



---

## **EFFECT OF TREASURY SINGLE ACCOUNT ON FINANCIAL MANAGEMENT OF FEDERAL MINISTRIES IN NIGERIA**

Kanke Bagau CNA

M.Sc. scholar, Department of Accounting, Taraba State University, Jalingo

Email: kankek22@gmail.com

---

### **Abstract**

*Treasury single account (TSA) was initiated to block financial leakages, prevent mismanagement and promote transparency of government revenue. This study set out to investigate the effect of treasury single account on financial management of federal ministries in Nigeria. The specific objectives were to examine the effect of treasury single account on proper cash management of federal ministries, to assess the role of treasury single account on reducing financial leakages of federal ministries, and to ascertain the impact of treasury single account in enhancing accountability and transparency in federal ministries in Nigeria. Survey research design was adopted using primary data with the aid of a questionnaire distributed to 26 federal ministries. The study adopted three proxies of financial management, which are cash management, revenue leakages, accountability and transparency. It was discovered base on the finding of the study that TSA has a significance effect on financial management proxies combined. The study concluded that treasury single account expectedly improves cash management, revenue leakages, accountability and transparency in the system. Hence Government should embark on massive public campaign enlightenment on the importance of the policy and Government should secure the appropriate legislative measures that will ensure remittances of all government revenue at the local government, state and federal levels into the (TSA) system so that it will drive full implementation in the country.*

---

**Keywords:** Accounting, Treasury Single Account, Transparency, Financial leakages

### **1.1 Introduction**

A great challenge facing countries like Nigeria is how to achieve efficient allocation of resources as well as stabilization of the business cycles. An important factor for efficient management and control of government's cash resources is a unified structure of government banking. Such unified banking arrangements should be designed to minimize the cost of government borrowing and maximize the opportunity cost of cash resources. This requires cash received is available for carrying out government's expenditure programs and making payments in a timely manner. In Nigeria, Federal ministry of finance/treasury lacks a unified view and centralized control over government's cash resources. 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.

It is based on these reasons that the current global revolution in government accounting became paramount following which Nigeria has initiated and implemented the Treasury Single Account (TSA) and other series of economic policies to assist in



the better management of her economy. It is expected that the implementation of TSA will help tame the tide of corruption. Parts of other reforms that were aimed at improving the quality of the nation's Public Financial Management (PFM) systems are Government Integrated Financial Management Information System (GIFMIS); Automated Accounting Transaction Recording and Reporting System (AATRIS); Integrated Payroll and Personnel Information System (IPPIS); International Public Sector Accounting Standard (IPSAS) and many others.

The federal Government of Nigeria commenced the implementation of Treasury Single Account (TSA) with the e-Payment component in April 2012 while the e-collections components of TSA commenced in January, 2015. The first Treasury Circular on e-Collection was issued on the 19<sup>th</sup> of March, 2015. A presidential directive aimed at ensuring the firm entrenchment of the TSA and e-Collection initiative and the realization of Government's objectives was issued on 17<sup>th</sup> August, 2015. The guidelines provide MDAs and other stakeholders with guidance on the practical implementation of the circular concerning the operations of the FGN TSA/e-Collection's initiative. This signifies a firm commitment of the present administration towards fighting corruption, efficient allocation of resources as well as stabilization of the Nigerian economy.

The broad objective of the study is to determine the effect of treasury single account (TSA) on Financial Management of Federal Ministries (FMs) in Nigeria. Treasury Single Account is an important factor in managing and controlling government's cash resources. It ensures that all tax and non-tax revenues are collected and payments are made correctly in a timely manner and that government cash balances are optimally managed to reduce borrowing costs (Khan & Pessoa, 2010). Non implementation of TSA in a country breeds corruption in multiple regressions because of fragmented government banking arrangements that allows for institutional deficiencies in multiple ways.

A treasury single account (TSA) is a public accounting system under which all government revenue, receipts and income are collected into one single account, usually maintained by the country's central bank and all payment done through this account as while. The purpose is primarily to ensure accountability of government revenue, enhance transparency and avoid misapplication of public fund, the maintenance of a treasury single account (TSA) will help to ensure proper financial management by eliminating idle funds usually left with different commercial banks and in a way enhance reconciliation of revenue collection and payment. Treasury single account (TSA) is a bank account or set up linked bank account through which the government undertake all its receipts and payment and obtains a consolidated view of its cash position at the end of each day.

