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## **TREASURY SINGLE ACCOUNT (TSA) AND ACCOUNTABILITY OF PUBLIC FUNDS IN NIGERIA: EVIDENCED FROM FEDERAL POLYTECHNIC BAUCHI**

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### **ABSTRACT**

*This study looks at treasury single account and accountability of public funds in Nigeria. The main objective of this study to examine the effect of treasury single account on accountability of public funds in Nigeria. The populations of the study consist of 54 staffs of the bursary office of the federal polytechnic Bauchi. A total of forty-eight (48) questionnaires were distributed to the sample staffs of the bursary office of the federal polytechnic Bauchi. The sample size is arrived at using Yarmani formula. The researcher used survey design to extract information for the purpose of the research. Three hypotheses were formulated and data were analyzed using descriptive statistics and regression analysis using statistical package for social science ( SPSS) version 20 and findings reveals that TSA has significant effect on accountability. Based on this, it was recommended that; strong management policies should be developed and such policies be supported with training and guidance because they are vital in maintaining the effectiveness of the strategy.*

**Keywords:** *Treasury Single Account, Accountability, Public Sector, Nigeria.*

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### **INTRODUCTION**

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.

A government lacking effective control over its cash resources can pay for its institutional deficiencies in multiple ways. First, idle cash balances in bank accounts often fail to earn market-related remuneration. Second, the government, being unaware of these resources, incurs unnecessary borrowing costs on raising funds to cover a perceived cash shortage. Third, idle government cash balances in the deposit money bank sector are not idle for the banks themselves, and can be used to extend credit. Draining this extra liquidity through open market operations also imposes costs on the central bank.

Establishing a unified structure of government bank accounts via a Treasury Single Account (TSA) will solve these problems, improving cash management and control. It should, therefore, receive priority in any public financial management (PFM) reform agenda. TSA also facilitates better fiscal and monetary policy coordination as well as better reconciliation of fiscal and banking data, which in turn improves the quality of fiscal information. Finally, the establishment of an effective TSA significantly reduces the debt servicing cost, misappropriation of public funds and also brings about accountability and transparency in the public sector organizations. Accountability and Transparency in the administration of public funds has always been a major issue facing developing countries, particularly in Nigeria.

This paper will go a long way in enlighten researchers on the impact of TSA and accountability of public funds. The idea of Treasury Single Account came into being when some public revenue generating agencies refused to declare and remit the revenue they generated to the treasury as demanded by law (sec. 80, 1999 constitution). In 2012, about N120 billion was forcefully collected by government from such public revenue generating agencies being 25% of their gross revenue to the treasury with another N34 billion collected in 2013. Before then, most of the public revenue generating agencies were reluctant to remit the amount to the treasury. (Daily Trust Editorial, 2016).

Until the introduction of the Treasury Single Account (TSA) in Nigeria, revenue generating agencies have had multiple accounts in deposit money bank. The deposit money bank used part of the amounts deposited with them to finance businesses and earn interest. As a result, agencies paid into government account what they deem fit as loopholes kept proliferating within the public sector. The result of this situation included leakages of funds which are due to the treasury,

embezzlement of public funds, and inability of government to know her account balances at a glimpse; budgets were prepared using unrealistic projections leading to poor implementation.

The Revenue Mobilization and Fiscal Commission released an audit report which indicted some banks for withholding about N12 billion revenue collected on behalf of the Nigerian Customs Service and Federal Inland Revenue Service. The revenue according to the commission is stashed in 19 banks from January 2008 to June 2012. The chairman, Non- Oil Committee of the Commission, Rev Ajibola Fagboyegun demanded for urgent return of the funds by the banks to avoid sanctions. (Hamisu, 2015).

International Monetary Fund (IMF, 2010) has defined TSA as a “Unified structure of government accounts that gives a consolidated view of government cash resources. The maintenance of a Treasury Single Account will help to ensure proper cash management by eliminating idle funds usually left with different deposit money bank and in a way to enhance reconciliation of revenue collection and payment (Adeolu, 2015).

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. With all government revenues and receipts being pooled into the TSA, not only would it be difficult for this monumental fraud to continue without serious sanctions, but also it would afford government a quick glance at the daily funds pooled into the TSA by revenue generating agencies.

