

## Public Perception of the Treasury Single Account in Nigeria

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### Abstract

This study investigated the perception of Nigerians towards the Treasury Single Account (TSA). A sample of one hundred and ninety respondents, drawn from management staff of MDAs, in the Federal and State Services as well as Deposit Money Banks in Calabar Cross River State, was studied to gauge their perception on the Treasury Single Account (TSA) being implemented by the Federal Government of Nigeria. The data were analyzed using the Chi-Square statistical technique. The results reveal a significant acceptance of the TSA policy itself but a non-significant positive perception of its operation. It argues that TSA, as operated presently, has negatively affected the socio-economic life of the people and the operation of Government Ministries, Departments and Agencies (MDA) as a result of delays experienced in releases due to bureaucratic bottle-necks. The paper recommends, among others, that Government should ensure timely release of operational funds to encourage MDAs to support the TSA Policy. This can be achieved through the use of treasury bills (T-bills) or other short-term borrowing instruments aimed at offsetting the impact of TSA implementation on government cash flows.

**Keywords:** Consolidated revenue fund, public funds management, public perception, stakeholder theory, treasury management, treasury single account.

### 1.0 Introduction

Successive governments in Nigeria have, at various time, operated different types of accounting systems as Government Ministries, Departments and Agencies routinely engage in the collection and allocation of revenues. Government bank accounts, as a component of its cash management arrangements, are an important factor for efficient management and control of government's cash resources. The later requires public finance managers to ensure all cash received is available for carrying out government's expenditure programs and making payments in a timely fashion such that the cost of government borrowing is minimized and the opportunity cost of cash resources maximized.

As is common place with many emerging market and low-income countries, Nigeria had fragmented systems for handling government receipts and payments such that the ministry of finance/treasury lacked a unified real time view and centralized control of public sector cash resources. This results in cash lying idle, in numerous bank accounts held by spending agencies, for extended periods while the government, unaware of these resources, proceeds to borrow to execute its budget. Such a fragmented system, warrants funds provided for budgetary appropriations to be routinely augmented by additional cash replenishments that become available through various ingenious, largely extra budgetary, measures. This institutional deficiency is unhealthy for productive public finance management. This is because idle cash balances with banks do not earn market-related remuneration, while the government incurs avoidable borrowing costs on funds raised to cover perceived cash shortages. Also, these idle government cash balances in the vaults of deposit money banks provide free (or low-cost) cash flow which the banks can use to extend credit to the same government. Furthermore, even when government monetary policy targets this extra liquidity through open market operations it comes with huge costs on the Central Bank and/or public treasury.

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Prior to the implementation of TSA, when Ministries, Departments and Agencies of government operated different accounts with deposit money banks for different operational transaction heads, revenue generating MDAs generally collected revenues through these accounts and remitted them periodically according to extant financial regulations. Some had approved percentages of such accrued revenues retained and utilized to meet their operational and overhead costs. This arrangement, in spite of the above shortcomings, was seen by the public officers as made for the easy administration and accomplishing of various economic activities in the institutions concerned. However, the government viewed the arrangement as allowing for looting of government revenue by heads of MDAs, thereby paving ways for high rate of corruption in the country. In order to ensure accountability and transparency, and plug obvious leakages, government introduced TSA as a public treasury management tool. Therefore, it is the view of the Central Bank of Nigeria (CBN, 2016), adopting the position of Pattanayak and Fainboim (2010), that establishing a treasury single account (TSA) will resolve these problems and improve public sector cash management and control and should, therefore, receive priority in any public financial management (PFM) reform agenda.

To inform the introduction of TSA in Nigeria, a pilot study was conducted in 2012 using two hundred and seventy ministries, agencies and departments as case studies to examine its relative importance (CBN, 2015). The study revealed a significant relative potency of TSA in checking systemic and institutional leakages as a whopping sum of 500 billion naira was saved from excessive spending. The outcome of this study informed the introduction of the treasury single account by the Federal Government of Nigeria. As a result, all banks were directed to adhere and implement this policy, by transferring all their holdings of public deposits to the TSA held at CBN, effective September, 2015. This process unites all inflows of revenue from MDAs through commercial banks deposits into a unified single account at the CBN (CBN, 2015). A TSA policy also facilitates better coordination of fiscal and monetary policy as well as better reconciliation of fiscal, accounting and banking information, which in turn improves the quality of fiscal analysis and reporting.

