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IMPLEMENTATION OF THE TREASURY SINGLE ACCOUNT AND ANTI-CORRUPT CAMPAIGN IN NIGERIA'S BANKING SECTOR AND GOVERNMENT AGENCIES, 2015 – 2019

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ABSTRACT

This paper carefully examined the war against corruption in Nigeria and identified the prospects as well as the hurdles confronting the anti-corruption fight by the Federal Government and the effects of the aggressiveness mounted towards the implementation of Treasury Single Account (TSA) within the period under review. The methodology adopted for this study is secondary sources of data collection. The findings of this work revealed that corruption had found its way into the fabric of the Nigerian society especially in the public service; hence, the paper concludes that the adoption and full implementation of Treasury Single Account (TSA) policy by a third world country like Nigeria whose economy is dwindling almost on a daily basis can be said to a decision in the right direction. The paper recommends that adequate monitoring and evaluation through transparency and accountability should be employed to drive the implementation of Treasury Single Account (TSA) policy in the public service of Nigeria to a logical end.

KEYWORDS: ***Treasury, Single Account, Anti Corruption, Campaign, Implementation, Banking Sector***

INTRODUCTION

Treasury Single Account is not a new concept; it has been adopted for decades in developed countries such as the United States, UK, France and developing economies of India and Indonesia. In Nigeria, the policy was first recommended by the Federal Government's Economic Reforms towards vision 20 2020. The public financial management reforms were designed to address impediment to effective and efficient cash management.

Table 1: Showing the Federal Government Deposit (FGDP) Credit to the Private Sector (CRP), Deposit Mobilization (DPM) and Loans and Advances (Lad) of the Commercial Bank for the Period 2000 – 2015

Date	FG Dp (₦ Billion)	CRP (₦ Billion)	DPM (₦ Billion)	L & A (₦ Billion)
2000	73.8	530.37	343.17	503.3
2001	28.3	764.96	451.96	796.2
2002	52.6	930.49	556.01	954.6
2003	79.8	1096.54	655.74	1210.0
2004	117.2	1421.66	797.52	1519.2
2005	119.1	1838.39	1316.96	1976.7
2006	134.1	2290.62	1739.64	2524.3
2007	254.5	3680.09	2693.55	4813.5
2008	292.7	6941.38	4118.17	7799.4
2009	451.8	9147.42	5763.51	8912.1
2010	825.6	1.0157.02	5954.26	7706.4
2011	678.7	10660.07	6531.91	7312.7
2012	1113	14649.28	8062.10	8150.0
2013	2931.60	15751.84	8606.61	1005.6
2014	764.6	17129.68	11936.90	12889.4
2015	53.8	18674.15	11363.49	13086.2

Source: Central Bank of Nigeria (CBN) Statistical Bulletin, 2015

Ahmed (2016) states that the background of Treasury Single Account (TSA) is in line with the presidential order No. 55 of 2011 which stipulated that the Bureau of Treasury will institute a Treasury Single Account to receive internal revenue such as taxes, customs duties etc from authorized money depositing banks and also from national government agencies. The TSA which is to be maintained at the Central Bank of Nigeria (CBN) shall tally with

the policy of government on the control of resources and financial management and will also allow the union of the structure of government's bank accounts to ease consolidation and optimal dispensation of cash resources.

Section 80(1) of the 1999 constitution of the federal republic of Nigeria as amended states that all revenues or other money raised or received by the federation; aside revenues or other money payable under the constitution or any act of the National Assembly into any other public funds of the federation established for a specified purpose, shall be paid and form one consolidated Revenue Fund of the Federation. To this end, all government revenue is to be remitted into a Single Treasury Account (TSA). Thus, in the year 2012, the then Federal Government of Nigeria ran a pilot scheme for a single account using 217 Millennium Development Agencies (MDAs) as a test case. The pilot scheme saved Nigeria about ₦500 billion in frivolous spending. Therefore, the success of the pilot scheme motivated the new government in 2015 to fully identify the technological platform that will help accommodate the TSA scheme in order to eradicate corruption from the system (Okwe et al).