Onyewuchi (2016) observed that treasury single account (TSA) as a network of subsidiary accounts all linked to a main account such that, transactions are affected in a subsidiary account but closing balances on this subsidiary account are transfer to the main account, at the end of each business day. According to him all Ministries, Departments and Agencies (MDAs) will maintain their individual account with the commercial banks but daily funding of their disbursement is made from the central or main account, which is resident with the central bank, just as their closing balances at the end of day are transfer to the main account. With the treasury single account (TSA)



the net balance on all the Ministries, Departments and Agencies (MDAs) account will now reside with the central bank; hence, the government will avoid incurring interest cost when it has positive net position. It is an account with the central bank of Nigeria (CBN) through which government transact all its receipts and payments and get a consolidated view of cash position at any given time. The system also eradicates loss and leakages of legitimate revenue meant for the consolidated revenue fund (CRF) and federation accounts (FA).

While such fiscal reforms in the public sector have been in place for decades in the advancement World, self-seeking elites and other contextual factors has hindered implementation and social acceptance in the developing parts of the globe. Although the treasury single account (TSA) policy was established by a legislative act, as obtained in section 8 (20) of the 1999 constitutions as amended, mandating the remittance of all government revenues to a single or allied set of accounts domiciled with the Central Bank of Nigeria (CBN). In flagrant disregard for constitutional provisions, consecutive governments in Nigeria operated manifold accounts with various commercial banks for the collection and appropriation of government revenue. Financial management in public sector involve the effective and efficient planning, organizing, directing and controlling of the financial activities and processes of an organization. This includes fund procurement, allocation of financial resources, utilization of funds, etc. It also includes applying management principles to the financial assets of an organization, while also playing an important part in fiscal management (Akinsulire.2014)

A lot of study has been done on Treasury Single Account (TSA), taunted in certain quarters as a remedy for fraud and other fiscal misappropriation related activities. In this regard, this study intends to examine the implementers (Civil Servant) perception of Treasury Single Account (TSA) on financial management of federal Ministries (FMs) in Nigeria. It evaluates the effect of treasury single account (TSA) on financial management of Federal Ministries in Nigeria since the inception of treasury single account (TSA) in 2015 to 2020.

## **2.0 Theoretical Thrust of the Discourse**

To set the grounds for the study, the Theory of Public Accountability by Johnson (1993) suffices. According to Johnson (1993) public accountability means that those who are charged with the drafting and or carrying out policies should be obliged to give explanation to their electorate. The electorate being a composite group that includes client, employees and the taxpayers, Public Accountability may be defined as an ability to reveal, justify and explain what one does. Public Accountability means, that person charged with determining, drafting and carrying out policy in central government or in particular public sector/organizations are required to explain their action to the electorate. The public accountability may have directly elected such as member of National Association or Chancellor or may have appointed persons directly such as member of Healthy Management Board. According to Murphy, (2000) the electorate or the constituent is a corporate group that includes taxpayers, press, clients, customers and employees. To be accountable means to have the ability to reveal, justify, and explain. Public accountability calls for openly declared fact and



open debate of taxpayers and other users may then make judgment. Some powers must be in the hands of the questionnaire, (Ogbonnaya 2004).

### **3.0 Method**

Data for this study were from primary sources. The data were collected through the use of a structured questionnaire which is designed to elicit information on the effect of treasury single account (TSA) on financial management of Federal Ministries (FMs) in Nigeria, the survey research design was adopted. The choice of the design is appropriately informed by the objectives of the study. Having gathered the data through the administration of questionnaire, the collected data was coded, tabulated and analyzed using SPSS statistical software according to the research question and hypotheses. In order to effectively analyze the data collected for easy management and accuracy, the product moment correlation coefficient method was also adopted.

#### **3.1 The Need to Reset Financing System**

The idea of treasury single account (TSA) was to ensure that all public funds are paid into a unified account so as to prevent financial leakages and fraudulent activities so as to promote transparency in the federal Ministries, Departments and Agencies (MDAs) in Nigeria; however since the inception of the treasury single account by the president Muhammadu Buhari, not all (MDAs) have fully complied with the idea of treasury single account (TSA) Jegede (2015) also notes that majority of the Federal Ministries, Departments and Agencies (MDAs) are not in support of treasury single account (TSA) due to fear of not having control over the monies they lodged in Central Bank of Nigeria.

