Lapai Journal of Economics; Volume 3, No.2; 2019
Print ISSN: 2659-028X
Online ISSN: 2659-0271
Published by Department of Economics, IBB University Lapai, Niger State, Nigeria

The Impact of Treasury Single Account (TSA) on the Economic Growth: The Case of First Bank Nigeria Plc

Martin Chukwuma Orji [1] & Christian Uchenna Chukwu [2]

[1]Department of Social Sciences,
Federal Polytechnic, Bida
[2]Centre for Entrepreneurship and Development Research (CEDR),
University of Nigeria, Enugu

Correspondence Email: Martinorji389@gmail.com

Abstract

This research looked at effect of Federal government Treasury Single Account (TSA) policy on economic growth and development in Nigeria. This policy has succeeded in re-domiciling government account from Commercial Banks to the Central Bank and made the Commercial Banks to be charging their interests on remittances to this account. The study evaluated the following objectives: to know the effect of treasury single account on bank liquidity: to evaluate the effect of treasury single account on bank deposit; to assess the effect of treasury single account on bank interest rate; to know the effect of treasury single account on bank loans. Evidence from analysis suggests that interest rate and treasury single account are positively related. Bank liquidity, bank deposit and bank loans are found to be negatively related with treasury single account. The following are hereby recommended: Banks should imbibe the culture of increasing customer deposits by aggressive marketing; Bank should give loans to businesses that have high expected monitory returns, interest rate of banks should consider the nature of business and ability to pay so that borrowers would not be discouraged, government should implement treasury single account to the letter, so that banks would sit up to their traditional functions.

Keywords: Treasury Single Account, Bank liquidity, Interest rates, Bank Deposit

JEL Classification: M42, O47

1. Introduction

In a competitive service industry such as Nigerian Global System for Mobile (GSM) telecommunication industry, service quality could be used as a strategic tool by any GSM company to have a competitive edge. Alabede, Affrin and Idris (2011) stressed that Organizations operating in the private sector have long realized that customer satisfaction and continue patronage as well as loyalty is secured through high quality service. Asubonteng, McCleary and Swan (1996) buttress that as quality of service rendered to customer increases, satisfaction with the service and intention to reuse the service equally increase, and vice versa.

Treasury Single Account (TSA) is meant to concentrate all monies into one account to be approved by the President or his appointee. It is reasoned that by so doing, cost of governance would reduce. This, however, is dependent on who manages the account as appointed by the

Federal Government. In Nigeria, TSA is not a new government policy because it has been in the country constitution since 1979. What has been the problem is implementation. Last government 2007-2015 did not implement TSA, but gave directives which formed the framework on which the present government has build on since May 2015. TSA is not new in Nigeria, having being there from the military era. In fact, the entire administration of the military is purely based on treasury single account, but emphasis is on the civil rule. From 2007 the issue of treasury single account in Nigeria has been a problem as Government lacks the gut to implement it. TSA is a public accounting system under which all government revenue, receipts, income and all payments done through the account are collected, and usually maintained by the country's Central Bank. The purpose is primarily to ensure accountability of government revenue, enhance transparency and avoid misappropriation of public funds. The maintenance of a TSA notes Abdulsalam (2015), 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.

With particular reference to Nigeria, the Central Bank has opened a Consolidated Revenue Account to receive all government revenue and effect payments through this account. This is the TSA. All Ministries, Departments and Agencies are expected to remit their revenue collections to this account through the individual commercial banks that act as collection agents. This means that the money deposit banks will continue to maintain revenue collection accounts for MDA's but all monies collected by these banks will have to be remitted to the Consolidated Revenue Accounts with the CBN at the end of each banking day. In other words, notes Adeniyi (2015), MDA's accounts with money deposit banks must be zeroed at the end of every banking day by a complete remittance to the TSA of all revenues collected. The implication notes Adurogboye (2015), is that banks will no longer have access to the float fund provided by the accounts they maintained for the MDA's. Different types of account could be maintained under a TSA arrangement and these may include the TSA main account, subsidiary or sub-accounts, transaction accounts and zero balance account. Other types of accounts notes Adeniyi (2015), that could be operated include imp rest accounts, transit accounts and correspondence accounts. These accounts are maintained for transaction purposes for funds flowing in and out of the TSA.

