



MEMORANDUM OF UNDERSTANDING
BETWEEN
THE GOVERNMENT OF IMO STATE
REPRESENTED BY THE HONOURABLE
COMMISSIONER FOR BUDGET AND
ECONOMIC PLANNING
AND
THE COMMISSIONER FOR LOCAL
GOVERNMENT AND CHIEFTAINCY AFFAIRS
AND
LOCAL GOVERNMENT COUNCILS IN IMO AS
REPRESENTED BY HEAD OF LOCAL
GOVERNMENT ADMINISTRATION
ON
THE ADOPTION OF HARMONIZED BUDGET
GUIDELINES AND THE NATIONAL CHART OF
ACCOUNTS

THIS MEMORANDUM OF UNSTANDING is made theday
of March 2025

BETWEEN

THE GOVERNOR OF IMO STATE OF NIGERIA represented by the
honourable commissioner of Budget and Economic Planning, Imo state **AND**
the honourable Commissioner of Local Government Chieftaincy Affairs of Imo
State, (Hereinafter referred to as “the state Government” ’which expression shall
where the context admit includes its servants, agents, successors -in-office and
assigns) of the one part.

AND

THE LOCAL GOVERNMENT COUNCILS IN IMO, more particularly
named in the attestation to this Memorandum of Understanding jointly and
severally (Hereinafter collectively referred to as ‘the Councils’ which
expression shall where the context admit includes their respective servants,
agents, successors in office and assigns) of the other part.

WHEREAS:

1. The Imo State Government recognizes the need for all Local Governments to adopt a standardized budget framework for transparency, accountability, and efficient financial management.
2. The National Chart of Accounts (NCOA) provides a structured and harmonized approach to public financial management in line with national and international best practices.
3. The adoption of harmonized budget guidelines ensures consistency in fiscal planning, execution, and reporting across all Local Governments.
4. This MOU formalizes the commitment of all parties to align with the National Chart of Accounts and implement harmonized budget guidelines in the administration of Local Government finances.

OBJECTIVES

1. Ensure the uniform adoption and implementation of the National Chart of Accounts across all Local Governments in Imo State.
2. Facilitate the harmonization of budget preparation, execution, and reporting processes.

3. Enhance financial transparency, accountability, and governance within Local Governments.
4. Improve intergovernmental fiscal relations and compliance with national financial regulations.

SCOPE OF AGREEMENT

1. **Budgeting Process** – All Local Governments shall adhere to the harmonized budget guidelines provided by the Imo State Government, ensuring consistency with national policies.
 - All Local Governments must publish a Budget Call Circular (BCC), including ceilings for recurrent and capital expenditures.
 - Budgets must be prepared using the Medium-Term Expenditure Framework (MTEF) approach.
 - Budget credibility and revenue and expenditure forecasting should be realistic.
 - Public consultation and stakeholder engagement must be incorporated in budget preparation.
 2. **Budget Classification and National Chart of Accounts** – The financial reporting system of the Local Governments shall conform to the NCOA, ensuring alignment with national fiscal management standards.
 - All local governments must adopt the National Chart of Accounts (NCOA) to ensure uniformity with the state and federal governments.
 - Budgets must align with International Public Sector Accounting Standards (IPSAS).
 - Budget classifications shall include administrative, economic, functional, and program classifications for better tracking and comparison.
- ### **3 Budget Approval and Presentation**
- Budgets must be presented to the Local Government Legislative Council before the start of the fiscal year.
 - Budgets should be approved and signed into law before December 31st of the preceding year.
 - Performance-based budgeting is encouraged to link spending to results.

4. Budget Transparency and Publication. All Local Governments must publish:

- Approved Annual Budgets and Budget Implementation Reports (BIRs) quarterly.
- The Citizens' Budget, a simplified version for public understanding.
- The Audited Financial Statements within six months after the end of the fiscal year.
- These documents should be published on the local government's official website to enhance public access.

5. Budget Execution and Financial Management

- Cash management systems should be in place to ensure efficient expenditure control.
- Local Governments must operate a Treasury Single Account (TSA) to consolidate all revenues and expenditures.
- Commitments and procurement processes must align with Public Procurement Laws.