Accordingly, Yusuf (2016) argued that the institutionalization of treasury single account (TSA) has the capability of bunging financial loopholes, thus promoting accountability and transparency in the financial systems of public sector organizations. The maintenance of a Treasury Single Account will help to ensure proper cash management by eliminating idle funds usually left with different commercial banks and in a way enhance reconciliation of revenue collection and payment.

Government's cash position, prior to the implementation of the TSA, government was incurring finance cost on debit balances in some MDA's accounts while it was earning close to nothing on the credit balances of other MDAs. This banking arrangement for government transactions is based on the principle of fungibility of all cash irrespective of its end use. While it is necessary to distinguish individual cash transactions for control and reporting purposes, these objectives are achieved through the accounting system and not by holding and/or depositing cash in transaction-specific individual bank accounts. This enables the ministry of finance/treasury to delink management of cash from control at a transaction level.

It is against these backdrops that this study intends to examine the civil servant's perception of the effect of TSA policy on the nation's revenue drive, transparency and fight against corruption and the likely effect of TSA policy implementation on financial management. Three research questions and hypotheses were formulated based on the problem and objectives of this study to guide the researcher.

TSA is a bank account or a set of linked bank accounts through which the government transacts all its receipts and payments and obtains a consolidated view of its cash position at the end of each day. Ocheni (2015) maintains that TSA is principally a



cash management tool for efficient management of the Government's cash position. Prior to the implementation of the TSA, government was incurring finance cost on debit balances in some MDA's accounts while it was earning close to nothing on the credit balances of other MDAs. This banking arrangement for government transactions is based on the principle of fungibility of all cash irrespective of its end use. While it is necessary to distinguish individual cash transactions for control and reporting purposes, these objectives are achieved through the accounting system and not by holding and/or depositing cash in transaction-specific individual bank accounts. This enables the ministry of finance/treasury to delink management of cash from control at a transaction level.

Pattanayak et.al (2015) sees TSA as a unified structure of government bank accounts that enables consolidation and optimum utilization of government cash resources. It separates transaction-level control from overall cash management. In accordance with the name, TSA pools and unifies all government accounts through a unified account. According to Onyekpere (2015), 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. The TSA is a process and tool for effective management of government's finances, banking and cash position (Eme, Okechukwu, Innocent, Chukwurah, & Daniel, 2015). With the implementation of the Treasury Single Account, Ministries, Departments and Agencies (MDAs) will maintain their individual accounts with the commercial banks, but daily funding of their disbursements is made from the central or main account, which is resident with the Central Bank, just as their closing balances at the end of day are transferred to the main account Chukwu (2015).

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).

Treasury Single Account (TSA) is related to the management of public funds thereby enhancing the efficiency and effectiveness of public financial management. Anumihe (2015) defined TSA as unified structure of government bank accounts that gives a consolidated view of government cash resources.

TSA is part of the Public Financial Management (PFM) reform initiatives under the Economic Reforms and Governance Project (ERGP) and it was designed to address impediments to effective Cash Management. TSA is a bank account or a set of linked bank accounts through which government transacts all its receipts and payments and gets a consolidated view of cash position at the end of each day.

This measure is specifically to promote transparency and facilitate compliance with sections 80 and 162 of the 1999 Constitution. This system of account would end the



previous public accounting system characterized by the existence of several fragmented accounts for government revenues, incomes and receipts, which in the recent past has meant the loss or leakages of legitimate income meant for the Federation Account (**AWOGBEMI 2015**).

In accordance with Section 80 (1) of the 1999 Constitution “All revenues, or other moneys raised or received by the Federation (not being revenues or other moneys payable under this Constitution or any Act of the 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 in the past have continued to operate multiple accounts for the collection and spending of government revenue in flagrant disregard to the provision of the constitution which requires that all government revenues should be remitted into a single account.

It was not until 2012 that government ran a pilot scheme for a single account starting with some ministries, department and agencies as a test case. The pilot scheme saved the country about N500 billion in frivolous spending. The success of the pilot scheme motivated the government to step up the implementation of TSA, leading to the directives to banks to implement the technology platform that will help accommodate all MDA's in the TSA scheme. It is in compliance with the recent directives by President Muhammadu Buhari that all government revenues should be remitted to a Treasury Single Account in consonance with this programme and in compliance with the provisions of the 1999 constitution that the Central Bank of Nigeria, issued a circular directing all deposit banks to implement the Remita e-Collection Platform. The Remita e-Collection is a technology platform deployed by the Federal Government to support the collection and remittance of all government revenue to a Consolidated Account domiciled with the CBN. This marked the beginning of the full implementation of Treasury Single Account (TSA) system in Nigeria.

