

Public Sector Organizational Performance in Nigeria: A Benefit-Cost Involution Implementation of Treasury Single Account (TSA)

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ABSTRACT: *The study examined the benefit-cost involution of the implementation of treasury single account in respect to public sector organizational performance in Nigeria. As a descriptive research work with heavy dependence on secondary data, after due introduction and conceptualization of the key concepts of the research study - Treasury Single Account and Public Sector Organization, retrospect of Nigerian public sector organizations, rational for the adoption of TSA in public sector organizations in Nigeria, preconditions for setting up TSA, functions of TSA, types of account under a TSA System, and operation of TSA in public sector organizations in Nigeria were examined. The findings of the study revealed that the operation or implementation of TSA in public sector organizations in Nigeria has its own benefits and costs. Therefore, for the benefits of implementing TSA in public sector organizations in Nigeria to over poise the costs, the study recommended that the federal government should show the political will to assure the policy's long-term viability, as well as tenaciously push TSA implementation at both state and local government levels across the country to ensure the success of TSA policy in promoting public sector organization performance in Nigeria among others.*

KEYWORDS: corruption; financial mismanagement; fund misappropriation; superfluous bureaucratic systems; accountability

INTRODUCTION

The level of development at the economic, political, and social spheres of any given country is based on the notion of accountability; a derivative of the word “account”. If

the concept of accountability is promoted in any given country, then the economic, political, and social spheres of such a country would work better and more efficiently.

In Nigeria, the Treasury Single Account (TSA) was introduced into her banking system in the year 2012 by the Goodluck Jonathan civilian administration, with the principal purpose to stop Government Ministries, Departments, and Agencies (MDAs) from operating multiple accounts in deposit money banks of generated revenue which they (MDAs) used part of the revenue to fund their operations and remitted the surplus to the federation account. The operation of multiple accounts in deposit money banks of generated revenue by the MDAs created a system of operations that caused the federal government of Nigeria to lose a large amount of money meant for key sector development to pay salaries and operational costs, as most ministries, departments, and agencies that should generate large amounts of money declare deficits at the end of each fiscal year. Therefore, with the introduction of TSA, there is the guarantee of accountability in the collecting of government revenue, increase transparency, and decrease expropriation of such funds by government agencies (Ahmed, 2016).

As a public accounting system, the primary aim of TSA is to ensure accountability of government revenue, enhance transparency and avoid misapplication of public funds (Clement, 2016). It is to ensure that transparency on unspent budgetary allocations is carried forward automatically to another year. In year 2012, government ran a pilot scheme for a single account using 217 ministries, department and agencies as a test case; the exercise saved Nigeria about N500 billion in frivolous spending. The success of the pilot motivated the government to implement fully TSA, leading to the directives to banks to provide the technology platform that will help to accommodate the TSA (Clement, 2016).

The TSA is introduced to ensure government revenue accountability, transparency, and avoid the expropriation of public monies. The treasury single account kept at Nigeria's central bank (CBN) will bring together government policies for the improvement of cash management and the most efficient use of public monies (Bashir, 2016). The essence of any administration adopting and fully implementing the Treasury Single Account (TSA), especially in a down economy like Nigeria, cannot be overstated because it promotes openness and accountability in Government Ministries, Departments, Agencies and Parastatals on one hand, and to improve public sector performance, particularly in terms of service delivery and productivity on the other hand (Geoffrey, 2017).

However, there are still imprints of corruption in the Nigerian public sector despite the introduction of the TSA. For example, the then-Secretary to the Federal Government of Nigeria, Babachir Lawal, was indicted in a N200 million contract controversy in 2016 for eradicating invasive plant species in IDP camps in Yobe State, Nigeria's North-Eastern state; the Director-General of Nigeria's National Emergency Management Agency (NEMA), Mustapha Maihaja, was indicted in 2018 for mismanaging a N5.8

billion intervention fund allocated for interventions in the country's northeastern region (Iroegbu, 2018). Although these cases and more were investigated and appropriate actions were taken, the fact remains that public sector organizations in Nigeria are still plagued by issues of lack of accountability, gross misappropriation of public funds corruption among others. This has invariably influenced the perceptions of the public of the effectiveness of government anti-corruption strategies, one of which is the TSA.