The motivation of the study is liquidity squeeze which banks and government agencies face in the full implementation of TSA. The Liquidity problems exist in such a situation when every ministry, department and agency of government is expected to rely on approval from the center. Another problem is bank deposit which has greatly decreased owing to the transfer of government lodgments. Bank deposits as is expected would be decreased. Subject to the policy of the bank the traditional banking system of sourcing for depositors would naturally increase. Another problem is hike in interest rate for loans banks give. This action will naturally increase the interest rate for loans banks give out. So, not many business men now go for bank loans due to high rate, and this grossly affects investment. The study shall benefit the Government agencies in their policy formulation as well as management of firms in their market penetration policies, as well as researchers in the recommendation given herein. The aim of this study is to evaluate the effect of Federal Government TSA Policy on Economic Growth and Development of Nigeria between 1980 and 2016.

2. Literature Review

2.1 Conceptual Framework

In accordance with Executive Order No. 55 (2011), the Bureau of Treasury (BTr) shall operate a TSA to receive remittance of collections of internal revenue taxes/customs duties from Bureau of Internal Revenue (BIR)/Bureau of Customs (BOC) authorized agent banks as well as other national collections of National Government Agencies from authorized government depository banks (Rosallia 2013) The TSA, notes Idris (2015), which shall be maintained at the Bangko Sentral ng Pilipinas (BSP), will align the government policy of greater financial management and control of its cash resources and allow the unification of the structure of government bank accounts to enable consolidation and optimum utilization of government cash resources.

As part of the initiative to implement the TSA, the TSA Reporting and Monitoring System or TRAMS was developed for the purpose of providing BTr with a consolidated view of its cash position through the acceptance of report from the authorized agent banks (AABs) and authorized government depository banks (AGDBs) via a secure file transfer protocol (FTP) site. Moreover, TRAMS notes Balogun (2015), will equip the Bureau of a valuable tool for a simplified and efficient electronic monitoring of collections and generate desired reports that are necessary for informed decision-making. The BTr, together with the BIR and BOC, executed an amendment/supplement agreement with AABs and AGDBs as part of the TSA framework implementation.

2.1.1 Objective

According to Balogun (2015), the objectives of TSA include: to provide greater transparency in the Public Financial Management (PFM), to gain greater clarity to national financing needs and the management of the public debt; to increase fiscal savings (less transaction charges, more revenues); to improve financial markets; to provide more accurate accounting and improved reporting. The TSA is part of government policy aimed at creating a single account for e-collection of government revenues to ensure that the state of all the accounts is known at a glance. Idris (2015), said the introduction of the TSA was part of reforms by the present administration to institutionalize a more effective and transparent management of public finances in the country. “The September 15, 2015 deadline for the closure of all accounts of Federal Government MDAs with the commercials banks is realistic, achievable and will not be shifted forward,” (Idris, 2015). Idris said the statement was to correct speculations making rounds in sections of the media that the deadline may not be feasible.

A TSA is 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. A TSA therefore, says Bello (2015), 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 cash resources. The TSA provides a number of other benefits and thereby enhances the overall effectiveness of a public financial management (PFM) system. The establishment of a TSA should, therefore, receive priority in any PFM reform agenda.

Judging by the provisions of the Financial Regulations (FR) and the 1999 Constitution of the Federal Republic of Nigeria, some Ministries/Extra-Ministerial Offices, Agencies and other arms of Government collect revenue such as Value Added Tax (VAT), Withholding Tax (WHT), fees, fines and interest) are expected to remit same into the Consolidated Revenue Fund (CRF).

According to Section 16 of the Finance (Control and Management) Act, LF1990 and the Financial Regulation N0. 413 (i), all unexpended recurrent votes for a financial year shall lapse at the expiration of the year. Consequently, all unspent balances in the Recurrent Expenditure Cash Books at the end of 2012 financial year must be paid back to the Consolidated Revenue Fund Account N0. 0020054141107 with CBN by issuing mandate in favour of "Sub-Treasure of the Federation", Federal Sub-Treasury, Ladoke Akintola Boulevard, Garki II, and Abuja latest by the close of work on the last Friday of every December. It should be noted that all MDAs, including universities, polytechnics, federal medical centers, teaching hospitals, research institutes and River Basin Development Authorities and FPO's were ordered to adhere strictly to this law.