Until the introduction of the TSA, the country faced numerous challenges with management of Public Finances that affect government efficiency and effectiveness in service delivery, transparency and accountability.

The primary objective of a TSA is to ensure effective aggregate control over government cash balances. The consolidation of cash resources through a TSA arrangement facilitates government cash management by minimizing borrowing costs. In the absence of a TSA, idle balances are maintained in several bank accounts. Effective aggregate control of cash is also a key element in monetary and budget management. The adoption of TSA in the public sector minimizes transaction costs during budget execution, notably by controlling the delay in the remittance of government revenues (both tax and non-tax) by collecting banks, and making rapid payments of government expenses; facilitating reconciliation between banking and accounting data; efficient control and monitoring of funds allocated to various government agencies; and facilitating better coordination with the monetary policy implementation. Other's area where adoption of TSA promotes accountability and transparency

### **3.2 Challenges and Trajectories of Treasury Single Account in Nigeria**

TSA was conceived to make certain that funds are available for the execution of government policies, effective oversight of aggregate cash flows, improve management of domestic borrowing schemes and to facilitate for investments of idle

funds amongst others. However, the above stated objectives cannot be attained hitch-free. Upon enactment some of the intricacies encountered by TSA include disbursement of funds to MDAs for their operations, which the AGF recently declared that the preliminary setbacks associated with the scheme has since been addressed. For developing countries such as Nigeria, full scale implementation a scheme with such coverage might prove problematic in terms of capacity and technical know-how. For Agbe et al., (2017, p. 791); within the parameters of a developing country, TSA has a myriad of prospects and challenges. Because in practical terms pre-existing banking arrangements may consist of thousands of bank accounts. Merging this may require extensive effort and genuine commitment. Agbe et al., (2017) also claim that the challenges of redistribution of monetary resources accrued to a single treasury account back into the larger economy, remains one of the major setbacks of the scheme. Amongst other possible negative implications of the policy, the communiqué mandating the enactment of the policy falls short of stipulating, if the TSA will finance budgetary allocation, outflow and inflows of government expenditure. The study identifies this as a major setback, because accumulation of revenue is just a fraction of the multifaceted nature of fraud that abounds in Nigeria. Furthermore, the hurried fashion in which the policy was enacted may bring about certain unintended negative effects. Another possible challenge may arise from the ability to match the technological requirements of the scheme. Hence, the levels of technological capacity as abound in Nigeria may adversely affect the functionality of the scheme. In his own words Isa (2016) identified the issues of; the transition from a multi treasury to a single treasury account, cash crunch in DMBs, and the challenges of erratic power supply. Of other plausible challenges, the non-implementation of the policy by some state governments may affect the effect of the scheme on the entirety of the economy. The failure to attain all round national coverage may undermine efforts geared towards promoting transparency and accountability across government organs. Consequently, the study posits the need for the enactment of contingency measures to cushion certain predetermined or unintended effects, with respect to implementation of policies with wide coverage.

#### **4.1 Data Presentation and Discussion of Findings**

##### **4.2 Data Analysis**

The data were collected through the use of a structured questionnaire which is designed to elicit information on the implementation of treasury single account (TSA) on financial management of Federal Ministries (FMs) in Nigeria.

##### **4.3 Reliability Test**

Reliability test refer to the extent to which a test measures without error. It is highly related to test validity. The reliability statistic tables provide the actual value for Cronbach's alpha. Reliability coefficient of .70 or higher is considered acceptable in most of social science research situation.

**Table 4.1: Reliability Statistics**

Cronbach's Alpha	Cronbach's Alpha Based on N of Items
.798	.812
	20

Source: Output from SPSS 20

**Table 4.1** shows Cronbach's alpha is 0.798 which indicates a high level of internal consistency with our scale.

#### 4.4 Descriptive Statistics

The table below presents the mean, mean set and standard deviation of variables employed in our questionnaire.

