Post-Adoption Analysis of Treasury Single Account: Policy Impact on Financial Management of Ministries, Departments and Agencies in Nigeria

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Abstract

Over the years in Nigeria, the activities of government Ministries, Departments and Agencies were marred with irregularities, maintenance of multiple accounts, corruption, fraud and financial leakages that divert public funds to private pockets. In a bid to address this menace, the Treasury Single Account policy was adopted aimed at enthroning sound public sector financial management practices in Nigeria. Content analytical technique was adopted to analyze the data generated for the study. The paper found from the extant literature reviewed that TSA has significantly contributed in curtailing fraud, financial leakages and maintenance of multiple accounts by the MDAs in Nigeria. This has by extension, led to increased accountability and transparency in public sector financial management. It also observed that poor TSA infrastructure and inability of the MDAs to carry out timely and regular reconciliation of accounts because they cannot segregate the bulk funds in the TSA as part of the challenges of TSA policy implementation in Nigeria. The paper therefore, recommended that Government and other relevant stakeholders should ensure massive investment in ICT infrastructure; ensure constant supply of electricity in order to consolidate on the gains of the policy; Government should also ensure that all legal frameworks, extant laws, cash management processes needed for effective implementation of the policy are put in place, etc.

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1. Introduction

Government policy choices are targeted at addressing a given problem in the society just like the Treasury Single Account (TSA) Policy in Nigeria. 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 (Igbokwe – Ibeto, Osakede, Nkomah and Kinge, 2017). Abdulgaffar (2020) sees TSA as a consolidated structure of government account designed to enable efficient and effective allocation of government resources. Through this central account or set of proxy accounts according to him, the government conducts its transaction of receipt and payment and as a result has a consolidated overview of its liquidity and cash position at any time.

Historically, Treasure 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 before its adoption in Nigeria. TSA is part of the Public Financial Management reforms which falls under the National Strategy for Public Service Reforms towards Vision 20:2020. The public financial management reforms were designed to address impediments to effective and efficient cash management. It is globally recommended that no other government agency should operate bank accounts outside the oversight of the treasury. The treasury, as the chief financial agent of the government, should manage the government's cash (and debt) positions to ensure that sufficient funds are available to meet government's financial obligations, ensures that idle cash is efficiently invested, and debt is optimally issued according to the appropriate statutes(Igbokwe-Ibeto, et al, 2017).

In Nigeria, the call for the establishment of Treasury Single Account (TSA) started in the 1980s. Ibrahim Babangida's Administration introduced TSA to bring all the Federal government funds residing in various accounts to the Central Bank. In this case, very few savings were involved, except the reduction of the slush funds available for top officials to place on fixed deposits to generate income for themselves (Asogwa and Abraham, 2017). During Obasanjo's regime, TSA emerged under the framework of Government Integrated Financial Management Information System (GIFMIS). This led to the recommendation of TSA by the Federal Government's Economic Reform and Governance Programme in 2004 but was dumped in 2005 following intense pressure by the banking industry (Eme, Chukwurah and Emmanuel, 2015 and Enwegbara, 2018).

The TSA contract was eventually signed by the former President Goodluck Jonathan, in 2012 following a pilot test that saved Nigeria 500 billion naira in frivolous spending, even though it was not implemented till November 2013 when the Central Bank of Nigeria (CBN) at its 235th Monetary Policy Committee Meeting reintroduced the idea. The administration of President Mohamadu Buhari re-introduced the TSA policy as an instrument for efficient public sector financial management.

In view of the above, on 7 August 2015, there was a Presidential Order directing all MDAs to revert to TSA by 15 September 2015 or face sanctions. A directive that was immediately complied with and this marked the debut implementation of TSA, in compliance with sections 80 (1) and 162 (1) of the 1999 Constitution of the Federal Republic of Nigeria, as amended.