The new administration of President Muhammadu Buhari believed very strongly that the old order was bedevilled with corruption and felt that the full implementation of the Treasury Single Account (TSA) will help in no small way to alleviate budget constraints, block financial loopholes, expose misappropriation, strengthen financial scrutiny, improve efficiency in public spending etc and without losing sight of the fact that the fight against corruption was one amongst the administration's three cardinal points that were set out during the electioneering campaigns before the emergence of the new administration in 2015. Of course, the other two cardinal points were the provision of security across the country and the development of the Nigerian Economy. Nevertheless, the fight against corruption was key in the agenda of the administration; and the authorities might very well be conscious of the fact that to have a vibrant and effective economy as well as having a firm security network in the country within the four year mandate given to it by Nigerians in the first instance; there must be a deliberate cleansing of corruption practices in the system with special focus on security and economy within the Nigerian state; while acknowledging the fact that when you fight corruption; corruption fights back. To this end, the anti-graft agencies beamed their searchlight on the financial activities of revenue generating agencies.

In compliance with the provision of the 1999 constitution as amended, the presidency directed in 2015 that Ministries Departments and Agencies (MDAs) e.g. the Nigerian Ports Authority, Nigerian Immigration Service, Federal Universities to mention but a few should remit their revenue to a unified account tagged Treasury Single Account (TSA), domiciled in the Central Bank of Nigeria; meant to drive effective transparency with regards to the nation's financial resources in order to strengthen or boost government's agenda of corruption fight in the public service; hence, to keep the ground running, the Presidential fiat on the operation of the TSA policy came into operation on the 11th day of August 2015; barely three months after the new administration assumed office on

May 29th, 2015; thus, while going after corrupt offenders via the use of the existing anti-graft agencies; the likes of Economic Financial Crime Commission (EFCC) and the Independent Corrupt Practices and other related offences Commission (ICPC) respectively; the administration sooner than later was accused of prosecuting members of the opposition forces in the polity.

LITERATURE REVIEW

Yusuf et al (2015) state that the payment of government revenue into multiple bank accounts being operated by Ministries Department and Agencies (MDAs) in commercial banks, as obtained under the old order was clearly against the Nigerian constitution.

Chukwu (2015) states that prior to the implementation of the TSA, government was incurring finance cost on debt balances in some MDAs. However, with the TSA in place, the debt balances on all the MDAs' accounts will now reside with the Central bank; hence, government will avoid incurring interest costs when it has positive net position. Akanbi (2015:58) argued that the full implementation of the TSA policy in Nigeria is a critical step towards curbing corruption in public finance in line with the commitment of the new administration to combat corrupt practices, eliminate indiscipline in public finance and ensure adequate fund flow that will be channelled to critical sectors of the economy to catalyse development.

For Otunla in Okwe et al (2015), prior to the full implementation of TSA, fragmented banking has affected the government's ability to undertake efficient cash planning management as required by the Fiscal Responsibility Act. In the same vein, the government was unable to track its expenditure in a timely manner and the ₦70 billion lost in foiled banks could be blamed on this development and therefore the TSA resolution would allow flexibility. Obinna (2015) posits that the cardinal objective of TSA is to facilitate implementation of the Federal Government's cash management policy and to achieve greater accountability for public expenditure. This would ensure that sufficient cash is available as at when needed; to meet commitments and to control aggregate cash flow, improve the management of government domestic borrowing programme, enhance efficiency and enable investment of idle cash or excess cash.

Enwegbara (2015), in an interview posits that for the first time in a long time, government money is going to be in government bank, the CBN and no more can heads of revenue generating ministries, departments and agencies fix the revenues they generated in commercial banks' high-interest yielding deposit accounts and with that, earn money illegally. In some cases, some non-revenue generating MDAs, do follow the footsteps of some revenue generating counterparts by placing their budgetary allocations in multiple high-interest yielding deposit accounts and with that, money meant for financing both capital and recurrent is delayed.

Before the commencement of TSA policy, there was alleged fear that the implementation of the policy might disrupt operations of government agencies especially agencies like Nigerian Maritime, Administration and Safety Agency (NIMASA), Nigerian Ports Authority (NPA) with huge daily operations. But stakeholders said that it would rather promote accountability and responsibility and make the government agencies to be more proactive and prudent because it will no longer be business as usual as their spending will be backed up by fiscal allocation (Sun Newspaper Editorial 2015:12).