**Table 4.2 Summary of Descriptive Statistics**

S/N	Items opinion of Federal Ministries (FMs) Top Management staff Low Management	Top Management		Lower Management		Mean Set	Rank	Remarks
		XT	SDT	XL	SDL			
1.	TSA in bound to improve proper cash Management in federal ministries	2.18	1.06	2.93	1.53	2.41	5 <sup>th</sup>	Disagreed
2.	Issues relating to idle cash will be expose via single treasury	2.73	1,10	3.16	1.08	2.86	2 <sup>nd</sup>	Agreed
3.	TSA have assisted FMs in timely reconciliation of account	3.02	1.31	3.21	1.14	3.08	1 <sup>st</sup>	Agreed
4.	Federal ministries have easy access to their funds at the central bank	2.70	1.66	2.51	1.28	2.64	3 <sup>rd</sup>	Agreed
5.	Separation of transaction level control for overall cash Management are obtain as at when due	2.36	1.24	3,20	1.63	2.63	4 <sup>th</sup>	Agreed

**Source:** - Field Survey 2021

#### Tables Key:

XT = Mean of Top Management (Extent of agreement)

SDT= Std. deviation of Top Management

XL= Mean of Lower Management

SDL= Std. deviation of Lower Management

Mean Set= Average of XT (Mean of Top Management) and XL (Mean of Lower Management)

5.00 Point Likert Scale with Criterion mean of 2.50

Table 4.2 shows items with serial number 2, 3, 4 and 5 have their mean sets above the criterion mean of 2.50 are therefore agreed upon by the top management and lower management that Treasury single account (TSA) encourages proper cash management in Federal Ministries in Nigeria.

Items with serial numbers 1 have their mean sets below the criterion mean of 2.50 and are therefore not agreed upon by the top management and lower management accounting techniques that Treasury single account (TSA) encourages proper cash management in Federal Ministries in Nigeria. In response to the research question posed above, and as queried on items 1-5 in section B of the questionnaire, Treasury single account (TSA) encourages proper cash management in Federal Ministries in Nigeria.

**Table 4.3 Summary of Descriptive Statistics**

S/N	Items opinion of Federal Ministries (FMs) Top Management staff Low Management	Top Management		Lower Management		Mean Set	Rank	Remarks
		XT	SDT	XL	SDL			
1.	TSA will eradicate loss of legitimate revenue meant for CRF and FA	2.41	1.61	3.10	1.20	2.62	4 <sup>th</sup>	Agreed
2.	TSA will enhance the efficiency and effectiveness of public financial resources	2.99	1.15	3.30	0.96	3.08	2 <sup>nd</sup>	Agreed
3.	FMs will utilize funds as being specified in financial warrant	2.87	1.35	3.66	1.08	3.10	1 <sup>st</sup>	Agreed
4.	Fund are used for the purpose intended for as approved by the appropriation act	2.65	0.90	3.71	1.41	2.96	3 <sup>rd</sup>	Agreed
5.	The TSA is bound to reduce leakages of fund in federal ministries	2.34	1.37	2.77	1.36	2.47	5 <sup>th</sup>	Disagreed

**Source:** - Field Survey 2021

Table3. shows items with serial number 1,2,3 and 4 have their mean sets above the criterion mean of 2.50 are therefore agreed upon by the top management and lower management Treasury single account (TSA) reduces financial leakages of Federal Ministries in Nigeria

Items with serial numbers 5 have their mean sets below the criterion mean of 2.50 and are therefore not agreed upon by the top management and lower management accounting techniques that Treasury single account (TSA) reduces financial leakages of Federal Ministries in Nigeria. In response to the research question posed above, and as queried on items 1-5 in section C of the questionnaire, Treasury single account (TSA) reduces financial leakages of Federal Ministries in Nigeria.

