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Towards Achieving Public Accountability in Nigeria Public Sectors: The Role of Treasury Single Account (tSA)

Allison, Patricia (Ph.D.) , Ndukwe, Oko J.

Department Of Business Management
Faculty Of Management And Social Sciences
Godfrey Okoye University, Ugwuomu Nike, Enugu State
jamisco2@yahoo.com
08037375157

Abstract: *This paper is on Towards Achieving Public Accountability: The Role of Treasury Single Account (TSA). The objective is to assess the extent to which the implementation of Treasury Single Account in Nigeria has contributed towards achieving public accountability in Nigeria Public sectors. The paper adopted the content analysis as means of gathering and analysis of data. The paper observed that as envisaged, the implementation of Treasury Single Account has enthroned centralized, transparent and accountable revenue management in Nigeria by instilling fiscal discipline and ensuring effective aggregate control over government cash balances. The paper concluded that the only way Nigeria can fight the intense pressure on their cash flows in the face of dwindling revenues and decreasing statutory and social responsibilities is to strengthen and sustain the Treasury Single Account (TSA) scheme. It is therefore recommended among others that since establishing a TSA has given rise to tough decisions by the government such as closing the existing bank accounts of budget organizations (outside treasury control) and this provoked powerful opposition, for success a TSA reform must be explicitly and strongly supported by the highest officials of government. Thus, decisions of the regime in power to reinforce the TSA will be helpful.*

Keywords: Treasury Single Account, Central Bank of Nigeria, Public Accountability.

1.1 Introduction

Fragmented banking arrangement is costly as it leaves significant cash assets of government out of treasury oversight and control Sailendra Pattanayak and Israel Fainboim, 2011**)**. Effective aggregate control of cash is a key element in monetary and budget management Goldmark (2018).
The Treasury Single Account (TSA) initiative is the operation of a unified structure of Government Bank Accounts, in a single account or a set of connected accounts for ALL Government payments and receipts (CBN, 2016). According to Igbekoyi and Agbaje (2017)**,** in Nigeria, MDAs are required under Financial Regulation 701 to get the approval of the Accountant-General of the Federation (AGF) for all their banking relationship. In addition, each MDA is required by regulation to maintain four bank accounts, one each for revenue, personnel costs, overhead costs and capital (FR 701). However, many MDAs failed to comply with this provision, hence the number of bank accounts became over bloated and monitoring the accounts became a huge task for the Office of the Accountant General of the Federation (OAGF). With such a large number, government could not have timely consolidated information of cash position necessary for efficient cash management in the country. Since maintaining a large number of accounts at commercial banks could hinder the implementation of appropriate clearing and consolidation procedures, there were indications that a number of MDAs failed to remit their revenues into the Consolidated Revenue Fund (CRF) in line with Section 80 of the 1999 Constitution of Nigeria. Thus, many MDAs spent funds without appropriation.

In response to this anomaly, the federal government in year 2012, 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 the Treasury Single Account (TSA), which led to the directives to banks to provide the technological platform that will help to accommodate the TSA (Clementina, 2016). Federal establishments affected by this directive include all fully funded organs of government, Ministries,
Departments and Agencies (MDAs), foreign missions and partially funded government establishments like teaching hospitals, medical centres and tertiary institutions. Others include the Central Bank of Nigeria (CBN), Securities and Exchange Commission (SEC), Corporate Affairs Commission (CAC), Nigerian Ports Authority (NPA), Nigerian Communication Commission (NCC), Federal Airports Authority of Nigeria (FAAN), Nigerian Civil Aviation Authority (NCAA), Nigerian Maritime Administration and Safety Agency (NIMASA). The list of affected organs also has National Deposit Insurance Corporation (NDIC), National Shippers' Council (NSC), Nigerian National Petroleum Corporation (NNPC), Federal Inland Revenue Service (FIRS), Nigeria Customs Services (NCS), Ministry of Mines and Steel Development (MMSD) and the Department of Petroleum Resources (DPR), amongst others. (Guadian Editorial, 2015:16) in (Yusuf, 2016:3).