LITERATURE REVIEW

Before the engaging in review of literature materials relevant to the subject matter of the research study, it is expedient to conceptualize the key variables of the study - Treasury Single Account and Public Sector Organization

Treasury Single Account

As a public accounting system, according to Clement (2016), the primary aim of TSA is to ensure accountability of government revenue, enhance transparency and avoid misapplication of public funds. Adeolu (2015) defined Treasury Single Account as 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. Onyekpere (2015) described the Treasury Single Account (TSA) as a unified structure of government bank accounts which enables the consolidation and optimal utilization of government cash resources. In other words, the TSA is a bank account or 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. It is a process and tool for effective management of government's finances, banking and cash position (Eme & Daniel, 2015).

In like manner, Stalwartreport (2016) described a Treasury Single Account as a public accounting system under which all government revenues, receipts and income are collected into a single account, usually maintained and control by the Central Bank of Nigeria (CBN) with a template that ensures all payments are done through the same account as well. Udo (2017) viewed a Treasury Single Account (TSA) as a control mechanism platform of Nigeria government established as a financial tool which entails consolidation of incomes inflows from all agencies of government into a single account at the Central Bank of Nigeria. Kanu (2016) defined Treasury Single Account (TSA) as one of the financial policies of the federal government of Nigeria established and implemented by the government to integrate all revenues and treasuries from all ministries, departments and agencies and extra ministerial departments in the country for the purpose of ensuring that all the collections are paid into money depositing banks trailed to a single account at the apex bank of the nation - the Central Bank of Nigeria. Besides, Onyekpere (2015), described TSA as an organized bank account of a set of linked bank accounts through which the government of Nigeria and beyond transacts

all its receipts and payments as well as obtains a consolidated view of its cash position at the end of each financial transaction day, week, month and year.

Public Sector Organization

Public Sector organizations are entities that serve the public interest. They are the direct opposite of the private sector and can be found at every level of government, from local communities to international organizations. Public organizations have unique characteristics and operate in different ways from private companies. According to Lenart-Gansiniec (2021), public sector organization is a complex entity that has the features specific to all organizations. Its essence is constituted by distinctive specific characteristics of certain features, and in particular its orientation towards pursuing the public interest. Public organizations and companies are owned and operated by the government, as well as being funded through the government in the form of taxes. Public organizations provide some of the most vital services in society today, helping to ensure that children are educated, the sick are healed, key utilities are provided, and infrastructure is maintained (William, 2022). The public sector is like the agents or institutions of a polity with the task of ensuring effective management of tax payers' money which in turn is used to promote good governance and welfare to the citizens (Nnaeto & Okoroafor, 2016). A public sector organization is a legally constituted entity that administers programs and delivers services for a governmental unit. In other words, it is a government agency. Such organizations are legal entities that are owned, operated, and financed by the government. They can also be funded by private donations or fees for services rendered.

Organizations in the public sector are focused primarily on infrastructure and essential services for society, like education, electricity, defense, agriculture, transport, and so on, while private sector companies can be found in many fields like tech, finance, and retail. Public service is usually generated in the form of taxes and fees, rather than through private investment. In some cases, funding can be generated in other ways, but the government is always either the sole owner or majority shareholder of a public organization. Public sector employers and agencies do not aim to make a profit from the goods and services they provide. These services are provided for the good of the public (Ekhatere, 2002). Some examples of public organizations include education, law enforcement, justice, military, electricity, healthcare, public transit, public roads, housing, water among others.