**Table 4:4 Summary of Descriptive Statistics**

S/N	Items opinion of Federal Ministries (FMs)	Top Management	Lower Management	Mean Set	Rank	Remarks
		XT	SDT	XL	SDL	
1.	The TSA is bound to improve transparency and accountability in public finance management	2.19	1.07	2.93	1.54	2.40 4 <sup>th</sup> Disagreed
2.	TSA will expose the secrecy around the management of public finance by MDSAs	2.26	1.49	3.42	1.73	2.60 3 <sup>rd</sup> Agreed
3.	The discretionary aspect of accounting officers and politicians collaborating to do all manner of business with government finance before executing project will be over	3.21	0.79	3.53	0.62	3.30 1 <sup>st</sup> Agreed
4.	Revenue generating agencies that have been depriving the treasury of due revenue through a plethora of bank account under purview will no longer be able to defraud the revenue	2.46	1.30	2.16	1.41	2.37 5 <sup>th</sup> Disagreed
5.	TSA will introduce economic and efficiency into overall management of public finance and this will in the long run lead to effectiveness of government spending	2.85	1.30	3.55	1.00	3.05 2 <sup>nd</sup> Agreed

**Source:** Field Survey 2021

Table 4 shows items with serial number 2, 3 and 5 have their mean sets above the criterion mean of 2.50 are therefore agreed upon by the top management and lower management that Treasury single account (TSA) enhances accountability and transparency in Federal Ministries in Nigeria

Items with serial numbers 1 and 4 have their mean sets below the criterion mean of 2.50 and are therefore not agreed upon by the top management and lower management accounting techniques that Treasury single account (TSA) enhance accountability and transparency in Federal Ministries in Nigeria. In response to the research question posed above, and as queried on items 1-5 in section C of the questionnaire, Treasury single account (TSA) enhance accountability and transparency in Federal Ministries in Nigeria.

## 4.5 Test of Hypotheses

### Hypothesis 1

**H<sub>01</sub>:** There is no significant relationship between treasury single account (TSA) and proper cash management of Federal Ministries in Nigeria.

Table 5: Correlation Analysis of Relationship between TSA and Cash Management

	TSA	Cash Management
TSA	1	0.557**
Sig. (2-tailed)		0.000
N	680	680
Cash Management	0.557**	1
Sig. (2-tailed)	0.000	
N	680	680

\*\* Correlation is significant at the 0.01 level (2-tailed)

Source: Output from SPSS 20

Table 5 shows R which is correlation coefficient is 0.557 and P-value which is significance value is 0.000 while Alpha value which is correlation is significant at the 0.001. And if P-value 0.000 is less than alpha 0.01 the null hypothesis is rejected.

The test shows that there is significant relationship between treasury single account (TSA) and proper cash management of Federal Ministries in Nigeria.

### Hypotheses II

**H<sub>02</sub>:** There is no significant relationship between Treasury Single Account (TSA) and financial leakages of Federal Ministries in Nigeria.

Table 6: Correlation Analysis between TSA and Financial Leakages

	TSA	Financial Leakages
TSA	1	0.569**
Sig. (2-tailed)		0.000
N	680	680
Financial Leakages	0.569**	1
Sig. (2-tailed)	0.000	
N	680	680

\*\* Correlation is significant at the 0.01 level (2-tailed)

Source: Output from SPSS 20

Table 6 shows R which is correlation coefficient is 0.569 and P-value which is significance value is 0.000 while Alpha value which is correlation is significant at the 0.001 and if P-value 0.000 is less than alpha 0.01 the null hypothesis is rejected.

The test show that there is significant relationship between Treasury Single Account (TSA) and financial leakages of Federal Ministries in Nigeria.

### Hypotheses III

**H<sub>03</sub>:** No relationship between Treasury Single Account and financial accountability and transparency in Federal Ministries in Nigeria.

Table 7: Correlation Analysis of Relationship between TSA and Financial Accountability and Transparency in Federal Ministries in Nigeria.

	TSA	Financial Accountability & Transparency
TSA	1	0.538**
Sig. (2-tailed)		0.000
N	680	680
Financial Accountability & Transparency	0.538**	1
Sig. (2-tailed)	0.000	
N	680	680

\*\* Correlation is significant at the 0.01 level (2-tailed)

Source: Output from SPSS 20

Table 7 shows R which is correlation coefficient is 0.538 and P-value which is significance value is 0.000 while Alpha value which is correlation is significant at the 0.001 and if P-value 0.000 is less than alpha 0.01 the null hypothesis is rejected.

The test show that there is relationship between Treasury Single Account and financial accountability and transparency in Federal Ministries in Nigeria

#### 4.6 Discussion of Findings

From hypothesis I, the model shows that there is correlation between the two variables and the certain degree of the relationship is 0.557 and it is significance at 0.001, which make the null hypothesis to be rejected. And the hypothesis II has the correlation between the two variables and the certain degree of the relationship is 0.569 and it is significance at 0.001, which make the null hypothesis to be rejected. While the hypothesis III shows that there are three correlations between the three variables which are 0,557, 0.569 and 0.538. Their all significant with alpha value of 0.00.