The background leading to the adoption of the Treasury Single Account (TSA) policy as public financial management tool was one of a pitiable economic condition that required urgent policy attention. Patricia, Saratu & Ambrose (2019), related this to the dwindling revenue from N8b in 2011 to N3b in 2015, multiplicity of over 20,000 government accounts domiciled with deposit money banks in Nigeria and poor record-keeping leading to non-accountability of public funds among others. Revenue generation effort of the government seems to be enmeshed in corrupt practices. For instance, Nigeria ranked 136 out of 176 countries with a score of just 27 out of 100 on the 2015 Corruption Perception Index (Transparency International, 2015). More than 85% of Nigerians surveyed believe that corruption has astronomically increased from 2011 to 2015. Global Financial Integrity estimated that more than US 157 billion US dollars in the past decades had left the country illicitly (Nkwede and Abah, 2015). Corruption reached its zenith during the reign of General Sani Abacha, who was acknowledged to have stolen more than 5 billion USD between 1994 and 1998, surpassing all records of state loot within a short period of five years. During this period, law and order collapsed and the rule of law took a back seat in the face of tyranny, despotism and impunity. All enforcement institutions were so compromised that they served the needs of the corrupt than those of the society (Akomaye, 2007). Nigeria was assessed by many risk rating agencies as too risky a jurisdiction for quality investment. During this period, Foreign Direct Investment (FDI) took flight in spite of ceaseless flow of petrol dollars, the economy plummeted witnessing double digit inflation and poverty became pervasive.

Oru and Odumsor (2019:49) in support of the foregoing revealed that:

> Until the introduction of Treasury Single Account (TSA) in Nigeria, Ministries, Departments and Agencies (MDAs) which generate revenue have had multiple accounts in commercial banks. The commercial banks used part of the amount deposited with them to transact businesses and earn interest. As a result, agencies paid into government account what they dim fit as loopholes kept proliferating within the public sector, the result of this situation included leakages of funds, and inability of the government to know her account balances at a glimpse, budgets were prepared using unrealistic projections leading to poor implementation. However, the greatest beneficiaries of this situation were banks that relied on the deposits from other sectors of the economy as the balances of government accounts were idle in the banks. All these stunted the growth of the economy.

TSA was therefore adopted as a tool to address the avalanche of challenges that undermine sound public sector financial management practices in Nigeria. It is based on the foregoing, that this paper attempted a post-adoption analysis of TSA policy in Nigeria.

TSA in Nigeria: An overview

International Monetary Fund (IMF, 2010) cited in Oru and Odumusor (2019), defined TSA as a “unified structure of government cash resources. Fatile and Adejuwon (2017) document that TSA is a useful tool to establish centralized control over government revenue through effective cash management. To Adeolu (2015), a 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 are done through this account as well. Onyekpere (2015) sees Treasury Single Account as a unified structure of government bank accounts enabling consolidation and optimal utilization of government cash resources. It 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. Single Account (TSA) is believed to be an efficient and effective means of managing government revenue generation and a scheme that provides and enforces sufficient self-control mechanism on revenue generation and budget implementation using a daily return from account balances of various MDAs into a central account. TSA according to Ocheni (2016) facilitates better fiscal and monetary policy coordination as well as a better reconciliation of fiscal and banking data, which in turn improves the quality of fiscal information.

Ejoh (2020) defined TSA as a process and tool for effective management of government finances, banking and cash position. In accordance with its name, it pools and unifies all government accounts. Eze (2015) in Ejoh (2020) argued that the consolidation into a TSA paves way for timely capturing and payment of all idle revenues into government coffers without the intermediation of multiple banks arrangements. This prevents revenue leakages in terms of revenue loss and mismanagement by operators of all revenue – generating agencies. Chukwu (2015) described TSA as a network of subsidiary accounts all linked to a main account such that transactions are effected in the subsidiary accounts by closing balances on these subsidiary accounts and transferred same to the main account at the end of each business day.

Objectives /Rationale for Adoption of Treasury Single Account Policy in Nigeria

Every TSA model is set up with defined objectives. A TSA is 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 cash resources. It provides a number of other benefits and thereby enhances the overall effectiveness of a public financial management (PFM) system.

The guidelines for the operation of Treasury Single Account (TSA) by State Governments in Nigeria (2016:2) provides that the TSA is primarily designed to bring all government funds in bank accounts within the effective control and operational purviews of the Treasury, to:

i. Enthrone centralized, transparent and accountable revenue management;
ii. Facilitate effective cash management;
iii. Ensure cash availability;
iv. Promote efficient management of domestic borrowing at minimal cost;
v. Allow optimal investment of idle cash;
vi. Block loopholes in revenue management;
vii. Establish an efficient disbursement and collection mechanism for government funds;
viii. Improve liquidity reserve; and

Eliminate operational inefficient and costs associated with maintaining multiple accounts across multiple financial institutions.