6. Monitoring and Compliance

- Local Governments must establish a Monitoring and Evaluation (M&E) framework to track budget performance.
- Quarterly Budget Performance Reports (BPRs) must be published.
- Regular performance audits should be conducted to assess fiscal efficiency.

7. ROLES AND RESPONSIBILITIES

1. Local Governments shall:

- Adopt and implement the harmonized budget guidelines and National Chart of Accounts.
- Ensure timely preparation and submission of budgets in line with the agreed framework.
- Maintain financial records in accordance with NCOA standards.
- Cooperate with the State Government in capacity-building initiatives.

2. The Imo State Government shall:

- Provide technical support and necessary guidelines for implementation.

- Facilitate capacity-building programs for Local Government officials.
- Monitor compliance and provide corrective measures where necessary.
- Ensure seamless integration of Local Government finances with state and national financial reporting systems.

8. IMPLEMENTATION TIMELINE

The adoption and implementation of the harmonized budget guidelines and the National Chart of Accounts shall be completed within twelve (12) months from the date this MOU was signed.

9. ARBITRATION

- (a) If at any time, any question, dispute or difference shall arise between the parties upon, about in connection with this Memorandum of Understanding, either of the parties shall as soon as is practicable, give to the other notice in writing of the existence of such question, dispute or difference and the same shall failing mutual settlement be referred to an Arbitration Board of three members upon the application of either party.
- (b) The Arbitration Board shall consist of one representative of each party and a third representative to be appointed by the first two members.
- (c) The Arbitration Board's decision on the dispute, question, or difference shall be binding on all parties.
- (d) The language of the Arbitration shall be English and the seat of Arbitration shall be Owerri, IMO State.
- (e) The Arbitration shall be under the Arbitration and Conciliation Act, laws of the Federation of Nigeria, 2004

10. APPLICATION LAW

This Memorandum of Understanding shall be governed by and construed by the Law of the Federal Republic of Nigeria.

11. DETRIMENT ACTS

No party shall undertake any acts as would expose the other to liability or detriment. If any is in default of the foregoing, the party not in default shall be entitled to claim damages.

12. INDEMNITY

Each party shall indemnify the other party from any claims, causes of action, suits arising out of any breach of this agreement by the indemnifying party.

13. SEVERABILITY OF PROVISIONS

Any provision of this Memorandum of Understanding that is prohibited or unenforceable under Nigerian Law shall be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provision. The parties may in good faith replace such provision and thereby define their respective rights, interests, obligations and functions in the context of the new situation

14. CONFIDENTIALITY

All terms and conditions of this Memorandum of Understanding and all other information pertaining hereto shall at all times be held in confidence and shall not be disclosed by any party hereto to any third party except strictly on a need-to-know basis

15. TERMINATION

If either party shall commit or permit a breach of any material part of this Memorandum of Understanding, the other shall have the right to terminate this Memorandum of Understanding by giving fourteen (14) days' notices in writing to the party in default provided that if such defaulting party shall make good breach to the satisfaction of the other within seven (7) days after such notice has been given, the notice of termination shall be regarded as void and of no effect.

16. ENTIRE MEMORANDUM OF UNDERSTANDING

This memorandum of Understanding constitutes the entire understanding of the parties hereto, and it may only be altered or amended with an instrument in writing.


17. FORCE MAJEURE

Should either party to this Memorandum of Understanding fail to comply with any of the provisions herein contained by reason of "Force Majeure" such failure shall not be regarded as a breach of this memorandum of Understanding.


“Force Majeure” shall be construed as unforeseeable events or circumstances beyond the control of the party charged with noncompliance including but not limited to war, extra – ordinary flood, Act of God fire, strikes or any regulation order or direction prohibiting work by and government body, the State Government shall give notice to the Council within seven (7) days of the commencement of the “Force Majeure”. However, if such situation continues, in excess of one (1) calendar month, the parties shall consult with each other regarding the appropriate steps to be taken for the implementation of this Memorandum of Understanding.

IN WITNESS WHEREOF the representatives of the parties have set their hands and seals to be fixed hereunto the day and year first above written.