The null hypotheses are all rejected because the P-value is 0.000 and is less than the alpha value which is 0.00.

#### 5.1 Conclusion

Based on the findings of the study, Treasury single account (TSA) policy will go a long way to improving financial management in federal ministries (FMs) in Nigeria. It is an important measure that will pave a way for a sustained economic growth of the country through proper financial management by improving accountability, blocking financial leakages and improving proper cash management in the public sectors. Also, Treasury single account (TSA) has a significant and positive effect on the accountability of public fund, reduction in level of corruption and enhancing financial discipline in federal ministries (FMs) in Nigeria. These major recommendations are thus advanced.

- Government should secure the appropriate legislative measures that will ensure remittances of all government revenue at the local government, state and federal levels into the (TSA) system so that it will drive full implementation of the Treasury single account (TSA) in the country.



- ii. Government should also embark upon massive public campaign enlightenment through mass media, National Orientation Agencies (NOA) and educational institution in the country about the importance of the policy.
- iii. Government should also overhaul the capacity of the federal ministry of finance and the Central Bank of Nigeria (CBN) to cope with numerous problems associated with the enforcement and implementation of the Treasury single account (TSA) in the country and also demonstrate political will to ensure its sustainability of the policy and also pursue the implementation in the private sectors as well.
- iv. Training should be provided to relevant staff of central bank of Nigeria (CBN) Ministries, Departments and Agencies (MDAs) to ensure efficient implementation.
- v. Government should strengthen the treasury single account (TSA) policy to safeguard the financial sovereignty of the Nigerian educational institutions.

### References

- Adeniji, A. (2004): Auditing and Investigation. Lagos, Value Analysis Publishers
- Anumihe, I. (2015) How Treasury Single Account (TSA) may affect economy. Sun Newspaper retrieved on October 23, 2015.
- Adeolu, A. (2015) Understanding the Treasury Single Account (TSA) system-things you Should know. Bussiness and economy, market development. Bhatti
- Adeolu, A. (2015) "15 things to know about Treasury single account (TSA)". Retrieved 4 July, 2016.
- Agbe, I. E., Terzungwe, A. S., & Igbara, U. S. (2017). Treasury single account (TSA): Nature, Origin, Challenges and Lesson for Nigerian experience. *Imperial Journal of Interdisciplinary Studies*. 3(5):787-793.
- Akhidime, A. E. (2012). Accounting and financial Reporting in Nigeria's public Finance management: An Empirical Evaluation. *Journal of Accounting and management science*, 7(6):33-44.
- Abdullahi, R., & Mansor, N. (2015b). Forensic Accounting and Fraud Risk Factors: The Influence of Fraud Diamond Theory. *The American Journal of Innovative Research and Applied Sciences*. 1(5):186-192.
- Association of Certified Fraud Examiners ACFE (2010) -Report to the Nation on occupational fraud. Retrieved may 26, 2014 <https://acfe.com/documents/2010RttN.pdf>
- Ahmed, A. (2016). The treasury single account (TSA) as an instrument of financial prudence
- Balogun, W. (2015). Fayose: Treasury single account (TSA) is a Fraud". [WWW.SUNNEWSONLINE.COM](http://WWW.SUNNEWSONLINE.COM) Retrieved 22 January, 2016
- Clementina, K. (2016) Impact of Treasury Single Account on the Liquidity. *ABC Journal of Advanced Research*, 5(1), 2-13.
- Central Bank of Nigeria, CBN (2015). Revised Guidelines for Compliance with Treasury Single Account by Nigerian Banks, Abuja, Central Bank of Nigeria.
- Central Bank of Nigeria, (2015): "Treasury single account (TSA): we're not aware of REMITA's charge, Accountant General". [WWW.VANGUARDNEWSPAPER.COM](http://WWW.VANGUARDNEWSPAPER.COM) Retrieved 22 December, 2015.
- Awogbemi, A. (2015) Banks and Challenges of Treasury Single Account. News watch Times Abuja Friday, September 11 2015.