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The Treasury Single Account is primarily designed to bring all Government funds in bank accounts within the effective control and operational purview of the Treasury, in order to: enthrone centralized, transparent and accountable revenue management; facilitate effective cash management; ensure cash availability; promote efficient management of domestic borrowing at minimal cost; allow optimal investment of idle cash; block loopholes in revenue management; establish an efficient disbursement and collection mechanism for Government funds; improve liquidity reserve; and eliminate operational inefficiency and costs associated with maintaining multiple accounts across multiple financial institutions (CBN, 2016). This implies that Treasury Single Account is aimed at ensuring effective total 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 were maintained in numerous bank accounts. The adoption of TSA in the public sector minimizes transaction costs during budget execution, notably by controlling the delay in the transmittal of government revenues by collecting banks, and making rapid payments of government expenses; facilitating reconciliation between banking and accounting data; and making for efficient control and monitoring of funds allocated to various government agencies; and facilitating better coordination with the monetary policy implementation. However, when separate bank accounts are maintained, the result is often a fragmented system, where funds provided for budgetary appropriations are augmented by additional cash resources that become available through various creative, often extra-budgetary measures. When the treasury has full information about cash resources it can plan and implement budget execution in an efficient, transparent, and dependable way. This paper focuses on assessment of the extent to which implementation of the TSA has contributed to engendering public accountability in Nigeria public sectors.

1.2 Statement of the Problem

If a country has a fragmented system for handling government receipts and payments through the banking system, it is a serious public financial management flaw that needs to be addressed**.** A country with fragmented government banking arrangements pays for its institutional shortages in numerous ways. Some of these flaws include the fact that idle cash balances in bank accounts often fail to earn market related remuneration, the government, being unaware of these resources, incurs unnecessary borrowing costs on raising funds to cover a perceived cash shortage, and, idle government cash balances in the commercial banking sector are not idle for the banks themselves, and can be used to extend credit.

Thus, in Nigeria the idea of treasury single account came into being when some agencies refused to declare and remit the 25 percent of their annual revenue they generated to the treasury as demanded by law. It was common practice for agencies saddled with revenue generation to defraud government by siphoning public funds through all sorts of bank accounts in their custody and unknown to the authorities. In 2012 about N120 billion was forcefully collected by government from MDAs being 25 percent of their gross revenue to the treasury with another N34 billion collected in 2013. Before then, most of the MDAs were reluctant to remit the requested amounts by law to the treasury. (Daily Trust Editorial, 2015:16) in (Yusuf, 2016). In the words of (Obinna, 2015:52) citing A.G.F (2012) prior to TSA, Nigeria had fragmented banking arrangements for revenue and payment transactions. “There were more than 10,000 bank accounts in multiple banks, which made it impossible to establish government consolidated cash position at any point in time. It led to pockets of idle cash balances held in MDAs’ accounts when government was out borrowing money.” There were cases of some of the MDAs failing to remit their revenues into the CRF in line with S.80 of the 1999 Constitution of Nigeria and thus, spent the funds without appropriation. Government borrowings were done in complete ignorance of actual government cash position leading to borrowing and incurring interest when there was no need to do so. Excess cash balances that should ordinarily be invested to earn interest were left idle because the Treasury was unaware of their existence. Establishing a unified structure of government bank accounts via a treasury single account (TSA) is expected to solve these problems by improving cash management and control. There is profound positivity that with diligent implementation, the TSA will enhance transparency and accountability in the management of public fund.

1.3 Objectives of the Study

The general objectives of the study is to assess the extent to which implementation of the TSA has contributed to engendering public accountability in Nigeria public sectors. The specific objectives of the study are to;

i) Determine how the implementation of Treasury Single Account has enthroned centralized, transparent and accountable revenue management in Nigeria.

ii) Ascertain the extent to which implementation of Treasury Single Account has facilitated effective cash management in the public sector.

iii) Find out whether implementation of Treasury Single Account has ensured cash availability in the public sector.

