



NIGERIAN ELECTRICITY REGULATORY COMMISSION
UNIFORM SYSTEM OF ACCOUNTS REGULATIONS 2018
REGULATION NO. NERC – R – 113

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NIGERIAN ELECTRICITY REGULATORY COMMISSION

In exercise of the powers conferred on the Nigerian Electricity Regulatory Commission (“NERC” or the “Commission”) by section 96 of the Electric Power Sector Reform Act, and all other enabling powers; the Commission makes the following Regulations:

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CHAPTER I GENERAL

1. Short Title

These regulations shall be called the Uniform System of Accounts (“USoA”) Regulations 2018.

2. Commencement

1. These regulations shall come into force from the date it is approved by a resolution of the Commission.
2. These regulations shall be signed by the Chairman/Chief Executive of the Commission, who shall cause the seal of the Commission to be affixed thereon.

3. Objectives

The main objective of these Regulations is the implementation of the Uniform System of Accounts Guidelines 2014 on the generation of all accounting reports required by the Commission based on information extracted from the general and subsidiary ledgers of Licensees.

4. Applicability

These regulations shall be applicable to any person who holds a licence issued under Part IV of the Act.

5. Reporting Currency

The reporting currency for measurement and presentation of Regulatory Accounting Reports shall be the Nigerian Naira.

6. Interpretation

1. Unless otherwise specified in these Regulations:
 - a. Words importing any one gender include the other gender and the singular includes the plural and vice versa.
 - b. Words or expressions used in these Regulations but not defined shall have the same meanings respectively assigned to them in the Act, Uniform System of Accounts (USoA) Guidelines or any other law relevant to these regulations as amended from time to time or respective successors of the Act, shall have the meanings respectively assigned to them in the Act. In case of any inconsistency in meaning of words and expressions in any law, the meaning and expression in the Act shall prevail.

- c. Any reference to a statute or statutory provision includes a reference to that provision as amended, re-enacted or replaced and any Regulation or order made under such provisions from time to time.
 - d. If the date on which an event is scheduled to occur by these Regulations is a day which is not a business day, then the event shall be deemed to occur on the next business day.
2. These Regulations shall be interpreted and implemented in accordance with, and not at variance with the provisions of the Act, read with the terms and conditions of the Licence, Uniform System of Accounts (USoA) Guidelines referred to in Schedule I of the USoA Reporting docket on the Commission's website and any other Regulation made by the Commission.
3. In these Regulations, unless the context otherwise requires:

“Act” means the Electric Power Sector Reform Act (no. 6 of 2005), as may be amended from time to time.

“Annual Reports” means statutory accounting reports comprising of statement of profit or loss and other comprehensive income, statement of financial position, statement of changes in equity, statement of cash flows, notes to the financial statements, value added statement and financial summary (up to maximum of five years) prepared by all Licensees in accordance with the International Financial Reporting Standards (“IFRS”), Companies and Allied Matters Act (“CAMA”), and Financial Reporting Council of Nigeria Act.

“Auditor” means a person or a firm appointed in accordance with section 357 of CAMA to perform an audit of the Annual Regulatory Accounting Reports, prepared under these Regulations for the purpose of expressing an independent opinion.

“Commission” means Nigerian Electricity Regulatory Commission, established by the Act.

“Financial Year” means the period of 12 months commencing on 1st January and ending on 31st December within which financial transactions for the relevant year are ascertained.

“Licence” means a licence granted by the Commission under sections 64 – 68 of the Act to undertake the business of power generation, power transmission, system operations, distribution and trading of electricity in the Nigerian Electricity Supply Industry (“NESI”).

“Licensee” means the holder of a licence granted under sections 64 – 68 of the Act.

“Licensed Business” means the function and activities, which the Licensee is required to undertake in furtherance of the Licence granted under the Act.

“Regulations” means these regulations and any other Regulation made pursuant to section 96 of the Act and all other subsidiary Regulations applicable to NESI.

“Regulatory Accounting Reports” means accounting and financial reports and all other reporting templates as notified by the Commission under this regulation for filing by all Licensees.

“Regulated Business” means the business regulated by the Commission within the provisions of the Act.

“Periodic Inspection” means regular review of accounting, financial and all other records/reports required by the Commission to ascertain compliance with the provisions of these Regulations.

“USoA” means accounting model that provides basic account descriptions, instructions and accounting definitions for regulatory accounting reporting by Licensees in NESI.

CHAPTER II
REGULATORY ACCOUNTING REPORTS AND RETURNS

7. Regulatory Accounting Reports

1. All Licensees shall file Regulatory Accounting Reports with the Commission in accordance with the format provided in Schedule III (Reporting Templates) of the USoA Reporting docket on the Commission's website.
2. The comprehensive list of all Regulatory Accounting Reports to be filed by Licensees is provided in Schedule II (List of Regulatory Accounting Reports) of the USoA Reporting docket on the Commission's Website.
3. Regulatory Accounting Reports shall be filed in both hard and electronic copies with the Commission.
 - a. The format for filing these reports may change from time to time as may be directed by the Commission.
 - b. All electronic filings with the Commission shall be in accordance with the Regulatory Accounting Reporting templates in Schedule III (Reporting Templates) of the USoA Reporting docket on the Commission's website.