Nigerian Public Sector Organizations in Retrospect

Public sector organizations in Nigeria date back to the colonial era when colonial government established some public sector organizations to provide essential services like electricity, railway, and water. The post independent era marked a watershed in the growth and spread of public corporations. At Independence in 1960, Nigeria had 50 public enterprises, 200 in the 1970s and 1,500 in 1987 when government embarked upon economic reform programmes. The factors that account for the phenomenal increase include: the evolution of the federal administrative structures (from four units

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in 1950s to twelve in 1967, nineteen in 1976, twenty one in 1987, thirty in 1991 and thirty six in 1996), the oil boom, and successive governments commitment to making public sector organizations an instrument of state economic intervention in the 1970s (Adamolekun, 2002:33) There are many reasons for the establishment of public sector organizations in Nigeria. Obikeze and Anthony (2004:253) outlined some of them to include:

- ✓ The desire to use the public enterprise as an instrument of effective plan implementation in a context where it appears futile to devise a development plan for the private sector.
- ✓ The need to secure economic independence.
- ✓ The urgent desire to assure government control over "strategic" sectors of the economy (e.g. central banking, broadcasting, iron and steel, roads, shipping, etc.).
- ✓ The need to separate some activities from the civil service and allow more autonomy in their running.
- ✓ The perceived need to provide employment for the citizens in context where the private sector offers very limited employment opportunities.
- ✓ The need to ensure state control of key profitable enterprises with a view to generating revenues that will add to available national capital for financing development programmes and projects.
- ✓ The desire of some socialist-orientated regimes to use state control of key profitable enterprises to pursue the objectives of preventing the concentration of wealth or of the means of production and exchange in the hands of few individuals or of a group (i.e. promoting equitable distribution of wealth).
- ✓

However, irrespective of the above reasons, public sector organizations in Nigeria have not fare well in justifying the essence of their establishment. This is simply because of the existence of the following fundamental problems - defective capital structures, excessive bureaucratic control or intervention, inappropriate technology, gross incompetence, mismanagement and crippling complacency which monopoly engenders. Public sector organizations equally serve as platforms for patronage and promotion of political objectives and therefore even when their managements have the will and the capability to work honestly, they will still suffer from operational interference by political appointees (Adamolekun,2002). Furthermore, most of the leadership of public sector organizations in Nigeria is corrupt and they feel only accountable to the political office holders who got them their jobs instead of serving public interest; and on the other hand, there is persistent lack of accountability of government revenue, lack of transparency; misapplication of public funds; improper cash management among others in public sector organizations in the country (Ejiofor, 1984:18).

Rational for the Adoption of TSA in Public Sector Organizations in Nigeria

Treasury Single Account (TSA) is one of the proven practices in improving the payment and revenue collection systems, and carrying out consistent control of public

expenditures by centralizing the free balances of government bank accounts. The TSA infrastructure is usually implemented as a part of the Financial Management Information System (FMIS) solutions.

Government banking arrangements are important factor for efficient management and control of government's cash resources. Such banking arrangements should be designed to minimize the cost of governmental operations, borrowings and maximize the opportunity cost of cash resources. This requires ensuring all cash received is available for carrying out government's expenditure programmes and making payments in a timely fashion. It is obvious that emerging markets and low-income countries such as Nigeria have disjointed systems of handling governmental receipts and payments. In Nigeria, the Ministry of Finance lacks a unified view and centralized control over government's cash resources. This was evidenced in various reports of leakages and corruption recorded in recent past. As a result, this cash lies idle for extended periods in numerous bank accounts held by spending agencies while the government continues to borrow to execute its budget (Udobi, Kalu, & Elekwachi, 2016; Oni & Adebayo, 2012).

Section 80 (1) of the 1999 Constitution as amended states “All revenues, or other money raised or received by the federation (not being revenues or other money payable under this Constitution or any Act of National Assembly into any other public fund of the Federation established for a specific purpose) shall be paid into and form one Consolidated Revenue Fund of the Federation”; successive governments have continued to operate multiple accounts for the collection and spending of government revenue in deliberate disregard to the provision of the constitution, which requires all government revenues be remitted into a single account. CBN Bulletin (2015) revealed that in year 2012, government ran a pilot scheme for a single account using 217 ministries, departments and agencies as a test case. The result of the pilot scheme saved Nigeria about 500 billion in frivolous spending which motivated the government to implement TSA. This brought about the directives to banks to implement TSA and the technology platform that will help accommodate the TSA scheme. The recent directives by President Mohammed Buhari that all government revenues should be remitted to a Treasury Single Account is in consonance with the programme and in compliance with the provisions of the 1999 constitution.