1.4 Methodology

The paper adopted a qualitative research design to gain insight into the nature and operations Treasury Single Account (TSA) in Nigerian public sectors. We used descriptive and observation and methods to critically examine public accountability and operation Treasury Single Account in Nigeria. The paper is theoretical in nature and basically draws its arguments from content analysis of secondary data including existing legal frameworks and other related policies, textbooks, journals articles and other publications. To improve on the reliability and validity of the study, multiple secondary sources were used to minimize the risk of error.

2.0 Literature Review

2.1 Conceptual Clarification

2.1.1 Public Accountability

Adegite (2010) defines accountability as the obligation to demonstrate that work has been conducted in accordance with agreed rules and standards and the officer reports fairly and accurately on performance results vis-à-vis mandated roles and or/plans. It means doing things transparently in line with due process and the provision of feedback. Johnson (2004) states that public accountability is an essential component for the functioning of our political system, as accountability means that those who are charged with drafting and/or carrying out policy should be obliged to give an explanation of their actions to their electorate. Okoh and Ohwoyibo (2010) opine that accountability reflects the need for government and its agencies to serve the public effectively in accordance with the laws of the land.

Public accountability means that government and its employees are accountable and their activities are open to the public Adejuwon (2017). In principle, records of government activities should be open to the people unless it such records would pose a security threat to the country. Thus, public accountability implies that the public entities that manage public resources have an avowed obligation to account for the way these resources are allocated, used and the outcomes these spending have accomplished. In other words, public accountability aims at ensuring that public fund is spent in the most economical and efficient way so as to achieve minimum of wastage or theft and that the general public really benefit from public money. Public accountability therefor rests both on giving an account and on being held to account. Therefore, in the words of Adejuwon (2017), "a public officer may not only be required to present his 'doctored' account but may face the challenges of a certain compelling expectable stewardship from the authorities whose office he manages, or enjoys". Public accountability requires a measure of trustworthiness, dutifulness, justice, clarity, and adherence to ethical principles by public officials in order that the society gets value for its money and that public wealth are not diverted to private use.

2.1.2 Treasury Single Account (TSA)

Treasury Single Account (TSA) can be defined as a unified structure of government bank accounts enabling consolidation and optimum utilization of government cash resources (Sailendra and Israel, 2011). Thus, TSA separates transaction- level control from overall cash management. It therefore implies that TSA is a bank account or a set of connected bank accounts through which the government transacts all its receipts and payments and gets an amalgamated view of its cash position at the end of each day. In the words of Onyekpere (2015) cited in Igbekoyi and Agbaje **(**2017**),** Treasury Single Account (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. Adeolu (2015) supports this view as he sees treasury single account as a public accounting system under which all government revenue, receipts and income are collected into one single account, usually maintained by the country's Central Bank and all payments done through this account as well. Treasury Single Account or TSA, for short, is a unified banking arrangement that allows for centralized management of all cash resources. It can be a single bank account or a set of linked bank accounts provided there is central control and oversight. Centralization makes for ease of consolidation of all cash balances and therefore earns TSA its place as a powerful cash management tool. Although TSA can be maintained in one or more commercial bank(s), the Federal Government of Nigeria opted for a Central Bank domiciled TSA. Leveraging on technology, TSA is being in implemented in Nigeria concurrently with a multi-channel online electronic collection (e-collection) system that sweeps all receipts to relevant accounts at Central Bank of Nigeria (CBN) in real time. TSA applies to all funds of all entities of the federal government be it proceeds of debt, donations, budgetary allocation, fees, charges, earmarked funds. The consolidation of cash flows from all these sources gives government a clear picture of its cash position and increases liquidity. In the words of Sailendra and Israel (2011), an effective TSA system is founded on three key principles; the government banking arrangement should be unified, to enable ministry of finance/treasury oversight of government cash flows in and out of these bank accounts and allow complete fungibility of all cash resources, including on a real-time basis if electronic banking is in place; no other government agency should operate bank accounts outside the oversight of the treasury as the treasury is the chief financial agent of the government.

2.2 Theoretical Review

2.2.1 Impact of Treasury Single Account Implementation on MDAs

Government banking arrangements are an important factor in managing and controlling government's cash resources. They are critical for ensuring that (i) all tax and non-tax revenues are collected and payments are made correctly in a timely manner; and (ii) government cash balances are optimally managed to reduce borrowing costs (or to maximize returns on surplus cash). This is achieved by creating a unified structure of government bank accounts through a treasury single account (TSA) system. 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.