All Accounting Officers are required to make a return of unspent balances on the recurrent expenditure cash books, along with copies of treasury receipts, to reach the Office of the Accountant-General of the Federation latest by close of business on Monday, 31st December, 2012. It is obligatory to comply with this regulation in order to avoid the imposition of stiff penalties against defaulters. The irony, however, is that some parastatals did not remit their operating surpluses into the CRF as provided by the FRA 2007 (S. 22 and 23) while most MDAs engaged in acts that result into loss of government revenue. The remittance should be done through banks.

2.1.2 Benefits of TSA

From the foregoing, says Ocheni (2015), it is obvious that the primary benefit of a TSA is the mechanism it provides for proper monitoring of government receipts and expenditure. In the case of Nigerian, it will help to block most if not all the leakages that have been the bane of the growth of the economy. There is a situation where some MDA's manage their finances like independent empire and remit limited revenue to government treasuries. Under a properly run TSA, states Agu (2015), this is not possible as agencies of government are meant to spend in line with duly approved budget provisions. The maintenance of a single account for government will enable the Ministry of Finance monitor fund flow as no agency of government is allowed to maintain any operational bank account outside the oversight of the ministry of finance.

2.2 Theoretical Framework

Incremental theory of public policy making is premised on the way and manner policy makers think when there is a need for them to take decision affecting generality. These decisions are taken in a condition not too conducive for more deliberation and testing of such proposed policy. Vahyala,Pwafeyeno,and Minnessi (2016) opined that in public policy making and analysis, Incremental theory is a collective effort of various scholars who are referred to as the incremental thinkers such as Herbert Simon (2002), Dlakwa (2014), Braybrook (1963), Dahl (1967), and Lindblom (1968) also contributed to this assertion. Dlakwa (2014) postulated that due to lack of time, scarce resources, intellectual ability and cost implication, policy makers are likely to face problem in generating every Person's view on every given matter. Oyedokun (2016) also suggested that, policy makers using Incremental theory do not review societal values, problems on all policy alternatives and their resultant consequences. They also do not seek to create optimal policy because of lack of time, data, human and material resources. Instrumentalism trusts upon a relatively stable policy contextual, rather than situations, where significant new data and problem identification are required (Howlett and Ramesh, 2003) Vahyala, Pwafeyeno, and Minnessi (2016) also view the directive to adopt TSA in Nigeria as a policy suffering from the incremental model of urgency, though it was partially built on the prevailing experimental policy by former administration of Goodluck Ebele Jonathan and translates it into a full-fledged policy without any in-depth study or background checks. This may not also be traced to the opinion of

Dlakwa (2014) where he indicates that due to constraint in time, limited intellectual ability and cost implication decision makers are unable to sample people's view on every given issue, nor are they in a position to identify all alternative ways of resolving problems before they could choose the best alternative. In line with this philosophy, five distinct characteristics of Incremental theory were proposed by Vahyala, Pwafeyeno, and Minnessi, 2016.

First, it is incremental in the sense that only small steps are taken at a time in other to achieve specific objectives. Second, it is non–comprehensive because of the limitation imposed on policymakers by lack of resources to go into sufficient detail of problems before taking remedial actions". Third, policy decision involves "successive comparisons because policy is never made once. Fourth in practice, decision making "suffices rather than maximizes from among the available options. This means that the policy makers can only solve a tiny bit of the problem and there could be a lot of errors committed by it in making such policy choice. The Fifth is plurality in choice. This is Based on the fact that government decision making rest on a pluralist conception of the public sector in which many contending interest groups compete for influence on our police issues, continually forcing the administrator, as a person in the middle, to secure agreement from among the competing parties (Donald F. Kettl 2015).

The following four (4) assumptions can be inferred from the above submission in relation to newly introduced TSA policy in Nigeria vis a-vis incremental theory as asserted by Vahyala, Pwafeyeno and Minnessi (2016).