Finally, the establishment of an effective TSA significantly reduces the debt servicing costs (Dener, 2007). Treasury single account, therefore, is a public accounting system which directs all government revenue receipts and payments into and from a consolidated account. It sets up a structure of interlinked accounts by government to ensure that all government funds are effectively managed (Adeolu, 2015), against a value-adding backdrop. As a unified, treasury operated bank account, government uses it to monitor and report all its receipts and payments. A TSA is based on the principle of unity of cash and the unity of treasury and is a bank account or a structure of connected accounts over which the government consolidates all its receipts and payments transactions. The unity of account is enabled by the interchangeability of cash, regardless of its end use (Garbade, Partlan and Santoro, 2004), which implies that the necessity to distinguish between individual cash transactions, for control and reporting purposes, could be achieved through the accounting system and not through stashing cash in transaction specific bank accounts. By this principle, TSA enables the treasury to delink management of cash from control at a transaction level. The major objective of this new policy is to ensure that all government revenues are in safe hands in order to reduce misapplication of funds from the understanding that its implementation would create a unified structure of government accounting that could very effectively deal with inter-agency competition in the management of cash. The policy is being managed by the Ministry of Finance with compliance, supervision and regulatory collaboration of the Office of the Accountant General of the Federation and the Central Bank of Nigeria (CBN).

In other countries, where the Treasury Single Account policy has long been institutionalized, it is used to guide public sector financial management with the proven record of enhancing oversight and control of government cash resources ultimately. The TSA initiative will help to check idle bank account balances of MDAs and avoid unproductive retention of funds. They further indicated that the acceptance of this policy will make government more aware of these idle cash balances, thereby avoiding unnecessary borrowing costs on funds raised to cover perceived shortages (Lienert, 2009). While the earlier cash management policy is generally believed, by the account-holding MDAs, as useful in generating revenue, making for quick fund releases and effective administration of MDAs, the new TSA practice, however, has been publicly seen as threatening the status quo; thus, heightening apprehension among sector operators. Without doubt, under a TSA policy, MDAs no longer have the right to collect and allocate government revenue at source. Certainly, things may no longer be the way they were as cash releases have to come from the unified account after due approval from the approving authority.

This paper intends to survey the extent/degree of public acceptance and perception of this policy as currently being implemented. Over the years several administrations and regimes have had to struggle with the challenge of financial mismanagement, embezzlement and corruption. This is evident in the establishment of such institutions as the Code of Conduct Bureau, Independent Corrupt Practices Commission (ICPC), and Economic and Financial Crimes Commission (EFCC). Although these agencies have had to carry out their legitimate duties, exercising their authority through arrest and prosecution of several corruption cases, the rate of financial crime has continued to progress geometrically. This spiraling corruption rate necessitated the search for avenues of financial leakages which have continued to serve as a pull factor for financial crime. This was more so, as the financial policy of national revenue collection and allocation had inherent leakages which serve to induce financial crime. Perhaps this necessitated the constitutional provision on national revenue in section 80 of the 1999 Constitution, which stipulates that: “.all revenue or other moneys raised or received by the federation (not being revenue 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 a consolidated revenue fund of the federation”.

Therefore, the implementation of the TSA clearly supports and strengthens this constitutional provision on public finance management in Nigeria. The TSA came into lime light in 2015 when the new Central Government directed a full implementation of the policy, consistent with the strategic public sector transformation initiatives and also in line with the provision of Section 120 of the country's 1999 Constitution. From all intents, the policy seeks to check financial leakages and reduce or eradicate financial crimes and corruption. However, the introduction of the TSA seems to have led to somewhat inactivity by MDAs due to a cash crunch in MDAs, delayed releases of funds which affect their smooth and efficient day-t-day administration. Operators of MDAs and commercial banks thus appear to be feeling relatively ill-prepared for the policy as they fear quite a number of them would suffer low cash inflow. The banks, particularly feared the impact of the implementation of the aspect of the TSA requiring the withdrawal of public sector deposits in their custody will be negative and grave. The system operators perceive a shrinking of ‘cash float’, thus curtailing their access and utilization of the transit time between cash collection and transmission to the central treasury account (Sauened and Israel, 2010).

Since the introduction of the TSA, government seems to have aggravated the level of redundancy, inactivity and outright absenteeism of workers with expressed ‘insider’ concerns about huge utility bills that are unpaid and funds required for daily and routine administration said to be unavailable. Given this scenario, one is left with no other option but to ponder on whether this policy, as acclaimed, has a wide public acceptance and whether operators of MDAs have a positive perception of the policy as it is currently implemented with respect to its impact on the efficiency of their operations. These and many more constitute the problem this study sought to investigate. Accordingly, this study sought to investigate the extent or degree of public acceptance and perception of the policy of Treasury Single Account, as currently being implemented, as an enabler of the efficient functioning of the MDAs.