Khan as cited in Ireogbu (2015:18) opines that the directive on the TSA is an excellent step to ensure more transparency in government finances i.e. it should be clearer what each agency is earning and it should reduce the amount that government needs to borrow overall. Of course, this alone cannot compensate for weaker oil revenue, nor will it compensate for the arrears that will have to be paid, somehow. So, while government borrowing will still rise, at least public finances will not be as pressured as they might have been in the absence of a TSA (Iroegbu, 2015:18).

According to Usman in Okwe et al (2015:58), many Nigerians are excited over the directive by President Muhammadu Buhari on the full implementation of the TSA policy as this will mean that some government agencies that have been known to be withholding funds from the Federal Government are now under compulsion to remit monies of federal treasuries. The Treasury Single Account has been raising the prospect of transparency in government finances; in the sense that, it will assist the administration to effectively manage the lean resources at its disposal.

IMF explains that the primary objective of a Treasury Single Account (TSA) is to ensure effective aggregate control over government cash balances and one of the benefits of TSA is that the policy reduces the volatility of cash flow through the treasury; thus, allowing it to maintain a lower cash reserve to meet unexpected fiscal volatility.

Treasury Single Account (TSA) is a public accounting system under which all government revenue, receipts and income are collected into one single account, usually maintained by the country's central Bank and all payments are done through this account. The purpose is primarily to ensure accountability of government revenue; enhance transparency and avoid misapplication of public funds. The maintenance of a Single Treasury Account will help to ensure proper cash management by eliminating idle funds usually left with different commercial banks and in a way enhance reconciliation of revenue collection and payment (Babbie & Mouton (2001).

Eze (2015) asserts that Treasury Single Account Policy is a process and tool for effective management of government finances, banking and cash position. Accordingly, it pools and unifies all government's accounts in

commercial banks into the apex bank; and the consolidation into a TSA paves way for the timely capture and payment of all revenue into government coffers without the intermediation of multiple banking arrangements. This prevents revenue leakages in forms of revenue loss and mismanagement by operators of revenue generating agencies.

Jegede (2015) posits that majority of MDAs are not in support of TSA due to fear of not having control over the monies they lodged in their choice banks' account as some agencies lodged the revenue they generated into fixed deposit accounts, where fat interest are accrued.

The Academic Staff Union of Universities, ASUU (2015) criticized TSA that the policy could intrude bottlenecks for the level running of the Nigerian University system if hurriedly instituted. Fagge, U. (2015), speaking at ASUU NEC meeting; pointed out that the Federal Government need to ponder further on the TSA policy and its implementation framework if it must be workable; thus, the TSA policy introduced to block financial leakages and prevent mismanagement of government revenue, consolidates all government accounts via TSA, enabling it to prevent loss of revenue and mismanagement by those agencies generating revenue, cannot work profitably with universities in the sense that universities cannot function effectively without the financial autonomy that the TSA takes away and more importantly, universities could not work productively without having financial independence or autonomy.

Tayo (2015) points that by implementing the TSA, the Federal Government through its independence revenue E-collection initiative, hopes to automate direct revenue collection from the existing MDAs and all revenues collected would be paid directly into the Consolidated Revenue Fund (CRF) account at the CBN through a designed platform being the Remita e-collection platform and several other electronic payment platforms or channels that may be introduced by government from time to time. Yusuf et al (2015) states that the TSA is seen as a structure that unifies government bank accounts and gives an amalgamated or integrated view of government's cash resources.

The CBN is to keep and maintain a consolidated Revenue Account known as the Treasury Single Account (TSA); thus, the CBN would receive all revenue of government from all sources into the account as well as make payments through this account. All MDAs and extra ministerial departments are required to remit money collected into the account through the Deposit Money Banks (DMBs) who are the collection agents. Although, DMBs will still keep revenue account for MDAs and extra ministerial departments but all the treasuries collected by the money depositing banks shall be paid to the consolidated Revenue Fund (CRF) maintained with the CBN daily. Also, Ministries, Departments and Agencies and extra ministerial departments cash balance with the money

deposit banks will have nil balance daily by remitting all the treasuries collected to the TSA. This is to restrict money depositing banks from having access to multiple deposits; resulting from multiple accounts (Kanu, 2016).