TSA also has the advantage of blocking capital flight and other leakages that would ensue from the pockets of unauthorized foreign accounts; and thereby retain more revenue for the system. In practical terms, as one informed commentator surmised: “There is palpable optimism that with diligent implementation, the TSA will enhance transparency and accountability in the management of public funds. Furthermore, the practice should expectedly capture additional revenue to effectively fund more capital projects that will lift the social welfare of Nigerians.

### **Statement of the Research Problem**

Many emerging markets and low-income countries like Nigeria have fragmented systems for handling government receipts and payments (Akande 2015); in a country like Nigeria, the ministry of finance/treasury lacks a unified

view and centralized control over government's cash resources over the years. 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. Before 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. Some of these challenges were:

**Loss of Control on the Number of government Bank Accounts,** MDAs are required under FR 701 to get the approval of the Accountant-General of the Federation (AGF) for all their banking relationship. In addition, each MDA is required by regulation to maintain four bank accounts, one each for revenue, personnel costs, overhead costs and capital. However, many MDAs failed to comply, hence the number of bank accounts became over bloated and monitoring the accounts became a herculean task for the OAGF. A survey of the number of such accounts with both the Central Bank of Nigeria (CBN) and Deposit Money Banks (DMBs) carried out by the OAGF in 2010 puts the number of accounts at over 10,000. With such a large number, government could not have timely consolidated information of cash position necessary for efficient cash management in the country.

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

**Maintenance of Several Extra Budgetary Funds,** there exist a number of funds (dedicated accounts) outside the Consolidated Revenue Fund (CRF) with huge balances while government suffers charges on the CRF overdrawn balance with the CBN. If the extra budgetary funds were linked to the CRF, it would have eliminated the ways and means charges, as the net position would have been

positive. Besides, the extra budgetary funds would have been an easy source for short-term borrowing instead of treasury bills/certificates. Non-Remittance of Independent Revenues by MDAs: A number of MDAs fail to remit their revenues into the CRF in line with S.80 of the Constitution and spend the funds without appropriation.

In spite of existing government regulations encompassing legislative framework and guidelines which govern public activities, the lack of or inadequate accountability and transparency encapsulated into sound governance practices has partly led to financial leakages (Katera, 2003).

It is based on this reasons that the current global revelation in government accounting became paramount following which Nigeria has initiated and implemented the TSA and other series of economic policies to assist in the better management of her economy.

Jegade (2015) also notes that majority of the public sector organizations are not in support of TSA due to fear of not having control over the monies they lodged in their choice banks' accounts and that some agencies lodge the revenue they generated in fixed deposit accounts where fat interest are accrued. Most Nigerians seem to be pleased with the implementation of TSA.

The introduction of Treasury Single Account is as a result of numerous corrupt practices that exist in Nigeria, such as lack of transparency and accountability (Kanu, 2016). The policy was introduced to reduce the escalation of bank accounts operated by Ministries, Departments and Agencies (MDAs) and also to promote transparency and accountability among all organs of the government. Treasury Single Account is a useful tool to establish centralized control over its revenue through effective cash management. It enhances accountability and enables government to know how much is accruing to its accounts on a daily basis.

Kaufman (2005) argues that emphasis on accountability by citizens is one aspect of the growing emphasis on eliminating corruption and promoting transparency in government. However, the issue of accountability in Nigeria is a fundamental problem because of the high level of corruption in all levels of government in the country (Okwoli, 2014). The Transparency International global Corruption Perception Index in October 2010 ranked Nigeria as number 134 from its 130 position in 2009 and 121 in 2008. The 2010 CPI, drawn on a scale from 10 (highly clean) to 0 (highly corrupt), showed that Nigeria scored 2.4, and is ranked 134 amongst the 178 countries surveyed(Schmitz, Stefan &

Geoffrey, 2006). The latest ranking of CPI in 2017 has Nigeria in the 148th position out of 180. The country, according to the CPI, scored 28 out of 100, a figure lower than the average in the Sub-Saharan region. (Transparency International, 2018).