Therefore, the pronounced challenges serving the rationale for the adoption of the TSA in public sector organizations include:

Loss of Control on the Number of government Bank Accounts:

MDAs are required under FR 701 to get the approval of the Accountant-General of the Federation (AGF) for all their banking relationship. In addition, each MDA is required by regulation to maintain four bank accounts, one each for revenue, personnel costs, overhead costs and capital. However, many MDAs failed to comply, hence the number of bank accounts became over bloated and monitoring the accounts became a herculean

task for the Office of the Accountant General of the Federation (OAGF). A survey of the number of such accounts with both the Central Bank of Nigeria (CBN) and Deposit Money Banks (DMBs) carried out by the OAGF in 2010 puts the number of accounts at over 10,000. With such a large number, government could not have timely consolidated information of cash position necessary for efficient cash management in the country (Ohwoyibo, 2010).

Idle Cash in MDAs' Accounts While the CRF Account is perpetually overdrawn:

Prior to the reforms, government financed its personnel and overhead costs monthly in advance while capital projects were funded quarterly in advance but often the funds remained underutilized for the periods. This leaves the Consolidated Revenue Fund (CRF) Account from which MDAs Accounts were funded perpetually overdrawn as Ways and Means Advance granted by CBN in line with S.38 (2) of their Act. Accordingly, government incurs cost of borrowing on the overdrawn balance while the DMBs that are keeping the MDAs' idle funds do not remunerate them but buy government treasury bills and bonds to earn interest income. The level of ways and means granted by CBN to meet cash flow shortfalls has grown over the years reaching N342 billion in 2014 (Onyekpere, 2015).

Maintenance of Several Extra Budgetary Funds:

There exist a number of funds (dedicated accounts) outside the Consolidated Revenue Fund (CRF) with huge balances while government suffers charges on the CRF overdrawn balance with the CBN. If the extra budgetary funds were linked to the CRF, it would have eliminated the ways and means charges, as the net position would have been positive. Besides, the extra budgetary funds would have been an easy source for short-term borrowing instead of treasury bills/certificates (Osula, 2016)

Non-Remittance of Independent Revenues by MDAs:

A number of MDAs fail to remit their revenues into the CRF in line with S.80 of the Constitution and spend the funds without appropriation (Eme & Daniel, 2015)

Preconditions for Setting up Treasury Single Account

There is a need to address some important issues upfront before key decisions are taken on design options and the strategy to establish a TSA. Unless these issues are addressed, the TSA implementation is unlikely to be successful, as the experience of many countries demonstrates. They include the following as suggested by Hariharan (2009):

a) *Complete Inventory of Existing Bank Accounts:* As a key precondition, the government should have full information about the bank accounts opened/operated by various agencies under its control. In some countries, an unknown number of government bank accounts are opened by line control. It may, therefore, be necessary to conduct a census of the bank accounts of all government agencies, asking each agency to provide information on the number and type of accounts held at commercial banks and the amounts deposited in them and explain the reasons for holding them. Even this simple task may prove difficult to achieve in the face of resistance from

government agencies and their respective bankers. Following the census, a complete inventory of government accounts should be prepared.

b) *Political Support for Reform of Government Banking Arrangements:* Establishing a TSA may require hard decisions, such as closing the existing bank accounts of spending units, which can provoke powerful opposition. For success, a TSA reform must be explicitly and strongly supported by the highest levels of government. Cabinet decisions to initiate and reinforce the reform are helpful.

c) *Banking Network and Technology:* The technological feasibility and capacity of the banking system to participate in the operation of a TSA, and to report on TSA transactions, should be established. This includes the existence of an interbank settlement system, a small payment clearing system, a Real Time Gross Settlements System (RTGS) at the central bank for high value transactions, and the connection of major commercial banks to the RTGS. This requirement is especially important in the case of a distributed government bank accounts structure.

d) *Review of Legal/Regulatory Framework:* Sometimes the existing legal and regulatory frameworks may allow spending units to have independent bank accounts. This need to be amended and good international practice is to vest the ministry of finance/treasury with the sole legal authority for opening government bank accounts.