Some scholars have also adduced some major reasons for the adoption of TSA policy in Nigeria to include;

1. **Loss of Control on the Number of government Bank Accounts:** One of the reasons for the adoption of treasury single account in Nigeria especially is the fact that Ministries Departments and Agencies (MDAs) are required under 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 (Adeolu, 2016). However, many ministries departments and agencies failed to comply with this directive, 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. 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 office of the accountant general of the federation 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 (Adeolu, 2016).

2. **Idle Cash in Ministries Departments and Agencies' Accounts While the Consolidated Revenue Fund Account is empty:** Igbekoyi and Agbaje(2017) wrote that prior to the introduction of treasury single account policy, different accounts were maintained by the ministries, Departments and Agencies where they keep the revenue collected while the Consolidated Revenue Fund (CRF) Account from which MDAs Accounts were funded perpetually empty.
3. **Maintenance of Several Extra Budgetary Funds:** According to Terzungwe and Igbabee (2017), one other reason for the introduction of treasury single account policy in Nigeria was to reduce the extra budgets usually mapped to service different accounts that were hitherto used for collection of revenue for the government as maintained by the different ministries Departments and Agencies outside the Consolidated Revenue Fund (CRF) with huge balances while government on their own equally budget for extra charges on the Consolidated Revenue Fund overdrawn balance with the Central Bank of Nigeria.
4. **Non-Remittance of Independent Revenues by Ministries Departments and Agencies:** Amadi and Obute (2018) states that one other reason for the introduction of treasury single account policy was because of the fact that reasonable a number of Ministries Departments and Agencies failed to remit their revenues into the Consolidated Revenue Fund account in line with Section 80 of the Constitution and spend the funds without appropriation.

5. It Eliminates Fraud and other Sharp Practices

Prior to the TSA era it has been a norm for government agencies to engage in sharp practices. This is the case of NIMASA, JAMB, Customs and even universities to misappropriate government funds. These agencies engage third parties to remit such funds to government accounts, this way the government is unable to determine with certainty the actual revenue generated by these agencies. The adoption of TSA has brought to halt these prevalent fraud and sharp practices by these unscrupulous public officials.

6. Audit Becomes Easier

The centralization of funds into a consolidated account maintained by the central bank of Nigeria will go to a very large extent making the work of audit very easy. Times has passed and changes are being made which sees the electronic systems of payment be applied to cash transaction, this way the flows of funds can be tracked in real time.

Cash receipts and disbursement from a consolidated account can be queried by the audit in the TSA era.

7. It Eliminates Fraud and other Sharp Practices

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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 (Clementina, 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 (Clementina, 2016). Lending credence to the subtance of TSA to Public Financial Managemnt (PFM), Pattanayak and Fainboim (2011) argued that if a country has a fragmented system for handling government receipts and payments through the banking system, it is a critical PFM weakness that needs to be addressed**.** A country with fragmented government banking arrangements pays for its institutional deficiencies in multiple ways. Firstly, idle cash balances in bank accounts often fail to earn market related remuneration. Secondly, the government, being unaware of these resources, incurs unnecessary borrowing costs on raising funds to cover a perceived cash shortage. Thirdly, idle government cash balances in the commercial banking sector are not idle for the banks themselves, and can be used to extend credit. Draining this extra liquidity through open market operations also imposes costs on the central bank.

Models/Structure of TSA

Pattanayak and Fainboim (2011) observed that the government bank accounts structure under a TSA system could be either centralized or distributed, or it could have features of both.

1. Centralized bank accounts structure: In a fully centralized structure, the TSA is composed of a single bank account—with or without sub-accounts—usually at the central bank. This is operated either by a centralized authority (e. g., a centralized treasury with or without regional units), or by individual line agencies/spending units (see the discussion below on transaction processing arrangements). In either case, all transactions passing through this single account are tracked, accounted for, and managed through a well developed accounting system.