## 1.2 Research Hypotheses

In order to achieve the objectives of this study, the following hypotheses were tested:

1. There is no significant acceptability of TSA by MDA operators in Cross River State.
2. There is no significant perception about TSA by the operators of MDAs in Cross River State.
3. TSA does not significantly affect the effective and smooth running of MDAs in Cross River State.

## 2.0 Theoretical Framework and Review of Related Literature

### 2.1 Theoretical Framework

Different theories of socioeconomic account can be used to give a foundation to the study of treasury single account policy, one of such theory could be the stakeholder theory. This theory was first laid out by Mitroff (1983) and later popularized by Freeman (1984). It postulates that organizations (including governments) have stakeholders defined as individuals and groups who benefit from or are harmed by, and whose rights are violated or respected by corporate or institutional actions. Although many definitions of what constitutes a stakeholder exist and contested (Miles, 2012), the theory holds that stakeholders have stakes that are reciprocal, non-univocal and vary by the organization. This, according to Freeman (1984), is because each can affect the other in terms of harms and benefits. Employees, who operate the TSA, have their jobs and livelihood at stake, complemented by specialised skill sets for which there is usually no perfectly elastic market.

In return for their labour, these public officers expect security, wages, benefits and meaningful work. Further, in return for their loyalty, government is expected to provide for them through times of economic or social difficulty or recession. Where they are used as a means to an end as is the case in government's implementation of TSA, they must participate in decisions affecting such use. This is because Stakeholders not only exist 'out there' but also 'in here' (Hirschhorn, 1984) and "the opportunities for 'bad faith' on the part of both management and employees are enormous" (Freeman, 1984; p.42). The theory is, therefore, appropriate in investigating the stakeholder perception of the roll out of the TSA in the public finance management function in Nigeria.

## **2.2 Literature review**

### **2.2.1 The Implementation of Treasury Single Account in Nigeria**

The efficient management of funds is one of the biggest challenges facing every individual, entrepreneurs and government. Without doubt, the inflow and outflow of cash determine the success or failure of an economy or business. However, the efficient and effective management of these cash streams is even more critical at the national, organizational or household levels. This is because capital mobility commands economic agents to adjust, instantaneously, their consumption and investment decisions (Duke, Adesanya and Ahmadu, 2012). The economy of Nigeria today is mostly concerned with efficient allocation of resources as well as stabilization of business cycles, in line with the position of Stephen (2016) that a unified structure of government banking is an important factor for efficient management and control of government cash resources. The aim of this unified account, according to him, is to reduce the cost of government debt and maximize the opportunity cost of cash resource.

However, over the years, different countries of the world have various ways of implementing their accounting system on the handling of government receipts, disbursements, custody and control whether directly by the Treasury or through the various commercial banks. Although, the Ministry of Finance, through the Office of the Accountant-General, is in charge of the releases of funds in the country it lacks this basic function of centralizing control on government cash flow. This has made the settlement of most of the financial difficulties the country was faced with a huge challenge. There was also lack of control on borrowing; thus, the debt incurred by the government kept increasing and expanding unsustainably. It is on this premise that the treasury single account was promoted as a means of saving the public funds from mismanagement and checkmating corruption which has eaten deep into the national fabric. The TSA came to complement the extant public sector initiatives established and operated to improve the quality of the nation's public funds management, such as: Government Integrity Finance Management Information, Automated Accounting Transaction and Reporting System, Integration Payroll Personal Information System (IPPIS) and others (Stephen, 2016). The effective management of the daily, weekly, monthly and annually (actual and forecast) patterns of government cash flows and the proper operation of the treasury function is best developed and managed through a treasury single account (TSA) held at the Central Bank (Williams, 2013). Operationally, other cash management activities, such as the targeting of government cash balances in the TSA or the banking sector and the smoothing of the related government's cash flows by transactions in the financial markets, are linked to public debt management (Williams, 2013).

### **2.2.2 The Benefits and Challenges of TSA**

The establishment of the treasury single account was to bring accountability and transparency in all MDAs and to help the Ministry of Finance view the inflow and outflow of government cash. Sauened and Israel (2010) maintain that the primary goal of TSA is to make for aggregate control over government cash management by reducing borrowing costs (Pattanayak and Fainburn, 2010). This, according to them, is because the absence of TSA in any country encourages the storage of cash balances in various bank accounts, which are generally sterilized. They further stressed that the acceptance of TSA will encourage the minimization of transaction costs in budget implementation, avoid unnecessary borrowings (Lienert, 2009), facilitate reconciliation between banking and accounting data, lead to adequate monitoring of funds allocated to different government agencies and promote proper coordination within the monetary policy implementation structure. Accordingly, it will allow for quick and complete information on government cash resources, improve appropriation and operational control during budget execution and encourage efficient cash management.