8. Financial Year End

All Licensees shall have a financial year end of 31st December for the preparation of the statutory financial statements under CAMA and the preparation of their Regulatory Accounting Reports under these Regulations.

9. Signatories

All Regulatory Accounting Reports filed with the Commission shall be signed by both the Chief Executive Officer (CEO) and Chief Financial Officer (CFO) of the Licensee.

10. Returns

1. All Licensees shall file the following in the manner prescribed below:
 - a. A monthly report shall be filed on or before the 10th day of the month following that which transactions were recorded in the preceding month.
 - b. A quarterly report shall be filed on or before the 20th day of the month following which transactions were recorded in the preceding quarter.
 - c. An annual report shall be filed on or before the 30th of April of the succeeding year.

- d. The statutory report (annual report and audited financial statements) shall be filed on or before the 30th of April of the succeeding year.
- e. The reconciliation statement between the Regulatory Account Report and statutory report (annual report and audited financial statements) shall be filed on or before the 30th of April of the succeeding year. A sample reconciliation statement is provided in schedule III (Reporting Templates) of the USoA Reporting docket on the Commission's website.

11. Accounting Officer

All Regulatory Accounting Reports filed with the Commission must disclose the name, position, and contact details of an accounting officer designated by the Licensee to respond to any additional enquiries from the Commission on the Regulatory Accounting Reports.

CHAPTER III AUDIT AND APPOINTMENT OF AUDITORS

12. Appointment of Auditor

Shareholders of Licensees shall appoint an Auditor that is qualified for appointment under section 357 of CAMA to perform an audit of the Annual Regulatory Accounting Reports and other reports, prepared under these Regulations for the purpose of expressing an independent opinion on compliance with these Regulations.

13. Notification of Appointment

All Licensees shall notify the Commission in writing within 14 days of the appointment of an Auditor or any change thereof.

14. Audit Work Plan

1. All Auditors shall submit a work plan, describing the scope of work/audit review procedures to be used, to the Commission prior to the commencement of the audit.
2. The Commission shall review the audit work plan and confirm approval to the Auditor where the plan is appropriate for the engagement.

15. Disqualification of Auditor

1. The Commission shall disqualify the Auditor -
 - a. Where the appointment was not done in accordance with the provisions of CAMA.

- b. Where the audit work plan submitted by the Auditor is inadequate and not in compliance with International Standards on Auditing ("ISAs").
2. The Commission may appoint another Auditor or refer the matter to the shareholders to appoint another Auditor where the Auditor is disqualified in accordance with section 15 (1) of these Regulations.

16. Audit Opinion

The Auditor shall express an opinion in his audit report as to whether the Licensee's reports have been presented fairly in all material respects in accordance with these Regulations and he has received all information and explanations necessary for the purpose of the audit. Sample audit report is provided in Schedule IV (Sample Audit Report) of the USoA Reporting docket on the Commission's website.

17. Eligibility

Auditors appointed to perform statutory audit of Licensees' annual financial statements may be eligible for appointment as Auditors for the Regulatory Accounting Reports.

18. Inspection

The Commission shall conduct Periodic Inspection of Licensees to confirm compliance with the provisions of these Regulations.

CHAPTER IV MAINTENANCE OF ACCOUNTING AND FINANCIAL RECORDS

19. Accounting and Financial Records

1. All Licensees shall maintain and provide segregated accounting and financial records with supporting documentation in respect of their Regulated and Non-Regulated Businesses.
2. All Licensees shall keep their books of account, and all other books, records, and memoranda which support the entries in such books of account, so as to be able to readily furnish full information regarding any item included in the accounts.
3. The books and records referred to herein include accounting, financial, and all other records, such as minute books, share register, reports, correspondence, memoranda, etc., which may be useful in developing the history of or facts regarding any transaction.

20. Document Retention

All Licensees shall retain their books and records for a minimum period of 6 years from the date of completion of the transaction.

21. Accounting Convention

1. All Licensees shall prepare the Regulatory Accounting Reports under Historical Cost Convention, Regulations of the Commission, and other relevant provisions of CAMA.
2. Where there is an inconsistency between the principles stated in section 21 (1) above and these Regulations, the treatment of items in the Regulatory Accounting Reports shall be done in accordance with these Regulations.

CHAPTER V MISCELLANEOUS

22. Orders and Directions

The Commission may subject to the provisions of the Act and these Regulations, the Commission issue orders and directions for the implementation of these Regulations.

23. Amendment

1. The Commission may at any time add, vary, alter, modify or amend these Regulations subject to the provisions of the Act.
2. The procedure for addition or amendment shall be through a formal request from any of the Licensees for the creation of new account codes to reflect peculiar accounting transactions.
3. The Commission may review the formal request for appropriateness, hold public consultations with stakeholders and approve the amendment.

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SCHEDULE IV

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**THE COMMON SEAL OF
NIGERIAN ELECTRICITY REGULATORY COMMISSION
was affixed pursuant to the Order of the Commission on the 8th Day of March 2018**



SANUSI GARBA
VICE CHAIRMAN