2. Distributed bank accounts structure. Under a distributed bank accounts structure (e.g., Sweden), there are several independent bank accounts (generally ZBAs opened with commercial banks) 13 operated by line agencies/spending units for their own trans- actions, with positive and negative balances in these accounts netted into the TSA main account. Money is transferred (usually at the beginning or end of the day) to these accounts as approved payments are made, and the central bank, which manages the TSA, provides the consolidated cash balance position at the end of each day.

3. Bank accounts structure with both centralized and distributed features: While the fully centralized and fully distributed structures are the two ends of the possible continuum of bank account structures, there could be several combinations of the two. In all these arrangements, it is important that any balances left with the banking system are swept overnight back into the TSA
Igbekoyi and Agbaje (2017) arguing in similar direction with the submission by Pattanayak and Fainboim (2011) note that TSA system adopts two transaction models and they the following:

4. Centralized Transaction Processing*:* This implies a concentration of authority at the treasury to process transactions, and access and operates the TSA. In this case, the treasury provides payment services for spending agencies and has the exclusive authority to operate the TSA, including its regional treasury subaccounts. The budget institutions submit their payment requests to the centralized authority/treasury before making payments. Under this model, requests for payments are prepared by individual budget agencies and sent to a central treasury payment unit for control and execution. The central payment unit manages the float of outstanding invoices. This model may create a useful synergy between cash management on the one hand, and expenditure control and transaction accounting on the other hand. However, the centralization of expenditure transaction processing can also lead to inefficiencies, including high transaction costs, and potential for corruption in countries where the control systems are inadequate. Another issue that needs to be considered is whether the authorization of commitments is centralized or decentralized to individual spending agencies. In the latter case, if the commitment control and payment systems are not well integrated, payment arrears may occur. Although in this model the payment and accounting functions are centralized, individual spending agencies are treated as distinct accounting entities through a treasury ledger system. Therefore, information on the individual ledger accounts of the spending agencies (including information on their respective transactions) is maintained and controlled internally by the treasury and thus not visible to the banking system. Under this model, only the treasury central unit deals with the commercial banks, making payments from the TSA and receiving collected revenues into the TSA.

5. **Decentralized Payment and Accounting System in TSA Models**

In this case, each budget institution processes its own transactions during budget execution and directly operates the respective bank account under a TSA system. Such a transaction processing model could be associated with either the centralized or the distributed TSA structure. Combining the options of the decentralized TSA structure and the decentralized transaction processing model would, however, require an efficient and reliable communication network and interbank settlement system for netting of balances of several transaction accounts with the TSA main account (Pattanayak and Fainboim, 2011).

Under this model, individual budget agencies process and make payments directly to suppliers and account for these transactions through a TSA system. Modern technology allows electronic links between spending agencies, the central bank, the commercial banks, and the treasury. The treasury sets the cash limits monthly or quarterly for the total. An amount of disbursements to be made by a particular budget agency, but does not control individual transactions. The authority to make commitments is granted to the budget agencies on a periodic basis (generally each quarter) by the budget office, and cash limits are set by the treasury, often on a monthly basis. This is a model of centralized cash control, but decentralized responsibility for commitments, payments, and accounting. This model makes the spending agency responsible for internal control and management, while keeping central control of cash through the TSA.

An example of a decentralized model is one that combines TSA sub-accounts for line ministries and zero-balance accounts for individual spending agencies within each line ministry. Under this variant, the ministries/departments maintain sub-accounts of the TSA at the central bank.

2. Theoretical Framework

The Treasury Single Account Policy of the Federal Government of Nigeria hinges on the principle of accountability in public sector financial management, hence, this paper adopted Accountability Theory propounded by Vance, lowing and Egget (2013) as the theoretical framework of analysis. Accountability theory assumes that the perceived need to justify one's behaviour to another party causes one to consider and feel accountable for the process by which decisions and judgment have been reached. In turn, this perceived need to account for a decision-making process and outcome increases the likelihood that one would think deeply and systematically about one's procedural behaviour. MDAs are trustees of government of government revenue sources and government has consistently enacted laws, policies and programmes aimed at making sure that MDAs conform to the principles of sound financial management in line with the international best practices

TSA was adopted to enhance efficiency, transparency and accountability among MDAs of the government. TSA aims at making government agencies and other critical stakeholders accountable. TSA policy pursues the principles of accountability in the management of government financial resources. Government has over the years lost huge amount of revenue owing to leakages, fraud, and mismanagement, misappropriation, looting of government funds and maintenance of multiple accounts by her agencies.