With respect to the benefits tied to the implementation of Treasury Single Account (TSA), the IMF (2010) outlines the benefits of operating a Treasury Single Account to this end, it explained that the basic or primary objective as it were of a TSA is to ensure effective aggregate control over government cash balances. The benefits are as follows:

1. TSA allows complete and timely information on government revenue in countries with advanced payment and settlement systems and an Integrated Financial Management Information System (IFM's) with adequate interfaces with the banking system, this information will be available in real time. As a minimum, required and updated balances should be available daily.
2. Improves appropriation control; The TSA ensures that the Management of Fund has full control over budget allocations and strengthens the authority of the budget appropriation. The result of maintaining separate bank accounts is often a system where funds provided for budgetary appropriations are augmented by additional cash resources that become available through various creative methods; often extra-budgetary measures.
3. Improves operational control during budget execution when the Treasury has full information about cash resources, it can plan and implement budget in an efficient, transparent and reliable manner. The existence of uncertainty regarding whether the Treasury will have sufficient funds to finance programme expenditures may lead to sub-optional behaviour by budget entities, such as exaggerating their estimates for cash needs or channelling costs through off-budget arrangement.
4. Enables efficient fund management; TSA facilitates regular monitoring of government cash balances. It also enables higher quality inflow and outflow analysis to be undertaken (eg identifying casual factors of variances and distinguishes in cash balances.
5. Elimination of bank fees and transaction costs; reducing the number of bank accounts results in a lower administrative cost for the government in maintaining these accounts, including the cost associated with bank reconciliation and reduced banking fees.
6. Faculties efficient payment mechanism; TSA ensures that there is no ambiguity regarding the volume or the location of government funds and makes it possible to monitor payment mechanisms precisely. It can result in substantially lower transaction costs because of economies of scale in processing settlements. In establishment of TSA, it is combined with the elimination of the float in the banking and in the payment systems and the introduction of transparent fee and penalty structures for payment services. Many governments have achieved substantial reductions in their real cost of banking services by introducing a TSA system.

7. Improves bank reconciliation and quality of fiscal accounting system; TSA allows for effective reconciliation between the government accounting systems and cash flow statements from the banking timeliness and quality of the fiscal accounts.
8. Lowers liquidity reserve needs; TSA reduces the speedy depletion of cash flow through the treasury, thus allowing it to maintain a lower cash reserve/buffer to meet unexpected fiscal volatility (IMF, 2010).

According to Yusuf & Chiejina (2015) Treasury Single Account is a unified structure of government bank account enabling consolidation and optional utilization of government cash resources. It is a bank account on a set of linked bank accounts through which the government transacts all its receipts and payments and gets a consolidated view of its cash position at any given time. A TSA therefore is considered a prerequisite for modern cash management and is an effective tool for the ministry of finance/treasury to establish oversight and centralized control over government's resources.

Khan & Pessaq (2010) state that Treasury Single Account is a public accounting system under which all government revenue, receipts and income are collected into one single account, usually maintained by the country's Central Bank and all payments done through this account as well. The purpose is primarily to ensure accountability of government revenue, enhance transparency and avoid misapplication of public funds.

The banking sector according to Kanu (2016) is the engine of any nation's economy in the sense that the economic status of any nation depends on how stable their banking industry is. In other words, any issue that affects banks also has an impact on the economy of the nation.

Yusuf, (2016) states that the maintenance of Treasury Single Account will help ensure proper cash management by eliminating idle funds usually left with different commercial banks and in a way enhance reconciliation of revenue collection and payment.

Again, Kanu (2016) states that the Treasury Single Account (TSA) policy is a payment system in which all revenues due to government are paid into a unified account domiciled with the central Bank of Nigeria (CBN). Its objective is to ensure fiscal discipline and transparent management of the nation's finances.

Eme, et al (2015), asserts that a Treasury Single Account (TSA) is a network of subsidiary accounts all linked to a main account; such transactions are affected in the subsidiary accounts but closing balances on these subsidiary accounts are transferred to the main account at the end of each business day.

Lienert (2009) posits that Treasury Single Account (TSA) is a unified structure of government bank accounts that gives a consolidated view of government cash resources. Based on the principle of unity of cash and unity of

treasury, a TSA is a bank account or a set of linked accounts through which the government transacts all its receipts and payments.

THEORETICAL FRAMEWORK

Public management theory, propounded by Pollitt and Boukaet (2004) was adopted for this study to explain the implementation of a financial scheme. The theory posits that to achieve the implementation of a financial scheme; performance and service delivery principles must be adhered to. Accordingly, the theory identified such principles as accountability and transparency; efficiency and effectiveness; reduction in public sector cost expenditure; improvement in resource use through labour discipline; flexibility in decision making; competition in the public sector through decentralization and emphases on results and procedures.