Human beings and their values are fragile, volatile and unpredictable in nature. Therefore, the policy maker who wastes too much time in trying to understand all values surrounding a problem before taking a remedial measure would only end up in becoming more confused by the time he completes his in-depth analysis. Policy makers lack the sufficient knowledge required to study and understand all the fact surrounding every issues they come across. Moreover, the available resources of the policymakers are always insufficient which have effect on the analysis. The dynamism of the environment in which the policy maker operates is in continuous flux. It promotes short –sighted decision making that may have adverse long term consequences. Scott (2010) in Eme et al. (2015) uses incremental policy making to explain the unfortunate decision made in Vietnam, Afghanistan and Iraq

Presently, the TSA's directive includes all government agencies including partially funded establishments like teaching hospitals and medical centres. No doubt, so many school of thoughts have been expressing their believes with respect to the fears that the TSA's effect may be unfavorable to some agencies of government such as commercial banks, the Nigerian National Petroleum Corporation (NNPC) and the Nigerian Ports Authority (NPA) if special rules or conditions are not drafted to take their numerous operations and cash obligations into account. There exist assurance that both the Executive and Legislative arms of Government will have to live up to their responsibilities by presenting and approving the budget in a timely manner as late presentation and approval of budget in Nigeria has become a recurrent theme. There is no action without it benefit and it challenges. This TSA is not an exception. System Specs (2016) reported it has successfully integrated 900 MDAs who now use Remita to pay and receive payment from all over the country. This was a major milestone, however, grief of some agencies of government who can no longer operate on a "quick fix" have top the list of those calling the exclusion of their agencies from the incremental modeled(TSA).The faiths of banks also top the performance index table. Though in the word of Udo (2016) Deposit Money Banks (DMBs) were permitted to maintain revenue collection accounts for MDAs, but all collections must be settled to the

Consolidated Reserved Account (CRA) at the end of every banking day; that is MDAs' accounts with DMBs must be at zero balance at the end of every banking day. This study adopted this theory as modified by Udo (2016) to suit our research. The TSA of Nigeria aimed at increasing the revenue generation of Nigeria that is why the incremental theory is most suitable theory to anchor this study. On the other hand, Chukwu (2015) did not discover how treasury single account would improve bank liquidity. Therefore this study evaluates how the implementation of treasury single treasury account (TSA) would improve bank liquidity in Nigerian economy. Secondary data was utilized and no questionnaire used in this work. This work utilized Oyedokun (2016) model to enable it straightens the bank liquidity in Nigeria.

3. Methodology

3.1 Data

Data for the study is collected from First Banks and CBN and Federal Ministry of Finance showing Gross Domestic Product, Bank Liquidity, Bank Deposit, Bank Interest Rate as well as Bank Loans for years (1980-2016). The study use Ex-post facto design which includes both historical and current data as derived from first bank studies to regress on the effects of treasury single accounts on bank liquidity, bank deposit, and interest rate and bank loans. The data is purely from secondary domestic product from first bank. One multiple regression table is done, data from First Bank showing gross domestic product, Bank liquidity, Bank deposit, Bank interest rate, Bank loans from 1980-2016.The study is anchored on the theory, the incremental theory of public policy as model for this research multiple model of four independent variables $x_{1,}$ $x_{2,}$ $x_{3,X4}$ related to the dependent value Y. This model was utilized by Udo (2016) with modifications.

3.2 Model Specification

The model for this research is a multiple model of four independent variables $x_{1,}$ $x_{2,}$ $x_{3,X4}$ related to the dependent value Y as utilized by Udo, (2016) and applied in this study with modification to justify the values of dependent and independent variables of the work such that,

$$EGD_t = \beta_o + \beta_1 LD_t + \beta_2 BD_t + \beta_3 IR_t + \beta_4 BLS_t + \mu_t \ldots\ldots\ldots 1$$

Where EGD_t is Economic Growth and Development at time t, LD_t is the Liquidity at time t, BD_t reefers to Bank Deposit at time t, IR_t indicates Interest Rate/Treasury Bill Rate at time t, BLS_t entails Bank Loans at time t, β_s are the regression coefficients with μ_t as random error associated with the model.