It is believed that lodgement of government funds in different deposit money bank serve as a means for the perpetration of fraud by government officials in the public sector organizations. The thinking is that with this new method, leakages would be blocked and openness and accountability enhanced in the public sector organization.

### **Objectives of the study**

The main objective of the study is to examine the effect of TSA on the accountability of public funds in Nigeria. Specifically, the study seeks to:-

- i. To determine the impact of TSA on accountability in public sector organizations.
- ii. To examine the influence of TSA prevention of financial leakages in the public sector organizations.
- iii. To determine the extent to which TSA brings about transparency in public sector organizations.

## **REVIEW OF RELATED LITERATURE**

### **Treasury Single Account.**

Chukwu (2015) define Treasury Single Account (TSA) as a network of subsidiary account linked to a main account such that, transactions are effected in the subsidiary accounts but closing balances on these subsidiary accounts are transferred to the main account, at the end of each business day. As a result, Ministries, Departments and Agencies (MDAs) maintain their individual accounts with the commercial banks, but daily funding of their disbursements are 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. The TSA is principally a cash management tool for efficient management of the 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.

### **Accountability**

The concept of accountability refers to the legal and reporting framework, organizational structure, strategy, procedures and actions to help meet legal obligations, report on the regularity and the efficiency of the use of public funds, resources (Onyekpere 2015). Accountability is all about being answerable to those who have invested their trust, faith and resources to someone. Adegite, (2010), defined accountability as the obligation to demonstrate that work has been conducted in accordance with agreed rules and standard, 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. In ethics and governance, accountability is answerability, blame worthiness, liability, and the expectation of account-giving. As an aspect of governance, it has been centred to discussions related to problems in the public sector. (Nicholas, 2009).

Johnson (2004) stated 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. Appah (2010) point out that the number and monetary value of public sector activities has increased substantially. This increase in activities has brought with it an increased demand for accountability of public officers who manage these activities of the public.

### **Transparency**

The notion of transparency refers to timely, reliable, clear and relevant public reporting on an organization's status, mandate, strategy, activities, financial management, operations and performance. In addition, it includes the obligation of public reporting on audit findings and conclusions and public access to information about the organization ( Onyekpere 2015)

Transparency is however defined as an inclusive concept that requires loyalty, faithfulness, allegiance and dependability (Hope & Chikhulo, 2000; Olowu, 1993). In this vein, operators in the Private, Public and financial institutions should be faithful and dependable. Transparency has also been used in various disciplines and subject areas. Relative to political leadership, Kopsis (1998)

defines it as an altitude of openness towards the public at large, about government structure and functions, policy intentions, public sector account and projections ready access to reliable, comprehensive, timely understandable information on government activities so that the electorate and financial market can actually access government financial position and the true cost and benefits of government activities (Kopis, 1998)

### **Financial Leakages**

It is no doubt that Nigeria, though an oil and gas producing nation is deeply immersed in ‘resource curse’ phenomenon which has led to an increased awareness and advocacy towards transparency in the management of revenue from natural resources (Eme, Chukwurah, and Ihenacho, 2015). This emanated from the fact that despite the huge income from oil and gas activities, its citizens do not get commensurate benefits accruing from such enormous resources (Eme, Chukwurah, & Ihenacho, 2015). Aderinokun (2010), also established that: “Lack of transparency is seen as a major hindrance to the creation of a favourable investment climate, better management of public resources and poverty reduction”. Transparency helps to guard against any possible misuse of power by ensuring that information available can be used to measure the authorities' performance (Eme, Chukwurah, & Ihenacho, 2015). Transparency therefore, seeks to achieve accountability. Since transparency enhances trust, therefore, adequate transparency is crucial to ensuring that wealth is managed for the benefit of the whole population (Nicholas, 2009). Lack of financial leakage blockages in some nations can aggravate poor governance which could lead to corruption, conflict and increasing inequality. Hence the question that, does an abundance of natural resources more often becomes a “curse” than a “blessing” for developing nations? (Katsouris, 2009). Strengthening transparency and accountability in the public fund management in Nigeria provides an opportunity to reduce revenue leakage and stemming of corruption (Eme, Chukwurah, and Ihenacho, 2015).