Consequently, the financial scheme as mentioned above in the ongoing discourse is the Treasury Single Account (TSA) which is meant to dislocate an old order that has been observed to be detrimental to the growth and development of the economy of any given nation and in this case, the 'Nigeria economy'. Thus, the old order is tied to manipulation, misappropriation, embezzlement of state resources by opportunistic individuals for the purpose of self aggrandizement; while leaving the state with little or no resources to drive the economy with the masses at the receiving end. To check this ugly trend, there has to be the adoption and the full implementation of the Treasury Single Account (TSA) using the principles of accountability, efficiency, transparency amongst others.

In this work, the researchers would highlight the loopholes with regards to revenue transmission process within the public service; examine the effectiveness of the Ministries, Departments and Agencies (MDAs) of government as well as evaluate the impact of Treasury Single Account (TSA) scheme on the banking sector of the Nigerian economy.

FINDINGS AND DISCUSSION

Impact of the Implementation of TSA Policy on the Banking Sector

Otunla in Okwe et al (2015:58) assert that the financial reform had instilled fiscal discipline and prudence as well as closed over 1,000 dormant or idle accounts and acknowledged that TSA policy is not without challenges; for instance, commercial banks are resisting the policy; thus, while some of them are doing this due to ignorance; others are doing it because in the past, they had been able to manipulate the system to their own advantage which will not work under TSA. Some fear that it will threaten the autonomy of certain agencies and give the accountant

general power over them and other challenges include inadequate capacity in the form of access and ability to use the internet for transactions.

However, in a contrary view, Adefemi (2015) states that almost all government agencies have come to a halt as a result of the implementation of TSA Policy which has the capacity to cripple Ministries, Departments and Agencies (MDAs) as a result of bureaucracy in assessing needed funds for the smooth running of MDAs when the need arises. Besides, TSA has led to the loss of jobs especially in the commercial banks that hitherto rely on government account for huge cash deposit. Today, the cash flow in these commercial banks has drastically reduced as a result of the presidential directive on implementation of TSA in all Federal Government establishments.

The researchers assert that although, it cannot be overemphasized the giant strides being made by the Treasury Single Account (TSA) Policy of the Federal Government of Nigeria (FGN) which is geared towards drastic reduction in corruption tendencies in public service through the blockage of leakages or loopholes attached to daily transactions within the Ministry Departments and Agencies (MDAs) as well as the Money Deposit Banks or Commercial Banks as they are often referred to but it is not without a draw back as the policy has led to the piling up of the country's limited revenue earnings in the apex bank; in other words, the Central Bank of Nigeria (CBN), thereby causing stagnation of financial resources and in a way slowing down cash flow; which in turn has led to poor circulation of currency in the economy vis-a-vis the slow pace of business opportunities and above all, the growth in inflationary trend in relation to the drop in Gross Domestic Product (GDP) for the country.

In Nigeria, commercial banks are the custodians of government funds in the past; but with the maintenance of Treasury Single Account (TSA) in 2015, these banks are deprived of the flow of funds from Ministries, Department and Agencies (MDAs). In fact, it was estimated that commercial banks hold about N2.2 trillion public sector funds at the beginning of the first quarters of 2015 and it was on notice that each time the monthly federal allocation was released, the banking system was usually with liquidity and as soon as the public sector dries up, it resulted to liquidity problem with an increase in interbank rates. Thus, the banks are affected when such high revenue generating agencies like the NNPC moves out of commercial banks. Indeed, commercial banks are tremendously affected by the Treasury Single Account (TSA) policy. In addition, this causes insufficiency of available cash in the banking system, resulting in a surge in money market rates during the period that banks source for funds to cover their poor liquidity positions. In reality, the Nigerian banking industry on aggregate basis would be affected regarding deposits and funding cost structure. Thus, any commercial bank that fails to operate based on the core banking functions for which they were licensed must definitely close shop and this will cause heavy downsizing of staff, thereby increasing the unemployment in the country (Obinna, 2015).