4. Results

4.1 Data Presentation and Analysis

First Bank Nigeria Plc is selected for the regression because it is the oldest bank in Nigeria which can guarantee all the variables for the study and where most ministries, MDAS, Government agencies, parastatals, institutions, and Medical centers carry out their remittance to CBN. The Stata 14 version software package is used to determine the results. The result from table 4.1 shows the descriptive statistics of Economic Growth and Development, Bank Liquidity, Bank Deposit, Interest Rate/Treasury Bill Rate and Bank Loans for 37 years in Nigeria. From the table 4.2 we observed that the mean, standard deviation, minimum and maximum of the variables under sturdy are shown. The result from the figure1 below shows the trend analysis of the Economic Growth and Development in Nigeria over the period studied.

Table 4.1 Economic growth, Bank liquidity, Bank loans, Bank deposit, and Interest rate.

Year	EGD	LD	BD	IR	BLS
1980	797,86	30,220	264,988	100,135	114,673
1981	804.15	49,444	390,846	108,316	175,657
1982	847,54	60,881	581,827	159,852	219,185
1983	381,59	88,302	661,624	115,480	437,768
1984	911,96	140,353	1,071,836	17,697	684,107
1985	949,01	74,894	1,330,771	23,599	1,017,411
1986	995.68	199,091	1,783,77	186,626	1,128,851
1987	1013,55	191,509	21,537	53,083	1,562,695
1988	1052,18	341,011	23,314	71,681	1,797,935
1989	1097,97	501,211,425	26,113,011	83,624	1,992,846
1990	1099,98	508.010, 112	26,432,01	83,712	1, 997,076
1991	1097.87	511,147,211	25,657.09	83.231	1,792,156
1992	2012,77	512,122,100	24,762.97	83,211	1,532,123
1993	2,001.44	532,234,122	25,544.75	83,322	1,621,314
1994	1,099,54	433,567,76	25,877,45	84,761	2,002,432
1995	1,099,44	511,678,66	25,890,27	86,432	2,007,231
1996	2,053,553	508,777,84	26,897,77	85,412	2,213,077
1997	1,975,855	608,877,89	27,677,76	87,345	1,990,087
1998	2,543.971	599,832,111	26,876,56	88,234	1, 976,043
1999	1,000,432	916,712,123	27,977,44	98,111	2,342,865
2000	1,097,332	999,321,007	26,I45,76	95,912	2,001,456
2001	1.234,732	908,112,076	23,145,87	56,098	1,298.997
2002	2,234,112	988,233,111	22,674,123	55,764	1, 999,509
2003	1,007,348	897,333,256	23,008,342	56,786	2, 001,435
2004	1,231,344	875,871,122	22,564.007	57,231	2,733,005
2005	1,558.544	777,980,456	22,321,900	56,532	1,999,899
2006	1,439,980	765.897,112	23,009,111	57,112	1,678,112
2007	2,112,008	765,877,768	23,876,008	56,721	1,432,334
2008	2,122,009	778,765,907	22,564,009	54,779	2,011,532
2009	2,223,908	876,987,000	23,901,321	55,112	2,008,543
2010	2,000,999	987,246,109	24,554.098	63,900	2,309,005
2011	3,001,009	1,000,100	30,326,099	65,099	3,009,123
2012	3,122,453	1,009,233	32,099,123	66,876	3,909,432
2013	3,443,112	2,433,114	33,124,543	67,124	3,532,123
2014	4,223,776	3,077,332	43,231,888	53,877	3,900,433
2015	5,223,988	5,988,988	44,112,990	67,334	6,008,122
2016	8,231,090	6,877,099	50,675,009	70,766	7,111,444

Source: National Bureau of Statistics, First Bank Corporate Office Lagos 2017.

Table 4.2: Summary of Mean, Standard deviation, Minimum and Maximum of the variables under study

Variable	Obs	Mean	Std. Dev.	Min	Max
Economic	37	1324045	1799731	1.234732	8231090
Liquidity	37	3.42e+08	4.03e+08	508.0101	9.99e+08
Bank deposit	37	1.21e+07	1.53e+07	21537	5.07e+07
Interest	37	74533.49	33759.34	83.231	186626
Bank loan	37	2060874	1438398	1298.997	7111444