Public officials were not reasonably accountable to what happens to the volume of revenue generated and how it was spent. TSA could be understood as a means of ensuring that practices that undermine public accountability are curtailed. With a reduction on maintenance of multiple accounts by MDAs, TSA aimed to promote public accountability. Oru and Odumusor (2019), in their study expanded the theory where they observed that in government circle the internal audit function is presumed to ensure that procedures are followed strictly, especially with respect to cash receipts and payment. The TSA they argued is one of the mechanisms that monitor the movement of cash in terms of inflows (receipts) and out flows (payments). TSA therefore is a tool or mechanism put in place by the principal (government) to checkmate and control the activities of the agents (Banks and agencies) in order to ensure that their activities and actions towards public financial resources are carried out in line with the established procedures, rules and regulations.

The choice of this theory is based on the fact that it constitutes the very essence of TSA. TSA was introduced to make sure that the principle of accountability is promoted in public sector financial management practices. TSA draws from the intent of making sure that corrupt practices are minimized to the barest minimum in order to increase the volume of revenue accruable to the government through her agencies. It means that public officials especially revenue staff of respective MDAs are guided by the established code of conduct while discharging their assigned responsibilities. TSA was adopted to curb the irregularities and excesses of MDAs and banks who maintain multiple accounts at the expense of government. It is based on the above backdrop that the theory was considered relevant for the study.

Impact of TSA on Public Sector Financial Management Practices in Nigeria

Public financial management refers to the processes and methods with which the government organizes, allocates, and oversees public resources. In the context of Nigeria's economic transformation, sound financial management practices are vital to the realization of the new administration's policies (PWC, 2023). It is concerned with the aspects of resource mobilization and expenditure management in the public sector. Public sector financial management is a process that is geared towards increasing the volume of revenue accruable to the government by drastically minimizing fraud and financial leakages, while enthroning probity, transparency and accountability. The TSA has played the following key roles in public sector financial management in Nigeria.

1. Transparency and Reduction of Financial Corruption: Financial corruption limits the capacity of the economy to function effectively. Studies have shown that TSA improves financial performance of MDAs of of government in Nigeria. Alluding to the foregoing, Ogochukwu (2023) observed that TSA highlights the value for financial integrity, policy regulation and user convenience. Also Osazevbaru & Yomere (2015) indicated that single account has increased tax collection, greater financial inclusion, reduced revenue leakages and increase economic development. TSA enables the government to monitor and control its financial activities at a glance through the Treasury Single Account (TSA). TSA is a cashless policy instrument introduced to enhance efficient financial management system. Igbokwe- Ibeto, Nkomah, Osakede & Kinge (2017) opined that TSA is a public accounting system policy under which all government revenue, receipts and income are collected into one single account, usually maintained by the country's Central Bank. TSA makes for easy collection of government taxes and also helps to block financial leakages associated with handling of large volume of cash. Oru & Odumsor (2019) oserved that until the adoption of TSA in Nigeria, loopholes, leakages of funds and inability of the government to view her account balances at a glimpse persisted at a glaring rate. However, all these changed in the era electronic payment system. The TSA unified government accounting system through ICT, and ensures that government did not keep multiple accounts which usually give room for looting, misappropriation and outright embezzlement of government revenue. Cashless policy promotes transparency and accountability through a Single Treasury Account and improves government budgetary processes.

2. Implementation of TSA has curtailed Incidences of Fraud in the Public Sector Financial Management in Nigeria: As TSA frowns at maintenance of multiple accounts by MDAs, it has contributed to curtailing fraud among government officials. Ejoh (2020) revealed that TSA policy has significantly reduced idle government cash balances with other banks. Idle cash balances have accumulated over the years owing to the maintenance of multiple accounts while government suffers inadequate fund to finance her projects and programmes. The implementation of TSA policy in the management of government finance has curtailed the incidences of loosing funds and inability of government to view her financial status at a glance.