This paper is aimed at establishing that TSA, if properly implemented, would have a significant effect on the public fund management in Nigeria particularly, Federal Polytechnic Bauchi . Hence this study is focused on determining the extent to which TSA can block financial leakages in public funds management. Yusuf (2016) carried out a study on the effects of Treasury Single Account on public finance management in Nigeria. The main objective of the study was to



examine the extent to which Treasury Single Account can block financial leakages, promotes transparency and accountability in the public financial management. Both primary and secondary data had been employed in the study. The populations of the study are Ministries, Department and Agencies (MDAs) within Bauchi metropolis using a sample of 72 respondents through judgment sampling. The data were analyzed using the Pearson Correlation techniques. The result of the study showed that adoption of a Treasury Single Account (TSA) is capable of plugging financial loopholes, promoting transparency and accountability in the public Financial System.

Mutalib, Bulkachuwa, Urame & Chijioke (2015), also studied the Impact of Treasury Single Account (TSA) on Ministries, Departments and Agencies (MDA's) Accounting Information and Accountability: A conceptual Review. The study examined the effect of TSA on MDAs accounting information and accountability of public funds in Nigeria. The study employed both primary and secondary data for the purpose of the study. The result shows that there is no doubt that with the introduction of TSA on MDAs Accounting information, the issue of corruption, mismanagement of public funds and government capital base will improve drastically thereby boosting the Nigeria Economy for good governance and for potential investment.

Tari, Myatafadi & Kibikiwa(2016) considered Treasury Single Account (TSA) Policy in Nigeria: Reviving Jonathan's 'Dead' Policy Directives. The main study attempts to look at the contributions of reviving the Treasury Single Account. The paper relied on secondary methodology to effectively examine the fiscal impact of reviving the TSA policy and anchored on incremental model as a framework of analysis. The paper suggests better ways of making the policy effective amidst the dwindling oil price and the superiority of Dollar against the Naira. Hence, the research concluded that except proper monitoring of government account is carried out, in all government institutions and strong punitive measure applied against defaulters and corrupt officers, that TSA will be a failure in Nigeria.

Onuorah and Chigbu.(2016). in his research work "Accountability and Public Sector Financial Management in Nigeria" ex-post factor research design revealed that accountability is very poor in Nigeria because the attributes of accessibility comprehensiveness, relevance, quality, reliability and timely disclosure of economic activities. He, therefore, recommended among others, that for accountability to be successful in the management of Public funds in

Nigeria there must be a reduction in the level of corruption, improving public sector accounting and auditing standards.

Dismissing the fear that the Treasury Single Account system would encourage bureaucracy and delay in access to funds, Teriba (2015) explained that, there is no sacrifice that is too much to be taken to achieve transparency. According to him, “We should learn to take this country to a stage where we learn to be efficient. We cannot use the issue of efficiency to promote opacity. We need transparency.

Larson (2007) explains that TSA is bound to improve transparency and accountability in public financial management (PFM). First, it will remove organization/MDAs secrecy around the management of public finances. The second is the revenue generating agencies that have been depriving the treasury of due revenue through a plethora of bank accounts under their purview unknown to the authorities will no longer be able to defraud government since all funds will be swept into the TSA.

Ekubiat & Edet (2016) studied the Adoption of Treasury Single Account by State Governments of Nigeria: Benefit, challenges and Prospects. The study examined the benefits, challenges and prospects of adoption of Treasury Single Account (TSA) by State Governments of Nigeria. The study made use of both primary and secondary data. Descriptive cross-sectional survey design was adopted for the study. The population for the study consisted of 200 Professional Accountants in Akwa Ibom State. Taro Yamane’s statistical formula was used to select sample size of 133. Purposive sampling technique was used to select the 133 respondents/samples. The data obtained from questionnaire administration were analyzed using descriptive statistics and t-test statistics. It was found that TSA adoption and full implementation by the state governments will be of greatest benefit as showed in the weighted means, there will be challenges in a short-run but the benefits at a long-run will definitely out-weight the challenges.

Eze (2015), argue that, the consolidation into a TSA paves way for the timely capture and payment of all due revenues into government coffers without the intermediation of multiple banking arrangement. This prevents revenue leakages in terms of revenue loss and mismanagement by operators of all revenue generating agencies.