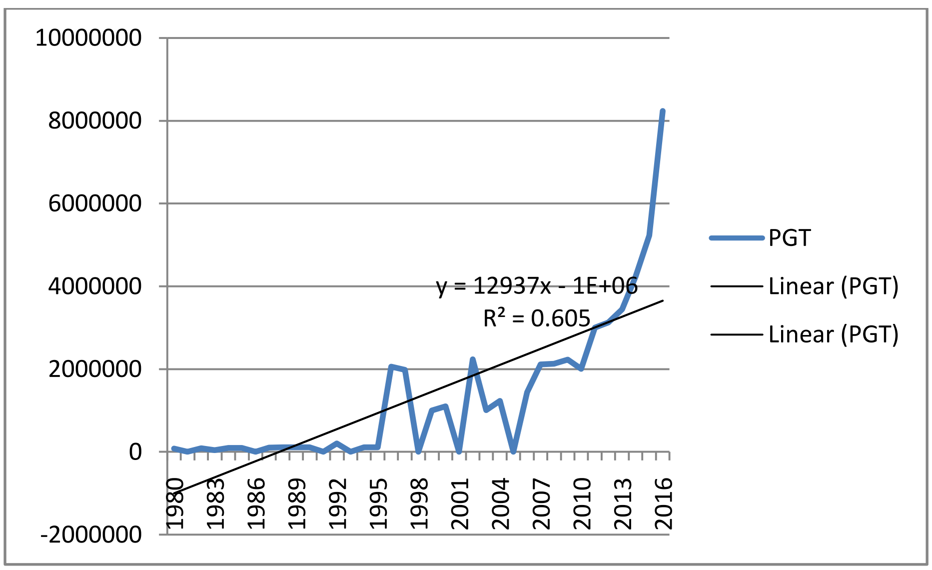

Fig 1 Trend analysis of the Economic Growth and Development in Nigeria

The result from figure1 shows trend analysis of the economic growth and development in Nigeria. From the result, it is shown that Economic Growth and Development in Nigeria have an upward trend for the period of time studied. We observed from the figure, that Economic Growth and Development in Nigeria is at its peak in 2016.

Table 4.3 Regression Analyses showing influence of Bank liquidity, Bank deposit, Interest rate/Treasury bill rate and Bank loan on economic growth and development

Source	SS	df	MS	F(4,32)	Prob>F	R-Square
Model	9.77E+13	4	2.44E+13	41.27	0.0000	0.8376
Residual	1.89E+13	32	5.92E+11			
Total	1.17E+14	36	3.24E+15			

Table 4.4 Model Specification

Economic growth	Coef.	Std. Err.	t	P>t	[95% Conf.	Interval]
Liquidity	-.0000636	.0003301	-0.19	0.848	-.000736	.0006088
Bank deposit	.0442918	.0130469	3.39	0.002	.017716	.0708675
Interest rate	2.058895	4.048435	0.51	0.615	-6.187497	10.30529
Bank loans	.7534929	.1381182	5.46	0.000	.4721553	1.034831
_cons	-898450.8	451972.6	-1.99	0.055	-1819089	22187.22

From table 4.3, coef. Infers coefficients of the parameters in the model β_0 - β_4 and cons s the parameter of $\beta_{0.}$ The result from table 4.3 shows the influence of the predictor variables (independent variables); Bank liquidity, bank deposit, interest rate/treasury bill rate and bank loan on the Dependent variable (Y) economic growth and development. From the table p-value (Prob>F) = 0.0000 infers significance. From the model specification table, we observe that the p-value for both Bank deposit and Bank loan are less than 0.05 it implies that Bank deposit and Bank loan has a significant influence on economic growth and development in Nigeria. While the remaining variables, liquidity, interest rate/treasury bill rate have no significant influence on economic growth and development. From the table Coef = -0.0000636 infers that for every unit decrease on Bank liquidity have no significant influence on economic growth and development. And for Coef = 0.0442918 infers that for every unit increase on Bank deposit have a significant influence on economic growth and development. Coef =2.058895 of Interest rate infers that for every unit increase on Interest rate have no significant influence on economic growth and development. Coef =0.7534929 for Bank loan infers that, for every unit increase on Bank loan there is a significant influence on economic growth and development at about 75%.

