CENTRAL BANK OF NIGERIA

Section 38 / Ways & Means Audit Disclosure Review: 2021-2025

Updated review following a further search of the CBN website for 2023 accounts

EXECUTIVE FINDING

A further search of the Central Bank of Nigeria's official website and publication archive did not locate a standalone audited Consolidated and Separate Financial Statements or Annual Report and Statement of Accounts for the year ended 31 December 2023. The CBN publication feed lists the 2021 and 2022 audited financial statements and later the 2024 Summary Consolidated and Separate Financial Statements, but no equivalent 2023 audited publication was identified.

Accordingly, the 2023 audit opinion cannot be responsibly classified from the CBN website. The strongest evidence-based chronology remains: 2022 - explicit management disclosure of Section 38 non-compliance; 2024 - verified auditor-level Emphasis of Matter on Section 38; 2025 - continuation of the Section 38 Emphasis of Matter, with an additional Emphasis of Matter on the basis of accounting.

1. Updated Comparative Position

Year	Auditor-level position	Section 38 / Ways & Means disclosure	Ways & Means position / excess	Assessment
2021	No Section 38 Emphasis of Matter identified in the published report reviewed.	No equivalent explicit Section 38 non-compliance note identified in the material reviewed.	CBN's 2022 accounts show the 2021 overdraft / short-term advance comparative at about N17.225tn. The exact 2021 Section 38 ceiling and therefore the precise year-end excess were not separately quantified in the audited disclosure reviewed. The balance was, however, far above the statutory 5% framework.	No auditor Section 38 warning identified; substantial excess exposure existed.
2022	No separate Section 38 Emphasis of Matter identified in the published auditors' report reviewed.	Note 34 explicitly disclosed temporary advances of about N23.18tn against a calculated Section 38 limit of about N252.27bn.	Documented excess: approximately N22.93tn (N23.18tn less N252.27bn).	Explicit statutory non-compliance disclosed by CBN, but not identified as a separate auditor EOM.
2023	No standalone 2023 audited financial statements / auditors' report located on the CBN website after renewed searches.	2023 figures appear in later comparative reporting, but that does not establish the wording of a 2023 audit opinion.	The stock exceeded N26tn by May 2023 before securitisation of N22.7tn; the World Bank reports an end-June revised stock of about N4.3tn. A further N7.3tn outstanding debit balance was approved for securitisation in Dec. 2023. A single audited year-end Section 38 excess is not available from a standalone 2023 CBN audit report.	Material excess / residual exposure is documented, but exact audited year-end excess remains unresolved.
2024	Verified auditor wording: unmodified opinion with an Emphasis of Matter on non-compliance with Section 38 of the CBN Act.	The 2024 summary statements report under the CBN/FRC framework stated in the publication.	The 2024 audited accounts show a sharp reduction in Federal Government overdraft activity; CBN reported only about N3.1bn of interest on the overdraft versus N1.6tn in 2023. However, the summary accounts do not separately quantify the Section 38 year-end excess. The auditors nevertheless continued to flag non-compliance.	Auditor-level Section 38 warning confirmed; precise excess not separately stated in the summary accounts.
2025	Unmodified opinion with Emphasis of Matters on Section 38 non-compliance and on the basis of accounting.	The Annual Report confirms the reporting framework and summary-account limitations.	The 2025 Annual Report states that Ways & Means advances reduced and CBN claims on Central Government debt securities fell to about N26.395tn from N26.744tn. It does not separately disclose a standalone Ways & Means balance or exact Section 38 excess. The continuing EOM establishes that non-compliance remained unresolved.	Continuation of Section 38 warning; exact excess not separately quantified in the published summary disclosure.

Note on the 'excess' column: Only 2022 provides a directly quantified statutory excess in the audited CBN disclosure reviewed. For 2021, 2023, 2024 and 2025, the report shows the strongest verifiable Ways & Means position and states clearly where the exact Section 38 year-end excess cannot be calculated from the published audited material without introducing assumptions.

2. What the CBN Website Search Shows for 2023

The renewed search did not produce a standalone 2023 audited accounts document. The CBN's official publications page provides a category for CBN Consolidated and Separate Financial Statements and CBN Annual Report and Statement of Accounts. The publication feed visibly contains the 2021 and 2022 audited statements and later the 2024 Summary Consolidated and Separate Financial Statements. Searches for a document titled as the 2023 Consolidated and Separate Financial Statements, or a 2023 Annual Report and Statement of Accounts, returned no matching publication.

This absence matters evidentially. 2023 balance-sheet or economic data found elsewhere on the CBN website - including monthly statements of assets and liabilities and later-year comparative figures - cannot substitute for the independent auditors' report. They do not establish whether the 2023 auditors included an Emphasis of Matter on Section 38.

3. The Confirmed Chronology

Year	Development	Implication
2022	CBN management explicitly discloses Section 38 non-compliance	Temporary advances ~ N23.18tn; calculated statutory ceiling ~ N252.27bn; excess ~ N22.9tn.
2023	Audit status not verifiable from a standalone CBN publication	Do not infer the audit opinion from 2024 comparatives or monthly balance-sheet data.
2024	Independent auditors explicitly elevate Section 38 into an Emphasis of Matter	Overall opinion remains unmodified.
2025	Section 38 EOM continues; basis of accounting is also emphasized	This confirms continuing audit attention rather than a new 2025 discovery.

4. Interpretation of the 2025 Position

The 2025 Section 38 warning is a continuation, not a new discovery. The 2022 accounts already quantified a major statutory excess. By 2024, the external joint auditors were expressly drawing attention to Section 38 non-compliance through an Emphasis of Matter. The 2025 audit repeats that concern and expands the audit focus by separately emphasizing the basis of accounting.

The appropriate current characterization remains: CONTINUING NON-COMPLIANCE. The CBN reports that Ways & Means advances reduced in 2025, but the joint auditors still considered Section 38 non-compliance important enough to emphasize. Reduction in exposure is therefore not the same thing as full statutory cure.

5. Important Qualification on 2023

The report should not say that 2024 was definitively the first ever auditor Emphasis of Matter. It is the first year currently verified from the official publications located. Because a standalone 2023 audited report has not been located on the CBN website, the evidentially correct language is: 'By at least 2024, the joint auditors had elevated Section 38 non-compliance into an Emphasis of Matter.'

6. Updated Conclusion

The historical record now supports three distinct stages: (i) an explicit statutory breach disclosed by management in the 2022 accounts; (ii) an auditor-level Section 38 Emphasis of Matter verified by at least 2024; and (iii) continuation of that auditor warning in 2025, together with a new or additional emphasis on the basis of accounting. The missing standalone 2023 audit report remains the only material gap in establishing precisely when the external-auditor warning first appeared.

Source Record

• CBN official Publications & Documents page - categories for CBN Consolidated and Separate Financial Statements and CBN Annual Report and Statement of Accounts.

• CBN Publications RSS feed - lists 2021 and 2022 Consolidated and Separate Financial Statements and the 2024 Summary Consolidated and Separate Financial Statements; no matching 2023 audited financial-statement publication was located in the searches performed.

• CBN Statement of Assets & Liabilities page - contains monthly 2023 data, but is expressly described by the CBN as unaudited and therefore cannot establish the 2023 external audit opinion.

• CBN 2022 Consolidated and Separate Financial Statements - Note 34 on non-compliance with the CBN Act.

• CBN 2024 Summary Consolidated and Separate Financial Statements.

• CBN 2025 Annual Report & Statement of Accounts - Independent Joint Auditors' Report, pp.145-146.