Nelson, Adeoye and Ogah (2015), believe that the government's Treasury Single Account (TSA) project, which seeks to establish a unified structure of government bank accounts could be the single most effective mechanisms for dealing with corruption in cash management in ministries and agencies. They further maintained that this will trim down corruption through elimination of avenues in form of scattered bank accounts. Oru and Odumusor (2019) submitted that the implementation of TSA in Nigeria is meant to block financial leakages and tame the tide of corruption and embezzlement, and enable the Ministry of Finance (MOF) monitor the inflow and outflow of funds, hence, augment the falling oil revenue due to falling oil prices. Contributing to the foregoing discourse and in agreement with the above findings, Adeolu (2016) observed that TSA is expected to curb situations where Ministries, Departments, and Agencies manage their finances like independent empires, and remit less than generated revenue to government treasury and also ensure agencies of government spend in line with duly approved budgetary provision.

Similarly, Nwaorgu and Ezenwaka (2017), found that adaptation of a treasury single account and accountability in the Nigeria public sector is capable of plugging financial loopholes, promoting transparency and accountability in Federal Health Tertiary institutions in south-east Nigeria. This also extends to other zones in the country. In support of the above, Igbekoyi and Agbaje (2017), revealed that, TSA has significant positive impact on financial leakages, transparency and curb financial misappropriation.

3. Increase in Government Revenue: Studies have shown that TSA policy has contributed significantly in increasing government revenue. For instance, Ezinando (2020) discovered that the federal governments' deposits have increased following the adoption of TSA policy. Enahoro and Olabisi (2012) cited in Gayam, Ivungu and Anongo (2019) see revenue generation as ways through which government raise funds for the purpose of government capital and recurrent expenditure. Revenues earned by the government are received from sources such taxes levied on the incomes and wealth accumulation of individuals and corporations and on the goods and services produced, exports and imports, non-taxable sources such as government-owned corporations' incomes, Central Bank revenues and capital receipts in the form of external loans and debts from international financial institutions (Gayam, et al, 2019).

Prior to the inception of TSA policy in Nigeria, the public sector financial activities were characterized by high degree of unethical practices and irregularities which hindered substantial increase in the volume of revenue generated by the government. This assertion is supported by the outcome of some studies based on the pre and post TSA implementation eras. The Central Bank of Nigeria cited in Agency Report (2018) revealed that the migration of the Federal Government Ministries, Departments and Agencies (MDAs) to the Treasury Single Account (TSA) led to positive growth in the value and volume of transactions recorded in end to end payments in 2017. It revealed that the value of transactions recorded at the period reviewed stood at N13.53 trillion from N10.65 trillion, representing an increase of 27 percent. It further stated that the volume of transactions grew with an increase of 3.8 percent to 39.7 million in 2017 as against the 38.24 million recorded in 2016 (Agency Report, 2018). Similarly, Fowler (2019) observed that the Federal Inland Revenue Service re-wrote Nigeria's revenue history in 2018, when it collected a total of N5.320 trillion. According to him, the N5.320 trillion collected is the highest revenue ever generated by FIRS in history. These achievements were recorded following the adoption of TSA as against what it used to be before the introduction of TSA policy. In support of the above, Stanley, Odogu and Keme (2020) found that a significant increase in federally collected revenue was achieved following post TSA policy implementation despite the fact that the economy slipped into recession from the third quarter of 2015, also considerable growth in GDP was recorded. In essence according to the researchers, both measures performed better in the post implementation period from a comparative stand. This implies that, the TSA policy has a positive bearing on both non-oil tax revenue generation and economic performance. Below are the federally collected revenue and GDP before and after the adoption of TSA in Nigeria.

4. Effective Budgetary Process: One of the objectives of TSA is to enable government view its financial profile at a glance and this means facilitates timely budget preparation as well as implementation. Kanu (2016) argued that implementation of Treasury Single Account Policy is meant to have a positive effect on the national economic planning, swift and full budgetary implementation; reduce leakages and other irregularities in the MDAs, and appropriate planning, data collection, analysis and timely generation of Federal Government Revenue. He further noted that the primary benefit of TSA is to provide for proper monitoring of government receipts and expenditure. In the case of Nigeria as he argued, it will help to block most, if not all, the leakages that have been the bane of the economy. Onyekpere (2015) notes that TSA unifies structure of government bank accounts enabling consolidation and optimal utilization. It is a connection of central account with various subsidiary accounts in such a way that the closing balances in each subsidiary account are automatically moved into the main account by the end of each working day. TSA enables the government has at a glance all its cash positions at every particular period. In this case by enabling all the cash resources into one account, it enables consolidation and promotes efficient management of funds. Ezeala and Agbata, (2022) state that implementation of TSA enhances funding of government budget thereby making funds available for various governmental responsibilities. Alluding to the foregoing discussion, Amos (2021) opined that the essence of the TSA is to address specific problem in public organization such as lack of control and poor cash resources management. He further observed that government is expected to use the adoption of TSA to improve monetary and fiscal policy coordination, efficiency in data, quality fiscal information and minimized cost of debt servicing.