SIGNED, SEALED AND DELIVERED BY:


Hon Anselm
Anyanwu

**Honourable Commissioner,
Ministry of Budget and Economic Planning,
Imo State,
FOR AND ON BEHALF OF THE
GOVERNMENT OF IMO STATE OF
NIGERIA.**


Hon. Rubby Emele

**Honourable Commissioner
Ministry of Local Government and Chieftaincy
FOR AND ON BEHALF OF THE
GOVERNMENT OF IMO STATE OF
NIGERIA.**


IN THE PRESENCE OF:

SIGNATURE:

NAME:

ADDRESS:

OCCUPATION:

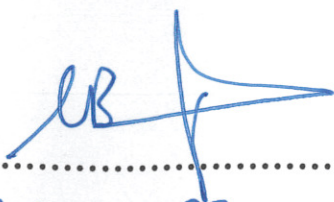

.....
BARR. OBITA NWOSU PH.D
.....
OFFICE OF AUDITOR-GEN LGS
.....
CIVIL SERVANT
.....

SIGNATURE:

NAME:

ADDRESS:

OCCUPATION:



.....
OJAIKA OBINMA . G.
.....
MIN. of BUDGET & ECON PLANNING
.....
CIVIL SERVANT
.....

THE RESPECTIVE SEALS OF THE WITHIN NAMED COUNCILS
ARE HERETO AFFIXED

1).....

ABOH MBAISE LOCAL GOVERNMENT COUNCIL

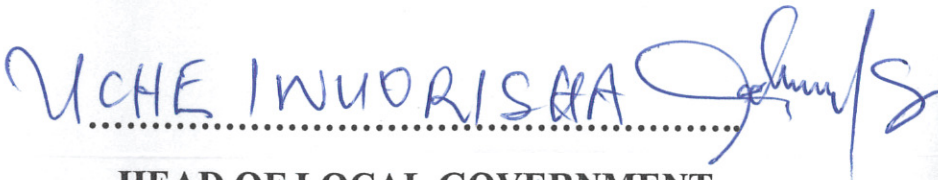
IN THE PRESENCE OF:


.....
HEAD OF LOCAL GOVERNMENT
ADMINISTRATION

2).....

AHIAZU LOCAL GOVERNMENT COUNCIL

IN THE PRESENCE OF:


.....
HEAD OF LOCAL GOVERNMENT
ADMINISTRATION

3).....

EHIME MBANO LOCAL GOVERNMENT COUNCIL


IN THE PRESENCE OF:


.....
HEAD OF LOCAL GOVERNMENT
ADMINISTRATION

4).....

EZINIHITE MBAISE LOCAL GOVERNMENT COUNCIL

IN THE PRESENCE OF:


OLEDIKA E N. 

**HEAD OF LOCAL GOVERNMENT
ADMINISTRATION**

5).....

IDEATO NORTH LOCAL GOVERNMENT COUNCIL

IN THE PRESENCE OF:

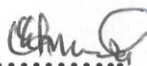
IGBORWE ONWUSIRI 

**HEAD OF LOCAL GOVERNMENT
ADMINISTRATION**

6).....

IDEATO SOUTH LOCAL GOVERNMENT COUNCIL

IN THE PRESENCE OF:


UMUNNAT L. M. H. 

**HEAD OF LOCAL GOVERNMENT
ADMINISTRATION**

7).....

IHITE/UBOMA LOCAL GOVERNMENT COUNCIL

IN THE PRESENCE OF:

EZIKE  CALISTA C

**HEAD OF LOCAL GOVERNMENT
ADMINISTRATION**

8).....

IKEDURU LOCAL GOVERNMENT COUNCIL

IN THE PRESENCE OF:

UBAH NICHOLAS CHIWUIKE

HEAD OF LOCAL GOVERNMENT
ADMINISTRATION

9).....

ISIALA MBANO LOCAL GOVERNMENT COUNCIL

IN THE PRESENCE OF:

BARR. EMEKA E. ODUAH

HEAD OF LOCAL GOVERNMENT
ADMINISTRATION

10).....