Table 4.4: Correlation Analysis showing strength of relationship between the individual variables studied (obs=37)

Variables	Economic growth	Liquidity	Bank deposit	Interest rate	Bank loans
Economic growth	1				
Liquidity	-0.1089	1			
Bank deposit	0.8262	-0.0584	1		
Interest rate	-0.1758	-0.2201	-0.2507	1	
Bank loans	0.8826	-0.1065	0.7608	-0.2044	1

From table 4.4, we observed that r = -0.1089 infers a weak negative correlation between Bank liquidity and Economic growth. And r= 0.8262 infers a strong positive correlation between Bank deposit and Economic growth. R= -0.1758 infers a weak negative correlation between Interest rate and Economic growth. For r= 0.8826 infers a strong positive correlation between Bank loan and Economic growth. For r = -0.0584 infers a weak negative correlation between Bank deposit and Bank liquidity. For r = -0.2201 infers a weak negative correlation between Interest rate and Bank liquidity. For r = -0.1065 infers a weak negative correlation between Bank loan rate and Bank liquidity. R = -0.2507 infers a weak negative correlation between Interest rate and Bank deposit. For r= 0.7608 shows that there is a strong positive correlation between Bank deposit and Bank loan. And finally r = -0.2044 infers a weak negative correlation between Interest rate and Bank loan

5.0 Conclusion and Recommendations

The study found that there is negative relationship between treasury single account and Bank liquidity; there is negative relationship between treasury single account and bank deposit; there is positive relationship between treasury single account and bank interest rate, but there is negative relationship between treasury single account and bank loans. This is an agreement of the observation that Abdulsalam (2015) made, which was presented in the literature review that treasury single account makes the bank look inwards to their policies for self sustenance by going out to source for deposits from customer as it is done globally. Taking government money from banks would mean that bank interest rate naturally shoots up.

The result from the figure 1 and table 4.2 above shows the trend analysis of the Economic Growth and Development in Nigeria over the period studied which is in line with Adeniyi (2015), is supposed to be continuity and if we are to learn from the advanced countries, in the United States, there was a year that they threatened to shut down government over spending limits with multiple account of agencies and decided to operate single account. Economic Growth and Development in Nigeria have an upward trend for the period studied which was highly contributed by bank deposit and bank loans which implies significant relationship between economic growth and development with bank deposit and bank loans, while the remaining variables, liquidity, interest rate/treasury bill rate have no significant influence on economic growth and development as shown in table 4.2 above. Therefore, Government should not delay in implementing treasury single account policy in Nigeria. Coefficience of the variables shows no significance relationship to economic growth and development in Nigeria. For r= 0.8826 infers a strong positive correlation between Bank loan and Economic growth. For r = -0.0584 infers a weak negative correlation between Bank deposit and Bank liquidity. For r = -0.2201 infers a weak negative correlation between Interest rate and Bank liquidity. For r = -0.1065 infers a weak negative correlation between Bank loan rate and Bank liquidity. R = -0.2507 infers a weak negative correlation between Interest rate and Bank deposit. For r= 0.7608 shows that there is a strong positive correlation between Bank deposit and Bank loan. And finally r = -0.2044 infers a weak negative correlation between Interest rate and Bank loan as shown in table 4.3 above. Nigerians should support the implementation of TSA.

This study therefore, recommended that banks should imbibe the culture of increasing customer deposits by aggressive marketing. Bank should give loans to businesses that have high expectation of monetary returns. Interest rate of banks should consider the nature of business and ability to pay so that borrowers would not be discouraged, and government should implement treasury single account to the letter so that banks would sit up to their traditional functions.

References

Abdusalam, M (2015). Maintenance of Treasury Single Account (TSA) will help to eliminate idle funds usually left with commercial banks, ABC journal of advanced research 5 (1)

Adeolu, I. A. (2016). Understanding The Treasury Single Account (TSA) System -Things You Should Know. Business & Economy, Market Development. 265 Nairaland Forum / Naira land / General / Politics. February 2016.