According to Nnamani (2015), the Treasury Single Account is a relatively new public accounting system. The systems use a single account or a set of linked

accounts by the government. The primary purpose is to central the government revenue and make sure that all the payments have been made through a consolidated revenue account (CRA).

According to the Stalwart report,(2015), the initiative also requires banks that collect revenues on behalf of the federal government's ministries, departments and agencies (MDAs) to remit such collections to the TSA domiciled in the central bank of Nigeria (CBN). Consequently, banks collections on behalf of MDAs are automatically remitted to the said account. Though the policy started in 2012, its full implementation was effective September 15, 2015.

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The Stalwart report of 2015, also states that "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, LFN, 1990 and the Financial Regulation no 413 (i), all unexpected 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 the financial year must be paid back to the consolidated revenue fund account no. 0020054141107 with CBN by issuing mandate in favour of "Sub-treasure of the Federation", Federal sub-treasury, Ladoke Akintola Boulevard, Garki II, 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 centres, teaching hospitals, research institutes, River Basin Development Authorities were ordered to adhere strictly to this law.

Obuh (2016) posits the benefits of TSA as follows; the treasury (MOF) will now have full control of the budget, guarantee timely information of government resources on a daily basis. Promote efficiency, accountability and

transparency in public financial management. This Would enable the government to have more access to its funds when necessary and above all reduce to the barest minimum government borrowing cost.

According to Systemspec (2015), TSA will block all forms of leakages in public finance, curb corruption and would enable the treasury (MOF) to monitor funds flow as no MDA is allowed to operate any account outside the single account.

### **Treasury Single Account (TSA) and Accountability in the Public Sector**

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.

### **Treasury Single Account (TSA) and financial leakages in the Public Sector**

Kolapo (2015) was of the opinion that the implementation of the TSA policy is good and meant to checkmate and block all the leakages that had bedeviled revenues that go into the Federation Account as required by laws of the federation. Likewise, Ngozi (2015) explained that the introduction of TSA had helped to reduce how government account was being overdrawn.

Philip (2015) also stressed that it was a step in the right direction to plug all financial leakages. He further explained that multiple accounts by government agencies made it possible for the MDAs to conceal some accounts for ulterior motives; hence, implementation of TSA will go a long way to checkmate corruption in the country.

### **Treasury Single Account (TSA) and transparency in the Public Sector**

Government sees TSA as a useful tool to institute a formalized approach to the control of all the treasuries through effective cash policy and management. It ensures transparency and assists government in knowing the exact amount accrued to its accounts daily.

From Nigerian context, it is required that the institutionalization of TSA would help to clamp down corruption of financial leakages and embezzlement. The implementation of TSA is expected to chunk revenue leakages predominant in government agencies as the Ministry of Finance will be able to monitor the inflows and outflows, hence, augment the reduction in oil revenue due to falling oil prices (Ahmed, 2016). CBN (2015) reasoned in the same direction and said that the implementation of TSA would assist especially Ministry of Finance to trail funds flow as non of the agencies of government is permitted to keep any other bank account out of the oversight of the Ministry of Finance.

Tayo (2015) states the “government should make banking arrangements for efficient management and control of government’s cash resources”. Such should be designed to reduce the borrowing cost of the government. TSA ensures that the treasuries received are readily available for governments expenditure programmes and also ensures timely payment. The Federal Ministry of Finance is handicapped with a consolidated view and the control of cash resources of the government, as such, institutionalization of TSA is considered an option.

Hence, Udoma (2015) opines that maintenance of TSA will enhance funding government budget rather than depend on federal allocation. In any economy where the budget is fully funded, the aim certainly will be accomplished. The consequence should be improved economic system, political and social development. IMF (2010) made it clear in her working paper that a government that lacks proper control over its treasuries can substitutes for its institutional deficiencies in proliferated ways. Firstly, non-performing cash balances in bank accounts most often fail to maximize market-related remuneration. Secondly, since government is unaware of those of these resources, he may incur unnecessary borrowing cost not budgeted for. Thirdly, unutilized cash balances in the money depositing banks are not non-performing money since the money depositing banks themselves normally use it for extension of their credit.