- Danladi I. K. (2015) Re: Introduction of Treasury single account (TSA), E-collection of Government receipts. Head of service of the Federation, Federal Secretariat, Nigeria.
- Daily Trust (2015). Academic Staff Union of Nigerian Universities on TSA Policy, Daily Trust Editorial, August 18, 2015.
- Federal Republic of Nigeria Official Gazette, (2007). Federal Government Rules, 94 (1), 205- 249.
- Federal Republic of Nigeria (2001). National Poverty Eradication Programme: Programme and implementation strategies. Abuja: NAPEP.
- Guardian Editorial, (2015): Buhari on Treasury single account, Guardian, August 28, p16.
- ICAN (2006): Financial Reporting and Audit practice. Lagos, VI Publishing Ltd
- IMF (2010). Working paper on effective control of government single account.
- Isa, A. A. (2016). The Treasury Single Account (TSA) as an Instrument of Financial Prudence and Management: Prospects and Problems. *Research Journal of Finance and Accounting*, 7(4): 66-71.
- Jegede, M. (2015). Buhari and the treasury single account, Daily Trust, September 27, 2015 pp.56–59.
- Jegede, M. (2015). “Buhari and the treasury single account”. [WWW.SUNNEWSONLINE.COM](http://WWW.SUNNEWSONLINE.COM). Retrieved 14 October 2015.
- Johnson (1993) Theory of Public Accountability
- Khan, A., & Pessoa, M. (2010) Treasury Single Account: Concept, Design, and Implementation Issues. IMF Working Papers 10(10/143)
- Murphy, L. B. (2000) Moral Demand in Non-ideal Theory. Oxford University Press.
- Mohammed, L. (2015) “President Goodluck Jonathan Regime signed Treasury Single account (TSA) Agreement with 1% fee. Sahara reporters. Retrieved 22. December, 2015.
- Nkwagu, L. C. (2018) Treasury Single Account: Nigerian Perspective in Internally Generated Revenue Leakages. *CNA Journal*. 26(2), 5-15.
- Ocheni, S. (2016). Treasury single account (TSA): A catalyst for public financial Management in Nigeria.
- Odunsi, W. (2015): “Remita boss, Obaro writes Buhari, explains all about TSAContract”. [WWW.DAILYPOST.NG](http://WWW.DAILYPOST.NG). Retrieved 19 December, 2015.
- Oguntodu, J. A., Ala;ade, Y.S.A, Adekunle, A, ( 2016). Measuring Treasury Single Account and Nigeria’s Economy Between 1999 and 2015: An Assessment. *Journal of Account and Financial Management*. 2 (1), 61-75.
- Okechukwu, E., Chukwurah, I., Daniel, C., & Iheanacho, N. (2015). “an analysis of pros an Cons treasury single account policy in Nigeria”. *Arabian Journal of Business and Management Review (OMAN Chapter)* 5 (4), 1-8.
- Oladapo, Z. A. (2014). Impact of Economic and Financial Crime Commission on the Economic development of Nigeria. Turku University of Applied Sciences Thesis.
- Okwe, M. (2015). “Treasury Single Account: Giving Life to Jonathan’s ‘Dead’ Policy Directives”. [WWW.VANGUARDNEWSPAPER.COM](http://WWW.VANGUARDNEWSPAPER.COM). Retrieved 19 October, 2015.



- Onyekpere, N. N. (2015) Public Policy: Effects of Treasury Single Account (TSA) On Nigerians Banks. Vanguard Editorial, August 14, 15pp.
- Ogbonnaya, N. O. (2004) Administrative Competence needs of Provosts of colleges of Education. *International Journal of Educational Administration & Planning*.4(1):35- 48.
- Onyewuchi I. (2016) GTB records stable deposits in 2015 despite Treasury Single Account (TSA ). Guardian Nigeria 10 April 2016.
- Presidential Order (2011). Presidential Order No.55. Abuja: Federal Republic of Nigeria. Sun Editorial (2015). The new treasury account. August 25.
- Pattanayak, S., & Fainboim, I. (2010). Treasury single account: concept design, and Implementation issues.IMF working paper. Fiscal Affairs Department, May 2010
- IMF Working Paper 97/73, Washington, International Monetary Fund.
- Yusuf, I. A., & Chiejina, N. (2015). "Anti-graft war: One economy, one account. Sunday Nation," August, 16, pp 9-10 & 71.
- Yusuf, M. (2016). Effects of treasury single account on public finance management in Nigeria. *Research Journal of Finance and Accounting*, 7(6), 76–90.