The primary objective of a TSA is to ensure effective aggregate control over government cash balances. Sailendra and Israel (2011) opine that the benefits of a TSA flow from its objectives. They therefor maintain that implementation of TSA; allows complete and timely information on government cash resources, improves appropriation control, improves operational control during budget execution, enables efficient cash management, reduces bank fees and transaction costs, facilitates efficient payment mechanisms, improves bank reconciliation and quality of fiscal data, and lowers liquidity reserve needs. Thus, a TSA system helps consolidate government cash balances, gives the ministry of finance/treasury oversight of all government cash flows, and brings improvements in budget control and monitoring. It enables regular and effective monitoring of government cash resources by providing complete and timely information. A TSA also facilitates better fiscal, debt management, and monetary policy coordination as well as better reconciliation of fiscal and banking data, which in turn improves the quality of fiscal information. Also, the establishment of a TSA significantly reduces the government debt servicing costs, lowers liquidity reserve needs, and helps maximize the return on investments of surplus cash.

TSA ensures that the Ministry of finance has full control over budget allocations, and strengthens the authority of the budget appropriation. When separate bank accounts are maintained, the result is often a fragmented system, where funds provided for budgetary appropriations are augmented by additional cash resources that become available through various creative, often extra-budgetary measures. When the treasury has full information about cash resources it can plan and implement budget execution in an efficient, transparent, and reliable manner. The existence of uncertainty regarding whether the treasury will have sufficient funds to finance programmed expenditures may lead to sub-optimal behavior by budget entities, such as exaggerating their estimates for cash needs or channeling expenditures through off-budget arrangements. Therefore, TSA facilitates regular monitoring of government cash balances. It also enables higher quality cash outturn analysis to be undertaken Sabo, Muhammad and KA'OJE (2019).

Reducing the number of bank accounts results in lower administrative cost for the government for maintaining these accounts, including the cost associated with bank reconciliation, and reduced banking fees. TSA therefore ensures that there is no ambiguity regarding the volume or the location of the government funds, and makes it possible to monitor payment mechanisms precisely. It can result in substantially lower transaction costs because of economies of scale in processing payments. The establishment of a TSA is usually combined with elimination of the "float" in the banking and the payment systems, and the introduction of transparent fee and penalty structures for payment services. Many governments have achieved substantial reductions in their real cost of banking services by introducing a TSA. CBN (2016).

Eme, Chukwurah and Emmanuel (2015) have added that TSA allows for effective reconciliation between the government accounting systems and cash flow statements from the banking system. This reduces the risk of errors in reconciliation processes, and improves the timeliness and quality of the fiscal accounts. Hence, it reduces the volatility of cash flows through the treasury, thereby allowing it to maintain a lower cash reserve/buffer to meet unexpected fiscal volatility.

TSA is built on the principles of the unity of cash and of the treasury. This is the reason why Eme, Chukwurah and Emmanuel (2015) opined that prior to the implementation of the TSA, government was incurring finance cost on debit balances in some MDAs accounts while it was earning close to nothing on the credit balances of other MDAs. Thus, with the TSA, the net balances on all the MDA accounts now reside with the Central Bank; hence, the government avoids incurring interest costs when it has positive net position (Eme etal 2015).

Ahmed (2016) presented the major benefits or positive effects of TSA in the federal organizations studied. According to him, operation of TSA by Government through Central Bank actually pooled all government revenue and as such controlled the amount of money at the disposal of the agencies for prudent usage. TSA thus, is indeed a fiscal policy just like the use of taxation to control revenue collection and spending, activities of MDAs. Ahmed (2016) further posits that other benefits of TSA on the Nigeria economy are:-
(i) It encourages the use of information Communication technology for quicker and effect e collection of government revenue and issuance of receipt.
(ii) It encourages the formation of internet systems business organizations and employment to service the e-collection and payment processes.
(iii) It indeed harnessed revenue collection by MDAs
(iv) It has greatly regulated corruption by MDAs as there is less free money for anyhow spending.
(v) It has also made less money at the disposal of private organizations especially banks because funds in the MDAs bank accounts have to be transferred to the Central Bank within 24 hours.