Chukwu (2015) described Treasury Single Account (TSA) as a network of subsidiary accounts all linked to a main account such that transactions are effected in the subsidiary accounts but closing balances on these subsidiary accounts are transferred to the main account at the end of each business day. With the implementation of the Treasury Single Account, (MDAs) will maintain their individual accounts with the commercial banks, but daily funding of their disbursements are made from the central or main accounts which is resident with the central bank, first as their closing balances at the end of the day are transferred to the main account and prior to the implementation of the TSA, government was incurring nothing on credit balances of other MDAs. With the TSA, the net balances on all the MDA accounts will now reside with the Central Bank; hence, the government will avoid incurring interest costs when it has positive net position.

In Nigeria, prior to 29th May 2015, commercial banks have been the custodians of government funds. The banking in Nigeria has experienced several reforms and policies, some favourable, others unfavourable. Many banks did not survive these reforms. Until the introduction of TSA, government agencies or (MDAs) operated a multiplicity of commercial banks. The MDAs used part of the funds they generated to fund their operation and remitted the residual to the federation account. This resulted in leakages, embezzlement of funds and inadequate budgetary and financial planning. However, the highest beneficiaries of this situation are the banks who relied on deposits from government agencies and lent back to the government at high interest rates. The banks however, operated 'arm chair banking' as they no longer mobilize funds from other sectors of the economy. In light of these, the federal government directed all MDA's to close their accounts with commercial banks and transfer the balances into the federation account with the Central Bank of Nigeria which was conveyed in a CBN circular no BPS/CSO/CON/DIR/01/079, dated, February 25, 2015 and addressed to all Deposit Money Banks (DMB). The circular was titled 'Commencement of Federal Government's Independent Revenue Collection Scheme under the Single Treasury Account (TSA) initiatives'.

Obinna (2015) posits that prior to the introduction of TSA, Nigeria had fragmented banking arrangement for revenue and payment transactions. There were more than 10,000 bank accounts in multiple banks which made it impossible to establish government consolidated cash position at any point in time. It led to pockets of idle cash balances held in MDA's account when government was out borrowing money.

The researchers state that with the full implementation of the TSA policy of the present administration under review, the managements of the numerous commercial banks might be forced to continuously disengage a quantum of their skilled employees within their workforce into the already saturated unemployment market, except they return very quickly to the core banking functions, ranging from collection of deposits from customers and earn profits for their respective banks; accommodate small scale industries by offering them loans with or

without collateral attached, amongst other relevant functions in order to help grow the economy. Therefore, they should think less about earning interest from government deposits with respect to the old order because obviously, with the TSA policy being implemented; it is indeed no longer business as usual.

The Impact of Treasury Single Account (TSA) on Banking Liquidity: Fresh Evidence from Nigeria, September 2013 to August, 2017 by Abubakar Sabo, Sani Mohammed and Mohammed Requaiyat

Table 2: Descriptive Statistics

	Bank Liquidity	Treasury Single Account	Interest Rate
Mean	7.278018	0.500000	8.131042
Medium	7.280091	0.500000	8.410000
Maximum	7.372760	1.000000	9.080000
Minimum	7.157229	0.000000	6.320000
Std. Dev	0.062294	0.505291	0.727667
Skewness	-0.314594	0.000000	-0.970743
Kurtosis	1.858589	1.000000	2.833535
Observations	48	48	48

Source: Authors' computation using E views version 9.0

Table 2 shows the descriptive statistics of all the variables drawn as obtained from E-views version 9.0. As it appears, the results revealed that there are 48 observations for each variable. The bank liquidity recorded the mean, media and standard deviation observations of 7.2780, 7.2800 and 0.0622 respectively, that of single Treasury Account stood at 0.500000, 0.500000 and 0.5053 respectively. Moreso, the mean, median and standard deviation observations of interest rate are 8.1310, 8.4100 and 0.7277 respectively. The minimum observation in the entire dataset is 7.1572 while the maximum is 7.3728.

Source: Authors' Analysis of data

The Impact of Treasury Single Account (TSA) on Banking Liquidity: Fresh Evidence from Nigeria; September 2013 – August, 2017.