### **Challenges of the TSA**

Though, TSA allows government banking and fund to be unified, to enable the relevant stakeholders, such as the Ministry of Finance and Accountant General of the Federation to have full oversight of all cash flows across different bank accounts (Udo, 2016). This notwithstanding has not removed the bottleneck and other challenges of TSA.

According to Yusuf (2015), laudable as the TSA policy seems, not a few believe that it has its downsides. To operators in the banking sector, it is feared that the sector would be losing about N2 trillion deposits to the CBN, with the implementation of the TSA. The report on accounts of banks with CBN shows that as at beginning of this current quarter, banks' total public sector deposits was N1.3 trillion but additional net flows from Federation Accounts Allocation Committee, FACC, as at end of last month (about N240 billion) as well as expected inflows by end of this month may push the figure close to N2.2 trillion by the time the pullout begins next month. According to Anoruo and Aforkwalam (2017), the challenges of the TSA policy include the following:

#### **Fear of unknown**

This can be attributed to certain feelings of public agencies and management over an assumed loss of job to the staffs of the institutions in some federal and private organization and their control over money that have been stationed in their choice of bank accounts under fixed deposit accounts where fact interest accrues which they siphoned can affect them.

#### **It reduces transactional services**

The TSA reduces transactional services of money deposit banks with federal government thereby affecting their financial muscles needed to acquire government securities such as treasury bills, certificate used to make quick returns and the control over the funds which they are used in most cases to finance some extra budgetary expenses.

### **THEOROTICAL FRAME WORK**

A number of different theories of socio-economic accounting were borrowed to form sound foundation to substantiate Treasury Single Account adoption and implementation, these are:

### **Stakeholder Theory**

It assumed that adaptation of Treasury Single Account by the federal government is as a result of the pressure from stakeholders/citizens majority against corruption. It suggested that the government will responds to the concerns and expectations of powerful stakeholders/citizens and some of the responses will be in the form of strategic opinions. Stakeholder's theory provides rich insights into the factors that motivate government in relation to the adaptation and formulation of TSA (Yusuf and Mohammed, 2016).

### **Management Theory**

This theory assumed that all aspects of financial resources mobilization and expenditure should be well manager by government for the benefits of the citizenry (Ekubiat & Ime. 2016).. It includes resources mobilization, prioritization of programmers, the budgetary process, and exercising control to guide against threats (Grubber, 2005). TSA primarily is to avoid misapplication of public funds (Ekubiat and Ime. 2016).

**Modern Money Theory (MMT):** It is a theory that aggregates the central bank and the treasury into a government sector that finances itself through monetary creation such that financial stand of the treasury and the central bank are so interdependent that both of them are constantly in contact in order to make fiscal and monetary policy run smoothly (Ekubiat and Ime. 2016).

### **Incremental Theories**

The theory consists of a collective effort of various scholars like Charlse (1968), David (1963), Robert (1967), Martin (1960) and Herbert (1957). These groups of intellectuals are generally referred to as the incremental thinkers. Ikelegbe (1995) suggested that, policy makers using incremental model needs to review in all societal values problems, all policy alternatives and their resultant consequences before the adoption and implementation of major governmental policy such as TSA. This study therefore focuses on the Stakeholder Theory because it best conform with the Nigeria scenario.

### **METHODOLOGY**

The survey research design was adopted in this study. The survey research method involves selection of a small proportion of the entire population through

sampling technique for data collection and analysis. This study adopted the questionnaire method in collecting the data from the entire population.

### Population and sample of the Study

The population comprises of all the staffs in the bursary office of the Federal Polytechnic, Bauchi. Therefore, out of a total population of 54 staff, a sample of forty-eight (48) respondents which is 89% of the population was selected from the staffs.

### Method and Instrument of Data Collection

*The method of data collection adopted was questionnaires since the respondents are all literate and can read and write, the research was collected from two main sources which are: primary and secondary data collections.*

The questionnaire is the instrument for data collection with three (3) questions designed to elicit the response of respondents on TSA and accountability of public funds in Nigeria. Using Federal Polytechnic, Bauchi as a case study. The instrument for data collection for the study is close ended structure questionnaire, in which options were provided for the responded to choose from. Answers are provided by the researcher so that respondents choose options that express their opinions or views.