(vi) It has made stakeholders in the Nigerian economy experience scarcity of money thus making them to be more careful in the use of money at their disposal. Some people and organizations have used their money for investment in productive activities which has led to increase in the Gross Domestic product. The TSA is primarily designed to bring ALL Government funds in bank accounts within the effective control and operational purview of the Treasury, through the institutionalization of centralized, transparent and accountable revenue and cash management which is effective and assures cash availability in the system (Pattanayak and Fainburn, 2010) in (Mboto**,** Offiong and Ibor**,** 2017). This should promote efficient management of domestic borrowing at minimal cost, allow optimal investment of idle cash, block loopholes in revenue management, establish an efficient disbursement and collection mechanism for public funds, improve liquidity, and eliminate operational inefficiency and costs associated with maintaining multiple accounts across a plethora of financial institutions (CBN, 2016).

2.1.2 Challenges of Treasury Single Account Implementation in the Public Sector

The first challenge in implementation of TSA is the inability of the MDAs to carryout timely reconciliation of Accounts Mboto, Amenawo, Offiong and Bassey (2017). Every organization has a statutory duty to keep close watch on its bank account transactions to guard against fraud or the infiltration of extraneous entries. It exerts the watch through regular preparation of bank reconciliation statements. Reconciliation is the process of resolving the difference between the balance as per cashbooks and the balances as per bank statement on the same date and in respect of the same items of transactions. Unfortunately, since the introduction and implementation of the TSA in Nigeria, it has been observed that many MDAs find it difficult to carryout timely reconciliation of the TSA account. The reason partially being that, many of the institutions operated disjointed numerous accounts before the implementation of TSA. With TSA, all the credit balances in these different accounts have been mopped up to a single account opened in the name of the MDAs while for in-house control purposes, the MDAs still keep open these numerous accounts. Aside this, some of the MDAs, particularly the Teaching Hospital, Medical Centres and Universities etc. operate Revolving Fund Accounts whose activities attract inflows and outflows from these funds, procurement of consumables and other related operating issues are being managed by different revolving fund committees. Revolving fund accounts are purpose fund accounts established with a seed fund and the proceeds from this fund are wholly and exclusively expanded on the procurement of the consumables that will make the fund revolve with time.

Nwaorgu, Ezenwaka, and Onuorah (2017) also opine that segregating the various accounts for accounting and reconciliation purposes has been found to be almost difficult. In other words, TSA created a situation whereby MDAs have a pile of fund generated from different sources with huge balances without identifiable particular account that warehouses the fund. Besides, many MDAs cannot even bring up-to-date their cashbooks regardless of reconciling their accounts.

Again, Sabo, Muhammad and Ka'Ooe (2019) observed that cashbook entries in respect of cash payments and receipts are expected to be made and postings balanced each day, while cash balances are confirmed on a daily basis. The regular checking of the cashbook is an important exercise in detecting errors and frauds. The physical cash balance has to be viewed daily and specification certified in the cashbook by the close of the office. The Head of the Posting Unit will undertake confirmation of the postings in the cashbook with the details of the relevant payment vouchers, latest on the following working day. Payment vouchers are then scrutinized to contain the arithmetical accuracy of the gross amounts deductions and the net figures. This is one of the fundamental function of the treasury office. However, the implementation of TSA has wiped off all these statutory accounting procedures and this carries with it severe challenges which have potentials to undermine the overall success of the financial policy.