Adeniyi, O. (2015). "Treasury Single Account and Government Fiscal Sunshine Bill", *The Guardian Newspaper, Friday July, 29.2015*

Adurogboye, P. (2015). "Treasury Single Account and prevention of leakages in the Banking Sector", *The Punch Thursday August, 2.2015*

Agu, N. (2015). Treasury Single Account and Revenue Drive", *The Guardian Sunday September, 2.2015*

Balogun, B.C. (2015). "Treasury Single Account and Challenges of Implementation", *The Nation Monday August, 16, 2015*

Balogun, W. (2015). "Fayose: TSA is fraud"www.Sunnewsonline.com Retrieved 22 January 2016. Central Bank of Nigeria (2015): "TSA: Remita's charge, Accountant General"www.vanguardnewspaper.com Retrieved 22 December 2015

Bello, M. (2015). Treasury Single Account: An Essential Tool for Government Cash Management Sailendra Pattanayak and Israel Fainboim Fiscal Affairs Department.

Bello, N. (2015). "Treasury Single Account and Transparency Initiative", *The Nation Tuesday, September, 13, 2015*

Bray, B (1963). *Imperative of Treasury Single Account (TSA), https;//www.researchgate net/ publication/318000438.*

CBN (2015), "Treasury Single Account and transparency in Nations Revenue Drive" *CBN Bulletin.*

Chukwu, C. (2015). "Treasury Single Account and proper picture of government of daily revenues" *The Guardian September, 9,2015*

Clementina, K. (2016) Treasury single account will help to eliminate idle funds usually left with commercial banks,ABC Journal of Advanced research 5 (1).

Dahl, T. (1967). Imperative of treasury Single Account (TSA) in Nigeria; https;//www.academia.edu/31711418/imperative of Treasury Sin.

Dlakwa, H.D. (2014). Imperative of treasury Single Account in Nigeria;https//www,academia.edu/31711418/imperative of Treasury Single Acct.

Dlakwa, H.D. (2014). Concepts and Models in Public Policy. Formulation and Analysis. Kaduna, Pyla-Mak Services Ltd. Maitama, Abuja, Nigeria

Donald, F. K. (2015). Job of Government; Interweaving public functions and private Hands. Public Administration Review, 75 (2).

Eme, O., Daniel, C.C. & Emmanuel N.I (2015); An Analysis of Pros and Cons Treasury Single Account Policy in Nigeria. Arabian Journal of Business and Managements Review (OMAN Chapter) 5 (4).

Fayose, A. (2015). "I won't attend FG's meeting with governors on TSA, www.vanguard newspaper.com Retrieved 22 December 2015.

Guardian Editorial (2015): Buhari on Treasury Single Account, Guardian, August 28, P16

Hamisu, M (2015). "MDAs, banks under pressure as TSA deadline ends" Daily Trust, September 14, P3.

Herbert A.Simon (2002); Bounded Rationality and Public Policy, Decisional foundation of collective choice. *Journal Article of Policy Sciences*, 35 (3), 269 – 284.

Idris, A. (2015)."300 MDAs yet to comply with Treasury Single Account directive AGF" *www.vanguardnewspaper.com- Retrieved19 October 2015.*

Idris, S. (2015): TSA: We refunded N8bn Remita Charge –SystemSpecs. Today News papers. December 10, 2015. www.today.ng Retrieved April 28, 2017

Lindblom, L. (1968); Imperatives of treasury Single Account (TSA) in Nigeria;https;//www.researchgate net/publication /31711418/Imperative of Treasury Sin.

Ocheni, Z. (2015), "Treasury Single Account and greater transparency" *This Day Saturday, July, 12, 2015*

Oyedokun G. E.(20160); Imperative of Treasury Single Account (TSA) in Nigeria. https/ /www.academia.ed/31711418/IMPERA

Oyedokun. G. E (2016). Imperative of treasury Single Account (TSA) in Nigeria. SSRN Electronic Journal DOI; 102139/SSRN.2910315

Rosallia V. D. (2013); *Treasury Circular No. 03, 2013, Bureau of the public treasury NO, 03 Manila Republica ng pilipinas*

SystemSpec (2016); Remita is a platform designed & developed System spec .www.systemspec.com.ng

Udoh, A. (2016). Treasury Single Account (TSA) and Transparency in Public Sector Financial Management in Nigeria.Journal of accounting and financial management, 4 (62108), 2504 - 8856

Vahyala A.T. Pwafeyeno M. & Minnessi G.K (2016); Imperative of treasury Single Account (TSA) in Nigeria;SSRN Electronic Journal DOI;102139/SSRN. 2910315.