174	7,094	506	51,215		866,990
	As at 31 December, 2023	200,000	3,319,280	101,595	24,722	347,763	482,106	4,475,466
	Cost							
	As at 1st January, 2022	200,000	928,336	89,855	19,659	253,039	450,352	1,941,242
	Prior Year Adjustment	-	-	-	-	(1,402)	10,450	9,048
	Additions for the year	-	1,582,769	4,645	4,557	47,610	21,305	1,660,886
	As at 31 December, 2022	200,000	2,511,106	94,500	24,216	299,248	482,106	3,611,176
	Depreciation							
	As At 1st January, 2023	-	237,985	78,797	10,632	207,065	415,411	949,890
	Charge for the year	-	139,083	12,880	2,443	58,670	24,312	237,387
	At December 31, 2023	-	377,068	91,677	13,075	265,735	439,723	1,187,278
	Depreciation							
	As At 1st January, 2022	-	184,896	66,822	8,473	156,534	347,841	764,566
	Prior Year Adjustment	-	-	-	-	-	10,450	10,450
	Charge for the year	-	53,089	11,975	2,159	50,531	57,120	174,875
	At December 31, 2022	-	237,985	78,797	10,632	207,065	415,411	949,890
	Carrying Amount							
	At December 31, 2023	200,000	2,942,212	9,918	11,647	82,028	42,383	3,288,189
	Carrying Amount							
	At December 31, 2022	200,000	2,273,121	15,704	13,584	92,182	66,695	2,661,286

		2023	2022
		₦'000	₦'000
21	Information Regarding Directors and Employees		
21.1	Director		
	The Aggregate Emolument of the Director was:		
	Remuneration		
	Highest paid Director	16,201	13,501
		16,201	13,501
	The number of Director with gross emolument within the stated bands was:	2023	2022
		Number	Number
	N5,000,000 - N7,000,000	3	2
	Above N7,000,000	5	5
		8	7
21.2	Employees		
	The average number of employees employed in the year were as follows:	Number	Number
	Managerial	8	7
	Senior	91	72
	Junior	835	850
		934	929
	The costs relating to the above were:		
	Salaries and Allowances	1,408,288	1,136,137
	Other Costs	488,931	415,282
		1,897,219	1,551,419
	Below shows the salary bands and number of employees of the year:	Number	Number
	N300,000 - 1,000,000	205	393
	N1,000,001 - 2,000,000	630	456
	N2,000,001 - 3,000,000	46	53
	Above N3,000,000	53	27
		934	929

Notes to the Financial Statements

22 Financial Commitments

The Directors are of the opinion that all known commitments which are relevant in assessing the state of affairs of the Service have been taken into consideration in the preparation of these financial statements.

23 Contingent Liabilities

As at December 31 2023, there was no contingent liability that came to our attention during the audit review exercise.

24 Events after Reporting Period

There is no any post-reporting date event that can have material effect on the state of affairs of the Service as at 31 December, 2023.

25 Approval of Financial Statements

The Financial Statements were approved by the Directors on 18th March, 2024.

FIVE YEARS FINANCIAL SUMMARY

	2023	2022	2021	2020	2019
	₦'000	₦'000	₦'000	₦'000	₦'000
STATEMENT OF FINANCIAL POSITION					
Non-Current Assets	4,788,189	4,161,286	2,676,676	1,078,427	1,142,957
Current Assets	7,795,529	3,798,257	2,839,533	2,855,031	2,526,845
Current Liabilities	(2,641,046)	(2,686,181)	(2,460,795)	(2,410,203)	(2,501,098)
Net Assets	9,942,672	5,273,362	3,055,414	1,523,255	1,168,704
Capital and Reserves					
Fund Capital	4,581,616	3,567,195	2,080,194	1,827,450	1,733,055
Accumulated Fund	3,812,451	254,635	106,551	(1,157,911)	(1,935,984)
IGR Fund	1,548,605	1,451,532	868,670	853,716	1,371,633
	9,942,672	5,273,362	3,055,415	1,523,255	1,168,704
Comprehensive Income Statement					
Revenue	8,849,999	5,982,417	5,216,102	3,710,154	4,005,673
Expenses	5,620,311	5,841,841	3,962,345	2,894,855	4,226,816
Surplus for the year	3,229,688	140,575	1,253,757	815,299	(221,143)





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