### Method of Data Analysis

Data were analyzed using statistical package for social science( SPSS) version 20.the data analysis include; descriptive statistic and regression analysis.

## DISCUSSION OF RESULT

### *Descriptive Statistics*

*Table 4.1 Descriptive Statistics*

	<i>N</i>	<i>Minimum</i>	<i>Maximum</i>	<i>Mean</i>	<i>Std. deviation</i>
<i>Sex</i>	43	1	2	1.21	1.412
<i>Age</i>	43	1	2	1.70	1.465
<i>Marital status</i>	43	1	2	1.98	2.152
<i>Qualification</i>	43	2	4	2.60	2.652
<i>Valid N (listwise)</i>	43				

*Source: spss output 2021.*



Table 4.1. Descriptive statistics: this shows the characteristics of the data and how they are distributed and then pave way for further analysis. It can be seen that sex has a mean value of 1.21 and standard deviation of 1.412 with minimum and maximum of 1 and 2 respectively. This indicate that there is variation on the sex of the respondents, this was also shown from the minimum and the maximum values. The minimum and the maximum also indicate the minimum number of coding and the maximum.

It can be seen also that Age has a mean value of 1.70 and a standard deviation of 1.465 with minimum and maximum of 1 and 2 respectively. It also means that there is variation on the age of the respondents.

It can be seen also that marital status has a mean value of 1.98 and a standard deviation of 2.152 with minimum and maximum of 1 and 2 respectively. This means that there is variation on the marital status of the respondents.

Qualification has a mean value of 2.60 and a standard deviation of 2.652 with minimum and maximum of 2 and 4 respectively. This means that there is variation on the qualification of the respondents.

**Testing hypothesis.**

The test of hypothesis is needed to further analyse the research questions which relates to TSA and accountability in public sector organization. Three hypotheses were formulated from the research questions mentioned in chapter one of this research. The hypothesis formulated is tested here for acceptance or rejection.

**First hypothesis testing.**

Table 4.2. Model Summary						
Model	R	R Square	Adjusted Square	R	Std. Error of the Estimate	
1	.357 <sup>a</sup>	.128	.107		.047	
<b>a. Predictors: (Constant), TSA</b>						

Table 4.3 ANOVA <sup>a</sup>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1.337	1	1.337	6.007	.049 <sup>b</sup>
	Residual	9.128	41	.223		
	Total	10.465	42			

**a. Dependent Variable: ACCOUNTABILITY**

**b. Predictors: (Constant), TSA**

Table 4.4. Regression Coefficients<sup>a</sup>

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.944	.226		8.600	.000
	TSA	.353	.144	.357	2.451	.049

**a. Dependent Variable: ACCOUNTABILITY**

**Second hypothesis testing.**

Table 4.5. Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.339 <sup>a</sup>	.115	.094	.44244

**a. Predictors: (Constant), TSA**

Table 4.7. ANOVA<sup>a</sup>

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1.044	1	1.044	5.332	.026 <sup>b</sup>
	Residual	8.026	41	.196		
	Total	9.070	42			

**a. Dependent Variable: FINANCIAL\_LEACKGE**

**b. Predictors: (Constant), TSA**

Table 4.6. Regression Coefficients<sup>a</sup>

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.766	.212		8.334	.000
	TSA	.312	.135	.339	2.309	.026

**a. Dependent Variable: FINANCIAL\_LEACKGE**

**Third hypothesis testing.**

Table 4.7. Model Summary					
Model	R	R Square	Adjusted R Square	R	Std. Error of the Estimate
1	.749 <sup>a</sup>	.561	.551		.32331

**a. Predictors: (Constant), TSA**

Table 4.8. ANOVA <sup>a</sup>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	5.482	1	5.482	52.442	.000 <sup>b</sup>
	Residual	4.286	41	.105		
	Total	9.767	42			

**a. Dependent Variable: TRANSPERENCY**  
**b. Predictors: (Constant), TSA**

Table 4.9. Regression Coefficients <sup>a</sup>						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.286	.155		1.845	.072
	TSA	.714	.099	.749	7.242	.000

**a. Dependent Variable: TRANSPERENCY**

**Discussion of Result**

From table 4.2. Model summary show the impact of independent variable on the dependent variable. It can be seen that the adjusted R square has a value of .107. this indicate that TSA has 10.7% impact on accountability at 5% level of significant

Table 4.3. ANOVA indicate the level of significance of the independent variable on the dependent variable. TSA has impact on accountability at 0.047% level of significant.