Functions of Treasury Single Account

- a) Provides a safe haven for government cash deposits which minimizes credit risk exposure.
- b) Aids the efficient management of government liquidity, and facilitates the monetary policy operations in managing functions.
- c) Can facilitate cost effective banking arrangements and speedy settlements (it might be possible to negotiate with the central bank to act as the clearing house for government operations, which may speed settlement).
- d) Allows for clarity of banking arrangements and remuneration policies between the treasury and the central bank (a service level agreement is normally negotiated to clarify obligations and responsibilities when the central bank acts as the clearing house for government operations)

Types of Account under a Treasury Single Account System

Iroegbu (2015) highlights Treasury Single Account System as follows:

- i. *Treasury Single Account Main Account:* This is the treasury's account with the central bank which consolidates the government's cash position. It is the main TSA account when the TSA arrangement in a particular country consists of a set of linked accounts. Cash balances in all other linked accounts are swept into this account. In other words, all government receipts finally flow into, and all disbursements are met from, the central TSA account.
- ii. *Treasury Single Account Subsidiary Accounts or Sub-accounts:* These are not separate bank accounts per se (in the sense of holding individual cash balances), but are special sub-accounts within the main TSA account. This is basically an accounting arrangement to group together a set of transactions and allows the government to

maintain the distinct accounting identity or ledger of its budget organizations (line ministries/agencies) effectively. A cash disbursement ceiling for each entity can be enforced against these ledgers. Balances in these accounts are netted off with the TSA main account for cash management purposes.

iii. Transaction Accounts: Sometimes government bank accounts that are justified for retail transaction banking operations are opened separately and are structured as transaction accounts. These separate transaction accounts could be opened for government entities that need transaction banking services, but do not have a direct access to the TSA main account or a subsidiary account, and/or specific category of operations (e.g., special funds). A transaction account could take the form of a *zero-balance account* or an *impress account*. It is possible to impose a cash disbursement limit (for the concerned agency) on a particular transaction account, which could be monitored by the concerned bank.

iv. Zero-balance Accounts (ZBAs): Where transactional accounts are necessary, these are generally opened on a zero-balance basis, i.e., end-of-the-day cash balances in these accounts are swept back into the TSA main account periodically (preferably daily). Such accounts opened in commercial banks are used for disbursements or for collection of government revenues (particularly non-tax revenues). At the end of the day, all revenues collected would be deposited in the TSA. The commercial bank would honor payments of the respective agency, and would be reimbursed by the TSA overnight. ZBAs have many similarities with special credit line arrangements, where budget agencies are provided spending credits towards the amount of payments they can make within a specified period, to be reimbursed by the TSA in the central bank. A ZBA also has the benefit that it bypasses the normal interbank settlement process for each individual transaction, which is often time consuming in developing countries, and ensures same-day settlement on a net basis for all receipts and payments passing through the accounts.

v. Impress Accounts: These transaction accounts can hold cash up to a maximum authorized amount and are recouped from time to time. Such accounts might be necessary in some cases, particularly when there is only limited availability of interbank settlement facilities. However, the number of impress accounts should be kept to a minimum and the strategy should be to progressively transform these accounts into zero-balance accounts.

vi. Transit Accounts: These accounts are not meant for day-to-day transaction banking operations of government units. A transit account simply serves as a transit for eventual flow of cash into the TSA main account. Transit accounts might be necessary: (i) for major revenue streams to monitor their collection and remittance by the banking system; and (ii) to facilitate revenue sharing (formula-based sharing from a common pool of resources) between tiers of government in a federal system in line with constitutional and/or legal requirements.

vii. Correspondent Accounts: A separate ledger account is opened for each correspondent. The correspondent entity has real time information on the balances it maintains in the TSA. There should be safeguards to ensure that each correspondent government is provided with the funds needed to implement its own budget in a timely

manner. The central bank (which maintains the accounts in the TSA) has the obligation to make payments to the extent of the balances available in a correspondent's account.