ISU LOCAL GOVERNMENT COUNCIL

IN THE PRESENCE OF:

USBOAJA BEDE CHIBUZOR

HEAD OF LOCAL GOVERNMENT
ADMINISTRATION

11).....

MBAITOLI LOCAL GOVERNMENT COUNCIL

IN THE PRESENCE OF:

Uwakwem, K. I. Esq

HEAD OF LOCAL GOVERNMENT
ADMINISTRATION

12).....

NGOR-OKPALA LOCAL GOVERNMENT COUNCIL

IN THE PRESENCE OF:

Okorie R. I. Okorie

HEAD OF LOCAL GOVERNMENT
ADMINISTRATION

13).....

NJABA LOCAL GOVERNMENT COUNCIL

IN THE PRESENCE OF:

Orisakwe T. C (Mrs)

HEAD OF LOCAL GOVERNMENT
ADMINISTRATION

14).....

NKWERRE LOCAL GOVERNMENT COUNCIL

IN THE PRESENCE OF:

Igwe, Paulk Buchi

HEAD OF LOCAL GOVERNMENT
ADMINISTRATION

15).....

NWANGELE LOCAL GOVERNMENT COUNCIL

IN THE PRESENCE OF:

Ezeala Charles E.


HEAD OF LOCAL GOVERNMENT
ADMINISTRATION



16).....

OBOWO LOCAL GOVERNMENT COUNCIL

IN THE PRESENCE OF:


DSUJI, N.C. 

**HEAD OF LOCAL GOVERNMENT
ADMINISTRATION**

17).....

OGUTA LOCAL GOVERNMENT COUNCIL

IN THE PRESENCE OF:


AYOZIE VICTOR C. 

**HEAD OF LOCAL GOVERNMENT
ADMINISTRATION**

18).....

OHAI/EGBEMA LOCAL GOVERNMENT COUNCIL

IN THE PRESENCE OF:


CHUKWUKA, H.C. 

**HEAD OF LOCAL GOVERNMENT
ADMINISTRATION**

19).....

OKIGWE LOCAL GOVERNMENT COUNCIL

IN THE PRESENCE OF:

Ekwoneme b.c. 

**HEAD OF LOCAL GOVERNMENT
ADMINISTRATION**

20).....

ONUIMO LOCAL GOVERNMENT COUNCIL

IN THE PRESENCE OF:



Onwuegbuchin I.C.

HEAD OF LOCAL GOVERNMENT
ADMINISTRATION

21).....

ORLU LOCAL GOVERNMENT COUNCIL

IN THE PRESENCE OF:


Onyegebe F.B.N. 

HEAD OF LOCAL GOVERNMENT
ADMINISTRATION

22).....

ORSU LOCAL GOVERNMENT COUNCIL

IN THE PRESENCE OF:

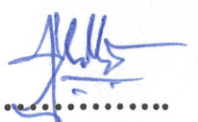
A. C. CHIKERE 

HEAD OF LOCAL GOVERNMENT
ADMINISTRATION

23).....

ORU EAST LOCAL GOVERNMENT COUNCIL

IN THE PRESENCE OF:

Dr. E. Chidi Okere 

HEAD OF LOCAL GOVERNMENT
ADMINISTRATION

24).....

ORU WEST LOCAL GOVERNMENT COUNCIL

IN THE PRESENCE OF:

OGBENTA I.V (JP) 

HEAD OF LOCAL GOVERNMENT
ADMINISTRATION

25).....

OWERRI MUNICIPAL LOCAL GOVERNMENT COUNCIL

IN THE PRESENCE OF:

NGOKA F.D (JP) 

HEAD OF LOCAL GOVERNMENT
ADMINISTRATION

26).....

OWERRI NORTH LOCAL GOVERNMENT COUNCIL

IN THE PRESENCE OF:


MRS FRANCISCA NSUNGEA NKARA

HEAD OF LOCAL GOVERNMENT
ADMINISTRATION

27).....

OWERRI WEST LOCAL GOVERNMENT COUNCIL

IN THE PRESENCE OF:

NDUKWA HIPPOLYTE Grominghu

HEAD OF LOCAL GOVERNMENT
ADMINISTRATION