5. Maintenance of Multiple Accounts by the MDAs in Nigeria: Maintenance of multiple accounts creates room for corruption and financial leakages and these are the areas the TSA policy was adopted to address.

The adoption and implementation of TSA in public sector financial management has closed the era of multiple accounts by MDAs with its attendant cost implications. In support of the foregoing, Oru and Odumusor (2019), averred that prior to the implementation of the TSA, banks fed fat on the "float" created by the duplicated and unaccounted MDA's accounts with Deposit Money Banks (DMBs) in Nigeria. They submitted that adoption of TSA has to a reasonable extent reduced the cost of generating government revenues. The findings of Adeolu (2015) corroborated this notion when he revealed among others, that the TSA primarily brings all government funds in bank accounts within the effective control and operational purvey of the treasury. This is why Idris (2017:4) regretted that:

> For instance, why would one university have once hundred and twenty bank accounts and some of them are hidden and missing and carrying huge balances? He also discovered that there are costs associated with keeping these multiple bank accounts. Every month the government incurs over N4 billion in maintaining these accounts; yet government is borrowing its own money. And to government from borrowing its money and for the fact that there were no commensurate returns on such monies, it was double tragedy! This is like a sword with two sides that can cut from any of the sides.

Allowing MDAs to operate multiple accounts has resulted to all manner of corrupt practices which hinder government from generating enough revenue for her expenditures.

With all target revenues going to TSA government will have an overview of the money it has in its account so as to better plan its expenditure, due to the fact that leakages that used to be there in the system where government agencies operate multiple accounts, used money as they went and decided what to return to the government. Mamud (2019) in Oluyinka et al, (2021) found that following the implementation of TSA, one of the federal government parastatals in Nigeria, Joint Admission and Matriculation Board (JAMB), remitted N7.8 billion to government coffer in 2017 alone after deducting all expenses. However, this was never the case before the implementation of TSA, as the same body remitted about N52 million in the entire 40 years of its existence.

Lending credence to the above, Ogundipe (2017) cited in Abdulgaffer (2020) reported that at least 20, 000 fragmented accounts were being operated by MDAs. This to a large extent he argued contributed to the looting of government money as well as misappropriation which created an avenue for corruption. The adoption of TSA has brought to an end such obnoxious and treacherous practices and this was done by consolidating the over 20,000 bank accounts into a unified structure. This in turn has increased accountability, financial management which as a consequence has blocked avenues for leakages and abuse of public funds. The above finding is also in agreement with the findings of Effiong, et al, (2017) who revealed that fraud management before the introduction of TSA was very poor.

Corroborating to the above, Igbekoyi, Oro and Ogah (2017) found that TSA, has significant impact on financial leakages, transparency and curbing financial misappropriation. Financial leakages persisted prior to the implementation of TSA due to poor monitoring and control occasioned by the practice of maintaining multiple accounts. Akinyele, et al, (2018) also submitted that adoption of TSA, provoked effective management of cash, sustained a considerable reduction in the level of fraudulent activities and aided improved level of accountability in the Nigeria public sector.

Challenges of TSA Implementation in Nigeria

One of the major challenges of TSA implementation in Nigeria is poor TSA infrastructure such as steady supply of electricity for effective use of computers, internet and other ICT platforms that support the operation of Treasury Single Account. Pattanayak and Fainbom (2010), in Edeh& Nwakamma (2020) argued that important financial information may be lost if budget agencies bank accounts are closed as part of the implementation of the TSA. They further maintained that the implementation of a TSA will necessitate the addition of codes providing required geographical and organizational information; TSA might required charges to accounting systems and processes, including the redistribution of accounting roles and responsibilities between the central treasury unit, ministries, spending agencies etc. There is also fear that the concentration of government funds in the TSA may affect the liquidity of some banks leading to their collapse and an increase in unemployment. Contributing to the above discourse, Oru and Odumusor (2019) observed that in Nigeria, deposit money banks have been the custodians of government funds and therefore, with the introduction and maintenance of the treasury account, banks will be deprived of the free flow of funds from ministries, departments and agencies. As a matter of fact, commercial banks tend to lose immensely from the implementation of TSA as this has caused insufficiency of available cash in the banking system, resulting in money market rates as banks source for funds to cover their liquidity position.