By March 2017, over twenty thousand bank accounts have been sucked into the TSA account at the CBN involving funds amounting to 5.244 Nigerian Naira (about US\$10.5 Billion), while over one thousand five hundred MDAs have complied including the military and other security agencies (Economic Confidential, 2017).

Saleh, (2015) maintained that the implementation of TSA in a country will enhance revenue collection, block leakages, promote transparency and quicken disbursement of funds to beneficiaries. He further revealed that TSA in the country could bring effective management of public resources that will ensure cost effectiveness and accountability. Tayo (2005) in his argument affirms that full implementation of his policy will have a positive effect on economic planning by the federal government and reduce irregularities in MDAs. These according to him will pose a cash crunch and liquidity challenges to the banking sector. From all the above, it is crystal clear that TSA, as a public financial management policy has a good intent and is capable of blocking leakages, promote transparency and accountability and culminate in effective and efficient financial management. Overall, Bashier (2016) tried to evaluate the authentic valence of the TSA as conceived and intended; although, he restricted his work to the correlation of TSA with public financial management through blocking of financial loop holes or leakages. This paper would extend the frontiers of knowledge by show-casing public perception of the TSA policy in the wake of the economic conditions of the time.

Inspite of all these, it is not all rosy though, they may be so many challenges to TSA's full implementation, one of such barriers is its failure to address the operational details as touching the various configurations of MDAs. Many MDAs operating in the same country have legal work full of financial autonomy given to them including power to maintain a fund from which expenses could be paid (Taiwo, O. 2015). Options for accessing and operating the TSA are mainly dependent upon institutional structures and payment settlement systems (Schmitz Wood, 2006). In the light of this, according to the Central Bank of Nigeria, "TSA operations are conceptualized and designed to be operated on a full end-to-end basis, across various approved electronic channels, for all payment and collection transactions" (CBN, 2016; p. 5). According to Economic Confidential (2017), before TSA, it took an average of twenty eight days to access cash after the revenue had been collected through commercial banks and about twenty one days for MDAs to access their budgetary allocations after it was released to the treasury and that these timing differences which affected budget implementation have been eliminated under the TSA frame. One key challenge of the TSA implementation in Nigeria is how to integrate

### **2.2.3 Nigerian TSA Architecture**

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). 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). Although there are several variants of the TSA structure, they can be broadly classified into two: centralized TSA arrangement under which all government revenue and expenditure transactions pass through a single account generally maintained with the Central Bank; and distributed arrangement, virtually operational with the line MDAs allowed to retain separate transaction bank accounts in the banking system but requiring that all such transaction accounts (known as zero balance accounts (ZBAs) be cleared into the TSA main account at the end of each day. The structure of the TSA system established and currently operated in Nigeria falls somewhere in between these two variants as the main TSA accounts (at national and sub-national levels) are maintained at the CBN and the associated ZBAs (where these exist) maintained in other institutions have their balances swept daily to the main TSA in CBN. This structure of hosting the main TSA at the Central Bank minimizes credit risk; supports CBN's coordination of monetary policy operations in managing liquidity in the economy with government's cash and debt management functions; speeds up settlement through its facilitation of cost effective banking arrangements and enabling clarity of obligations and responsibilities between the treasury and the Central Bank.

## 2.2.4 TSA Stakeholders' Roles & Responsibilities in Nigeria

Both the Central Bank and the Treasury acknowledge that the eventual success of the TSA scheme requires the wholesome collaboration of the critical stakeholders, during the pre-implementation, implementation and post-implementation phases of the initiative (CBN, 2015). In Nigeria, the critical TSA stakeholders shall include, but not limited to; the Central Bank of Nigeria (CBN), Federal and State Accountants-General, Ministries, Departments and Agencies (MDAs), and the Deposit Money Banks (DMBs). The Central Bank of Nigeria (CBN) designs and maintains the TSA payment gateway Infrastructure, issues payment policies and guidelines to Banks and monitors their compliance, hosts and manages the TSA accounts (including reconciliation) on behalf of Government, playing the advisory and supervisory functions on required TSA infrastructure (through standard TSA payments and collections status and monitoring reports) and operates a help desk to aid users of the CBN Payment Gateway. Working closely with the CBN, the Federal and State Offices of the Accountants-General, among other roles, have primary responsibility for the TSA initiative, participates in the development of the State's TSA Policy and framework, issue TSA operational guidelines to MDAs and other stakeholders, develops cash management policies and procedures and maintain TSA transactions reconciliation and settlement centers. Further the Ministries, Departments and Agencies (MDAs) close all DMBs accounts as directed by the Treasury and transfers balances thereon to CBN through designated electronic channel, enlightens on e-Collection processes, generates various reports required by the Treasury and reconcile the TSA sub-account(s) assigned to them.