Operation of TSA in Public Sector Organizations in Nigeria

For TSA to work effectively there must be daily clearing of and consolidation of cash balances into the central account even where the MDA's accounts are already held at the CBN such as the FIRS. Some may argue that it is necessary to separate the cash transactions of each MDA for control and reporting purposes; however this objective can be achieved through proper accounting rather than by holding cash in separate bank accounts. In any case, the various bank accounts held by MDAs in commercial banks do not necessarily have to be closed, but they must be operated as Zero-Balance Accounts where any closing balance must be swept to TSA at the Central Bank of Nigeria (CBN) on a daily basis to give government a consolidated cash position. TSA can therefore cover all funds including earmark and extra-budgetary accounts or even funds held in trust by government. To make this work, accounting systems must be robust and capable of accurately distinguishing trust assets in the TSA. This is not different from what a private company operating in many states or even internationally will do to consolidate its funds rather than fragment them by divisions or sub-entities. Hence, a company will only borrow externally if and only if its overall cash position is negative rather than when a division has a deficit even though others may have surpluses. TSA is not a new concept; it has been adopted for decades in many countries both in the developed world such as the United States, UK, France and developing economies like India and Indonesia.

Furthermore, the main purpose of TSA implementation is to maximize the use of cash resources through concentration and reduction in float costs. The TSA solutions are designed to capture detailed information about the government's cash resources and spending on a daily basis. However, it is not enough to simply capture timely information on cash balances and flows, if balances are not immediately available to the Treasury (because of a lack of formal authority, or due to lengthy accounting and transfers/payment processes). Also, the ability to forecast cash inflows and outflows and resultant balances on the TSA is essential in improving cash management. It should be noted that the FMIS platforms can provide reliable information through properly designed TSA interfaces on most of these key aspects. There are a number of ways to implement the TSA depending on country specific conditions (regulations, banking system, electronic payment system (EPS) arrangements, etc.). In many countries, "centralized TSA operation" is preferred to monitor the daily collections and spending promptly and cost effectively. In order to achieve this, a reliable TSA infrastructure needs to be established before the implementation of FMIS solutions (it is usually more difficult and costly to introduce TSA after the development of FMIS), based on a mutually agreed TSA Protocol (between the CT and the CB).

Benefit-Costs Involvement of the Implementation of TSA in Public Sector Organizations in Nigeria

There are benefits as well as cost implications in the implementation of TSA in public sector organizations in Nigeria. The benefits include:

- a) TSA allows complete and timely information on government cash resources.
- b) It improves appropriation control via ensuring that the Ministry of Finance has full control over budget allocations, strengthening the authority of the budget appropriation, and avoiding a fragmented system where funds provided for budgetary appropriations are augmented by additional cash resources that become available through various creative, often extra-budgetary measures.
- c) TSA also improves operational control during budget execution. This is because it allows the treasuries have full information about cash resources needed to plan and implement budget execution in an efficient, transparent, and reliable manner.
- d) It promotes efficient cash management via regular monitoring of government cash balances, and the undertaken of higher quality cash outturn analysis (e.g., identifying causal factors of variances and distinguishing causal factors from random variations in cash balances).
- e) TSA reduces bank fees and transaction costs associated with having multiple number of bank accounts including the cost associated with bank reconciliation
- f) It facilitates precise and efficient monitoring payment mechanisms via ensuring that there is no ambiguity regarding the volume or the location of the government funds, and makes it possible to monitor payment mechanisms precisely.
- g) TSA eliminates “float” in the banking and the payment systems, and introduces transparent fee and penalty structures for payment services. This in turn ensures substantial reductions in government real cost of banking services.
- h) It improves effective bank reconciliation between the government accounting systems and cash flow statements from the banking system. This is essential as it ends up reducing the risk of errors in reconciliation processes, and improves the timeliness and quality of the fiscal accounts.
- i) TSA reduces liquidity reserve needs, that is, the volatility of cash flows through the treasury thereby allowing it to maintain a lower cash reserve/buffer to meet unexpected fiscal volatility (Ekubiat& Ime, 2016; Eme & Chukwurah, 2015).