Odewole (2016) enumerated some early challenges in the implementation of TSA in Nigeria to include:

(i) the inability of the MDAs to carry out timely and regular reconciliation of accounts because they cannot segregate the bulk funds in the TSA, and find it difficult to update their cash book nor do it regularly (everyday) as required by accounting standards in the pre-TSA era.

(ii) for internal control process, some of MDAs still keep open independently multiple accounts in Teaching Hospitals, Medical Centers and Universities, etc., because they operate 'Revolving Fund Accounts, as seed money, which they are expected funds for procurement of consumables and later for other related operating issues.

Ahmed (2017) quoted in Ahmed-Gamgum and Ahmed (2018), outlined the implementation challenges of TSA in Nigeria to include the following:

i. The movement from a multi treasury to a single treasury account brought fear of job losses.
ii. The lack of free money for MDA staff
iii. Cash squeeze in credit market (commercial banks) resulting in less profit.
iv. Made some citizens to introduce political hate speeches that the introduction of TSA is lack of economic management ability. To the anti TSA campaigners, there is need to "change the change" for a return to status quo.
v. That the TSA created unemployment or has change work pattern because new technology is introduced. It produced a pool of huge TSA sums. This created attraction and encouragement of cyber-crime. Some civil servants and bank workers are attracted to hack the internet to steal money from accounts.
vi. Creates frustration because there is inadequate electricity power supply and internet services for smooth operations.
vii. There are computer literacy deficiencies and constraints such as lack of adequate computerization, wired and wireless system. This slows down quick processing of funds demands of MDAs.
viii. TSA makes it difficult to maintain regular and up to date internal accounting books for all sources of revenue.

Conclusion & Recommendations

The need for sound and efficient financial management practices for the Nigeria public sector led to the adoption and implementation of the Treasury Single Account policy. Prior to the introduction of this policy, Ministries, Departments and Agencies of the government maintained multiple accounts with the commercial banks and this gave rise to fraud, financial leakages, and government paying huge amounts to maintain these accounts at the detriment of tax payers' money among others. The role of TSA in financial management is to increase the volume of revenue accruable to the MDAs, curtail fraud, enable the government view her revenue profile at a glance for swift budgetary processes, stop maintenance of multiple accounts by the MDAs, and enthrone probity, transparency and accountability in the public sector financial operations. Attempt was made in this study to review theoretically a post-adoption analysis of the policy impact on financial management practices of Ministries, Departments and Agencies of Government in Nigeria. The study observed that has significantly contributed enhancing transparency and reduction of financial corruption; curtailed incidences of fraud in the public sector financial management in Nigeria; increase in government revenue; effective budgetary process and control of maintenance of multiple accounts by the MDAs in Nigeria among others. It also observed some of the challenges that hinder effective implementation of the policy to include poor TSA infrastructure such as steady supply of electricity for effective use of computers, internet and other ICT platforms that support the operation of Treasury Single Account; cash squeeze in credit market (commercial banks) resulting in less profit, etc.

The paper therefore, recommended that;

1. Government and other relevant stakeholders should ensure massive investment in ICT infrastructure; ensure constant supply of electricity in order to consolidate on the gains of the policy. Access to steady power supply is still a major problem that confronts implementation of IT related policies and programmes in Nigeria such as the Treasury Single Account Policy.

2. Delays associated with failed transactions should be addressed through ICT systems upgrade as this will go a long to enhance smooth implementation of the policy.

3. The federal government should ensure that all legal frameworks, extant laws, cash management processes and policies, financial regulatory framework and other related regulatory tools are put in place to guide the TSA operations. The importance of the aforementioned cannot be over-emphasized because it will continue to curb and circumvent the growing incidence of fraud and other related financial crimes in the public sector.

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