Table 3: Abubakar Sabo, Sani B. Mohammed and Mohammed Ruquayat Treasury Single Account and interest rate on deposit variable Robust Least Square Results

Dependent Variable: Bank Liquidity		
Variable	**Coefficient**	**Z-Statistics**
Treasury Single Account	0.1180	10.94514 ***
Interest Rate	0.0249	3.335262 ***
Constant	7.0176	110.9489 ***
R-Squared 0.652492		
Significant at 1% (***), 5% (**) & 10% (*)		

Source: Authors' Computation using E-views version 9.0

The coefficient of Treasury Single Account is 0.1180 which is positive and statistically significant at one percent level of significant. This implies that the TSA explains an 11.8 percent increase in bank liquidity. Also, the coefficient of interest rate which is 0.0249 shows a positive relationship at one percent level of significant, it means that the interest rate explains a 2.49 percent increase in bank liquidity. Moreover, at one percent level of significant, the coefficient of a constant which is 7.0176 is positive and also statistically significant at one percent level which reports that there is 7.0176 percent increase in bank liquidity irrespective of repressors' influence.

IMPACT OF TSA POLICY ON GOVERNMENT AGENCIES

Jonah (2015), states that the implementation of Treasury Single Account (TSA) policy would remove the ambient secrecy in the management of public finance in Ministries, Departments and Agencies (MDAs). Under the guise of non-descript official secrecy, government staff and politician have been known to employ all sorts of administrative devices and illegal liaisons to engage in business ventures for private gains using government money thereby frustrating proper execution of projects as well as causing salary delays. Furthermore, agencies defraud government by siphoning government funds through multiple bank accounts unknown to the authorities. The implementation of the TSA would make it difficult for this monumental fraud to continue undetected. It would also afford the government an oversight of the funds pooled into the TSA by generating agencies.

Ocheni (2016) opines that full implementation of TSA would not be hurting banks. It will only hurt establishments that purport and pretend to be banks but have failed, refused or neglected to understand banking and failed to do what bankers do elsewhere. It is an opportunity for banks to refocus on the original purposes for which they were set up; of course, they were set up to collect depositors funds, keep them save; engage in intermediation to create wealth and jobs for the economy and in the process earn profit for themselves. Tari et al

(2016) argued that the full implementation of the TSA policy will certainly reduce the banks' net liquidity position and hence constrain their ability to create credits and this invariably affect their profitability.

The consolidation into a TSA paves way for the timely capture and payment of all due revenues into government coffers without the intermediation of multiple banking arrangement. This prevents revenue leakages in terms of revenue loss and mismanagement by operators of all revenue generating agencies. With these, comes better cash management practices since the treasury can at all times have an overall view of government cash position as against the fragmented positions of different Ministries, Departments and Agencies (MDAs) which needed to be laboriously pooled together to get the overall picture. This will reduce the cost of borrowing by government and its agencies, as the government will likely be in the surplus at all most times of the year. Take the example of the practice before the TSA; MDAs based on the budgetary releases could have surplus cash (meaning cash that is not immediately required) in its bank account whilst any MDA, which needs immediate cash for transactions is cash starved and has little or nothing in its account. Although, MDA 'B' has approvals in budget for transaction, it has no immediate cash. Thus, MDA 'B' is likely to borrow from a bank of an interest to carry out the urgent assignment, thereby incurring costs to Treasury, while treasury finances lie idle in MDAs. This would no longer happen.

Table 4: The mean performance of MDAs Prior to and after adoption of MDAs in Nigeria

Designation	The mean performance of MDAs after TSA adoption	The mean performance of MDAs prior to TSA Adoption
Directors of Accounts	3.00	2.10
Higher Executive Officers	2.50	2.00
Senior Executive Officers	3.00	1.80
Accountant I	2.50	1.90
Accountant II	3.00	2.00
Total	**14.00**	**9.80**

Source: Nkechi, T., Ofor, L. E., Omaliko, F. and Chukwudi, O. (2019). Effects of Treasury Single Account (TSA) on the performance of Ministries Performance Agencies.

The data (i.e. variables) needed for the study is presented in table 1 Wilcoxon statistical test tool was employed to test the linear relationship between the dependent and independent variable using SPSS version 20 as shown in table 2 below: **Asymptotic Significance is displayed. The significance level is 0.5**

Table 5: Hypothesis Test Summary for TSA and Performance of MDAs

Null Hypothesis	Test	Sign	Decision
The media of difference between performance of MDAs prior to TSA adoption and performance of MDAs after TSA adoption equals O.	Related samples Wilcoxon signed Rank test	0.043	Reject the null hypothesis

Source: Authors' Analysis of data

The result of the study using Wilcoxon sign test operated with SPSS version 20 is expressed as follows:

H_O: The adoption of TSA has no significant effect on the performance of Federal Government MDAs. In view of the above analysis as shown on Table 2, the result shows that there is a significant difference in performance of MDAs prior to the adoption of TSA and the performance of MDAs after adoption capable of blocking the financial loopholes in revenue generation and promoting transparency and accountability in public financial system if fully implemented.