2.4 Theoretical Framework

This work is anchored on Modern Monetary Theory also known as Modern Money Theory (MMT). Modern Monetary Theory is a heterodox macroeconomic theory which describes currency as a public monopoly and unemployment as evidence that a currency monopolist is overly restricting the supply of the financial assets needed to pay taxes and satisfy savings desires (Chohan, 2020; Edwards, 2019; Kosaka, 2019; Krugman, 2019; Raposo, 2020; Erick, 2013). MMT is an alternative to mainstream macroeconomic theory. MMT argues that governments create new money by using fiscal policy. According to advocates, the primary risk once the economy reaches full employment is inflation, which can be addressed by gathering taxes to reduce the spending capacity of the private sector Wray (2015). A sovereign government typically has an operating account with the country's central bank. From this account, the government can spend and also receive taxes and other inflows. Each commercial bank also has an account with the central bank, by means of which it manages its reserves (that is, money for clearing and settling interbank transactions) Meulendyke (1998). When a government spends money, its Treasury debits its operating account at its Central Bank and deposits this money into private bank accounts (and hence into the commercial banking system). This money increases the total deposits in the commercial bank sector.

The relevance of this theory to the study is that in line MMT, governments create new money by using fiscal policy. The Treasury Single Account is a fiscal policy of the Nigerian Government through which the government has created new money following the recoveries made through the introduction and implementation of the Treasury Single Account is a (fiscal) policy.

2.3 Empirical Review

Oti, Igbeng, Obim, and Ndifon (2016) did Appraisal of Policy Impact of Treasury Single Account in Nigeria**.** The paper observed that Treasury Single Account (TSA) is one of the several measures adopted by the Federal Government of Nigeria to address the issue of lack of accountability and corruption in fiscal operations in the Public Sector. The objective of the paper was to appraise the policy impact of TSA with a view to proffering solution to the identified gaps. Questionnaires were administered to gather views of individuals and institutions. Secondly, data were equally gathered and analyzed using survey and exploratory research design. The study revealed various sheds of opinion: while bankers decry the distortion of their liquidity management plan, the federal government on the other hand claims a huge success because it can now comment on its aggregate cash holding without the drudgery hitherto associated with getting to all commercial banks or MDAs with multiple accounts. The civil society agrees with government that the policy has brought about transparency in fiscal management. Findings from the paper reveals that deposit money banks would be adversely affected in the aspect of their lending capacity which would ultimately result in lower profits and companies' income tax to the federal government. The paper concluded by drawing attention to the shock being experienced by the deposit money banks, which has led to downsizing of its personnel. The paper recommended that the federal government should engage in sensitivity analysis to avoid unanticipated drop in GDP resulting from folding up of companies, which are not able to withstand the sudden financial jolt.

Nwaorgu, Ezenwaka and Onuorah (2017) wrote on Treasury Single Accounting (TSA) and Public Sector Accountability in Nigeria. The study tried to ascertain the effect of treasury single account and accountability in the Nigeria Public Sector. Two specific objectives guided the study, while two research questions and two hypotheses were formulated in line with the specific objectives and tested at 0.05 level of significance. A descriptive survey research design was used. The population of the study consisted of 600 staff of the four federal health tertiary institutions drawn from Account Departments while a sample size of 250 Account Department staff were selected using the proportionate random sampling technique. A structured 25-item validated questionnaire was used for data collection. The reliability of the instrument was ensured using pilot test technique, which was analyzed using Cronbach alpha method and yielded an overall reliability co-efficient of 0.85 with the aid of statistical package for social science (SPSS) 20.0. Data were analyzed using descriptive statistics and one regression models for the research questions and for test of hypotheses at 0.05 level of significance. Findings of the study showed that adaptation of a treasury single account and accountability (TSA) in the Nigeria Public Sector is capable of plugging financial loopholes, promoting transparency and accountability in Federal Health Tertiary Institutions in South-East Nigeria. The study concluded that TSA policy would go a long way in blocking the identified financial leakages in revenue generation and promote transparency and accountability in the public sectors financial system if it is fully implemented. The study therefore recommended among others, that government should engage in massive public enlightenment about the importance of the TSA policy.

Adejuwon (2017) in a separate study on Enhancing Public Accountability and Performance in Nigeria: Periscoping the Impediments and Exploring Imperative Measures. The paper examined the impediments to public accountability and performance in Nigeria. The article adopted qualitative method in gathering data from various sources. The article contends that unless good governance is in place with public accountability carefully observed, effective public sector performance cannot be realized.