However, despite the fact that TSA promotes the comprehensive effectiveness and efficiency of a financial management system on one hand, it has its own flaws/costs/problems. For instance, the TSA is plagued by its inability to redistribute the income from the single treasury back into the economy by ways of fiscal and expansionary monetary of government. This contradicts the essence of its introduction - to promote transparency and facilitate compliance with sections 80 and 162 of the 1999 Constitution.

Furthermore, the government banking arrangements, in practice, may consist of several bank accounts domiciled at both the central bank and commercial banks. Consolidating this might take serious effort and genuine commitment on the part of the Central Bank of Nigeria. However, the practice where balances in commercial banks are to be cleared every day and all government cash balances consolidated in one central account—the TSA main account—of the treasury at the central bank posed a huge challenge at the onset of the implementation of the treasury single account among others.

TSA is a good idea but it is not free of pitfalls anyway. Several questions have been raised such as what happens when you do not have a trusted leader? What will the system abuse look like? Salary and pension biometrics is a reference point. Corrupt Nigerians will develop a way out like the 1% so called commission, Cash for hand and refund through contract inflation etc. What we need is strong and transparent institutional financial framework supported by cashless practicable limits in real term not just on paper. Strong money laundering laws against cash based transaction limits is needed too.

CONCLUSION

Before the introduction of the Treasury Single Account in Nigeria, there was enormous corruption prior to the implementation of the treasury single account, as evidenced by fund misappropriation, superfluous bureaucratic systems in fund distribution for agency uses, and other impediments in the public sector. However, the implementation of TSA reduced fund misappropriation only little and did not considerably improve the fast flow of cash for sources. As a result, the TSA implementation policy increased public sector service performance, albeit not dramatically or strikingly.

RECOMMENDATIONS

Based on the literature reviewed, the following recommendation is made:

- There is the need to strengthen the country's judiciary, police, anti-graft agencies, and media to combat corruption and ensure transparency, probity, and timeliness in the handling of corruption-related cases as the adoption of TSA alone may not be sufficient to combat corruption in public sector organizations in Nigeria
- There is need for more legislation to cover the states and local government level since the policy in question only covered the federal level since Treasury Single Account have a significant effect on financial leakages in revenue collection in Nigeria public sector. This is to ensure that the level of financial leakages in the public sector at all level is drastically reduced.
- There should be an integrated financial management information system (IFMIS) for all the players in the TSA system at the state levels so as to improve the level of transparency in the system since Treasury Single Account significantly promotes transparency in the administration of public funds

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- The federal government should show the political will to assure the policy's long-term viability, as well as tenaciously push TSA implementation at the state and local governments levels across the country to ensure the success of the TSA policy.
- The financial regulators, including the CBN, should also be proactive and institute measures to correct any lapses or negative impact of the policy, as no law or measure is foolproof. The fear that it will negatively affect commercial banks, and possibly lead to massive job losses, should be addressed.
- There is need for the federal governments to enlighten and train all stakeholders on the benefits of TSA adoption including government accountants as well as heads of State MDAs to meet up with the challenges of TSA operations. This will go a long way in reducing financial misappropriation in the public sector.
- The federal government should initiate policies and various means to make sure that proper accounting of the funds into the Treasury Single Account follows due process and any subsequent foul play by any agencies, or even the CBN is duly prosecuted.

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