Table 4.4.Regression Coefficients. TSA has a beta value of .357 at .05% level of significant. This shows that TSA has 35.7% impact on accountability in the

public sector at 5% level of significance. This implies that the adoption of TSA will bring about accountability. This also proves that TSA has brought about accountability in the public sector, therefore the null hypothesis is rejected and the alternate hypothesis is accepted. This is inline with the result obtained by the following authors in their studies; Yusuf (2016), Mutalib et. al., Obuh (2016).

Table 4.5. Model summary. It can be seen that the adjusted R square has a value of .094. this indicate that TSA has 9.4% impact in blocking financial leakages at 5% level of significant.

Table 4.6. ANOVA shows the level of significance of the independent variable on the dependent variable. TSA has impact in blocking financial leakages at 5% level of significant.

Table 4.7. Regression Coefficients. TSA has a beta value of .339 at .05% level of significant. This shows that TSA has 33.9% impact on financial leakages in the public sector at 5% level of significance. This means the adoption of TSA will help in blocking financial leakages. This also proves that TSA is an effective and efficient tool for blocking financial leakages in the public sector organization, thus, the null hypothesis is rejected and alternate hypothesis is accepted. Eze (2015), Larson (2007), Yusuf (2016) also got similar result.

Table 4.8. Model summary It can also be seen that the adjusted R square has a value of .551. this indicate that TSA has 55.1% impact on transparency at 5% significant level.

Table 4.9. ANOVA portray the level of significance of the independent variable on the dependent variable. TSA has impact on transparency at 5% level of significant.

Table 4.10. Regression coefficients; TSA has a beta value of .749 at 5% level of significance. This show That TSA has 74.9% effect on transparency. By this it means TSA has a strong positive effect on transparency. This means TSA has positive effect on transparency in public sector organization in Nigeria. TSA adoption will led to a significance increase in the level of transparency in the public sector in Nigeria, as such the null hypothesis is rejected and the alternate hypothesis is accepted. This result is in compliment with the result obtained by; Obuh (2016), Teriba (2015), Yusuf (2016) in their research study.

The result of the study is in line with the result obtained by Yusuf (2016), The result of his study showed that adoption of Treasury Single Account (TSA) is

capable of plugging financial loopholes, promoting transparency and accountability in the public Financial System.

Mutalib, et al (2015), also carried out a similar research study, The result shows that there is no doubt that with the introduction of TSA on MDAs Accounting information, the issue of corruption, mismanagement of public funds and government capital base will improve drastically thereby boosting the Nigeria Economy for good governance and for potential investment.

Ekubiat & Edet (2016) also carried out a study on TSA adoption and concluded that there will be challenges in the adoption of TSA in a short run but the benefit of adopting a TSA out-weights the challenges at the long run.

### **CONCLUSION AND RECOMMENDATIONS**

Based on the finding of the study, it is concluded that TSA policy would go a long way in blocking the indentified financial leakages in revenue generation and promote transparency and accountability in the public sectors financial system if it is fully implemented. It would equally pave way for the timely payment and capturing of all revenues going into the government treasury, without the intermediation of multiple banking arrangements. The policy would also enable the government at the centre to know its position at any given time without any hindrance. The system would likely reduce round-tripping of government deposits

The researchers outlined the following recommendations: -

There should be no going back on TSA implementation in Nigeria.

Strong management policies should be developed and be supported with adequate training for the strategy to be effective.

Nigerian citizens should hold their peace and allow the process to succeed.

The managers of TSA should receive adequate training to handle this big and inevitable task of building the nation.

Government should however note that it is important to take steps to address the short-term challenges that may arise from the implementation of TSA.

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