CONCLUSION AND RECOMMENDATIONS

There is no gainsaying the fact that the adoption and full implementation of Treasury Single Account (TSA) policy by a third world country like Nigeria whose economy is dwindling at most on daily basis can be said to be a decision in the right direction in the sense that the decision was geared towards ensuring accountability, transparency and putting a stop to misappropriation of funds in the public service. In the past, successive Nigerian governments disregarded section 80(1) and section 162(1) of the 1999 constitution as amended which has it that all federal government revenue be remitted into a single account known as Treasury Single Account (TSA) domiciled in the Central Bank of Nigeria (CBN); Thus, President Goodluck Ebele Jonathan's administration initiated the policy in 2014 with partial implementation by carrying out a pilot test but the emergence of the Buhari administration came with full enforcement of the TSA policy to curb 'corruption' in the public service being one of the cardinal agenda of the regime; thereby blocking revenue leakages and in the process; the pattern of depositing government funds by government agencies into commercial banks was put on hold, paving way for the Central Bank of Nigeria (CBN) to take responsibility. By this, development, government revenue from the MDAs got remitted directly into a single account domiciled known as Treasury Single Account in the Apex Bank i.e. the Central Bank of Nigeria.

Consequently, according to a publication in the Nation Newspaper as cited in Okwe (2015:53) commercial banks would be losing about N2 trillion deposits to the Central Bank of Nigeria and Obinna (2015) states that the presidential directive by the then new administration ended the previous public accounting system involving

several fragmented bank accounts for government's revenue, and receipts which in the recent past meant the loss or leakages of legitimate income meant for the federation account.

CBN (2015) posits that the implementation of TSA will enable the Ministry of Finance to monitor funds as no agency of government is allowed to maintain any operational bank account outside the oversight of the Ministry of Finance. It will equally pave way for the timely payment and capturing of all revenue going into government treasury without the intermediation of multiple banking arrangements.

However, the researchers assert that in spite of all the gains attached to the implementation of Treasury Single Account (TSA) towards reducing or fighting corruption in the public service, there are still pockets of gap such as poor service delivery in public service in the sense that certain MDAs such as the Universities are deteriorating at alarming rate owing to financial autonomy which government has refused to grant these institutions; as a result of the ongoing implementation of Treasury Single Account (TSA) policy; and in addition, the implementation of the Integrated Payroll Personnel Information System (IPPIS). Consequent upon all the above, the following recommendations are hereby presented:

i. The Federal Government should review the TSA policy to grant financial autonomy for some MDAs such as the Universities.
ii. The TSA policy should be duplicated in the federating states and local government areas of Nigeria.
iii. Any official of the Central Bank/MDAs who is found wanting with respect to the implementation of Treasury Single Account (TSA) or any staff of a commercial bank who is found to have conspired with anyone to sabotage the effort of government in the implementation of the policy should be investigated and be made to face prosecution to serve as deterrent to others.
iv. Government should sensitize the public on the importance of the advantages attached to the implementation of Treasury Single Account (TSA) in line with the dealings on misappropriation of funds through the blockage of leakages in public service, be it in the banking sector, the civil service etc.
v. The CBN with its numerous fiscal policy measures should create a more prosperous enabling environment for commercial banks to thrive effectively in order to stimulate the growth of the Nigerian economy in the midst of the full implementation of TSA policy of the federal government which had automatically disarmed the Money Deposit Banks (MDBs) also known as commercial banks from continuing as the custodian of government's deposits otherwise referred to as the old order and when this is done, the banks would be free from the shock which they might have received as a result of the introduction of the TSA policy.

vi. Training or manpower development should be extended to the staff of the Central Bank of Nigeria (CBN) and government agencies to ensure efficient implementation of the Treasury Single Account (TSA) policy of government.

vii. Adequate monitoring and evaluation through transparency and accountability should be employed to drive the implementation of Treasury Single Account (TSA) policy in the public service to a logical conclusion and by extension, the private sector of the Nigerian economy.

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