Similarly, Lodikero, Fagbayimu, and Olateru (2018) studied Treasury Single Account: A Tool for Accountability and Transparency in Ondo State, Nigeria**.** The study examined the implication of Treasury Single Account on the accountability and transparency of Nigeria Public Sector in order to ensure a responsible governance system. Survey research design was adopted for the study. The population of the study consisted of 150 Ministries, Department and Agencies (MDAs) operating in Ondo State as at 2017. Purposive sampling technique was used to select the respondents. The data obtained from the questionnaire administration were analyzed using the descriptive and inferential statistical tools. The finding revealed that Treasury Single Account is an effective tool in combating financial leakages in Nigeria public sector. The study recommended that government should engage in massive public enlightenment about the importance of the policy and the need for legislation to mandate all the states and local government to implement this policy.

Sabo, Muhammada and Kjo'OJE (2019) researched on the Impact of Treasury Single Account (Tsa) on Bank Liquidity: Fresh Evidence from Nigeria. The main objective of the study was to examine the impact of the Treasury Single Account (TSA) on bank liquidity in Nigeria. Thus, time series data was used to determine the relationship between the variables over the period of 48 months i.e. from September 2013 to August 2017. The study employed a Robust Least Square (RLS) technique to estimate the variables under investigation. The findings revealed that the Treasury Single Account has a positive and statistically significant impact on bank liquidity. Equally, the interest rate has a positive and statistically significant impact on bank liquidity. Consequent upon the major findings, government, banks and members of the business community should be further educated on the positivity and efficacy of the Treasury Single Account in controlling public looting, fraud and other forms of corruptions and alternatively boosting public fund which will automatically reduce public debt.

3.1 Observations

i) Implementation of Treasury Single Account has enthroned centralized, transparent and accountable revenue management in Nigeria by instilling fiscal discipline and ensuring effective aggregate control over government cash balances.
ii) The consolidation of cash resources through a TSA arrangement has facilitated cash availability and government cash management by minimizing borrowing costs.
iii) The adoption of TSA in the public sector has helped minimize transaction costs during budget execution, notably by controlling the delay in the remittance of government revenues 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.

3.2 Conclusion

Government banking arrangements are an important factor for efficient management and control of government's cash resources. Such banking arrangements should be designed to minimize the cost of government borrowing and maximize the opportunity cost of cash resources. This requires ensuring that all cash received is available for carrying out government's expenditure programs and making payments in a timely fashion. Treasury Single Account was informed due to the need to achieve a consolidated Federation Account. Governments continue to face intense pressure on their cash flows in the face of dwindling revenues and the need to meet increasing statutory and social responsibilities. To address this issue, Governments are undertaking financial and treasury management reforms of which the Treasury Single Account (TSA) scheme is a major component. Any TSA has at least two central attributes: (i) it is a unified arrangement, which enhances the fungibility of the government's cash resources, and entails that no other government agency should be allowed to operate bank accounts without the oversight of the treasury; and (ii) it is comprehensive, encompassing all government cash, both budgetary and extra-budgetary. With regards to the "design" of the TSA, it should be emphasized that there is no single TSA model or design. The TSA model being implemented in each country is dependent on the stage of development, quality of its public institutions, their financial management systems, its technological development, communications infrastructure, and the degree of advancement of its banking system. There is need to sustain and strengthen the TSA policy in Nigeria in order that the benefits derivable could continue accrue.

3.3 Suggestions

i) There need for human capital development of the users of Treasury Single Account (TSA). The users of the TSA system both within the treasury and line agencies need to be regularly trained in the procedures and applications of the system. This may be made more effective if a user manual on receipt and payment procedures under the TSA system is provided.
ii) Establishing a TSA has given rise to tough decisions by the government such as closing the existing bank accounts of budget organizations (external to treasury control), and this provoked powerful opposition. Thus, for success, a TSA reform must be explicitly and strongly supported by the highest officials of government. Decisions of the regime in power to initiate and reinforce the reforms will be helpful.
iii) There is need for appropriate interface between the treasury and the banking network. The interface between the treasury, line agencies and the banking network should be agreed by all the stakeholders of TSA and formalized through agreements. An electronic interface between the treasury and the banking network would facilitate a full-scale unified TSA in Nigeria.

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