Finally, the Deposit Money Banks (DMBs) close all existing accounts of MDAs to the CBN, as may be directed by the Treasury, and automatically sweep payments through the CBN payment Gateway to the relevant TSA Main Account or Sub-Accounts and design and offer multiple payment and collection channels to corporate and individual payers and payment beneficiaries, while cooperating with relevant the Treasury, CBN and MDAs. Given that this initiative will impact a broad spectrum of stakeholders, the motivation for this study is to empirically gauge what their perception of it is very early in the life of the project, so as to guide public policy review and incentive regime.

## 2.3 Empirical review

In his study on the effect of TSA on public sector financial management, Bashir (2016) surveyed seventy two workers drawn judgmentally from finance offices of MDAs in Bauchi State of Nigeria. Using the questionnaire instrument, he collected data from the seventy two workers and analyzed these with the use of correlation method and tested for reliability with Crunbach's Alpha Co-efficient of 0.621. His result revealed that the workers expected TSA to significantly block financial leakages as well as promote transparency and accountability in the public financial management.

## 3.0 Methodology

The survey design was used in this study and the study area is Calabar in Cross River State, Nigeria. The population of the study comprised of all Heads of Federal and State MDAs, accounting and financial directorate staff of these MDAs and commercial banks in the study area. The purposive sampling technique was used to draw a sample of 200 respondents from the population. The questionnaire instrument was used to generate/gather data on the perception of the participants on the TSA policy implementation. The data were analyzed using the chi-square statistical techniques and tested for significance at 0.05 level and the results are presented and discussed in the next section.

## 4.0 Results and Discussion

Table 4.1 shows the spread of respondents by sex and places of work, while Table 4.2 shows the spread of respondents' responses on the acceptability of TSA. This is followed by Table 4.3 which shows the chi-square analysis results of respondents' acceptability of TSA.

**TABLE 4.1 Spread of respondents by sex and work place**

| Respondent | Sex   |      |         | Work place |       |       |              |       |                |      |
|------------|-------|------|---------|------------|-------|-------|--------------|-------|----------------|------|
|            | Males | %    | Females | %          | State | %     | Fed. service | %     | Banking sector | %    |
| No and %   | 120   | 63.2 | 70      | 36.8       | 125   | 65.79 | 40           | 21.05 | 25             | 13.1 |

Source: Field work 2016

A total of 200 questionnaires were administered out of which 190, representing 95%, were returned. There were 120 (or 63.2 percent) male and 70 (or 36.8%) female participants.

Those from the banking sector were 25, representing 13.16%, while respondents from the State civil and public sectors were 125 (or 65.79%). Respondents drawn from the Federal public service working in the State were 40, representing 21.05%. In order to authenticate the claims of hypothesis one which states that there exist no significant acceptability of TSA by MDAs, respondents view were collected and presented as shown in Table 4.2 below.

**TABLE 4.2 Spread of respondents acceptability of TSA**

| Category       | Opinion      |                  |           |       |
|----------------|--------------|------------------|-----------|-------|
|                | TSA accepted | TSA not accepted | Undecided | Total |
| Federal        | 30           | 8                | 2         | 40    |
| State          | 60           | 55               | 10        | 125   |
| Banking sector | 16           | 9                | 3         | 25    |

Source: Field work, 2016

A further analysis of Table 4.2 above using the chi-square statistical techniques presented the result shown in Table 4.3 below:

**TABLE 4.3 Chi-square analysis of acceptability of TSA**

| Cell | O  | E     | o-e   | (o-e) <sup>2</sup>      | (o-e) <sup>2</sup> /e |
|------|----|-------|-------|-------------------------|-----------------------|
| 1    | 30 | 22.32 | 7.68  | 58.9824                 | 2.6426                |
| 2    | 60 | 69.74 | -9.74 | 94.8676                 | 1.3603                |
| 3    | 16 | 13.95 | 2.05  | 4.2025                  | 0.3013                |
| 4    | 8  | 14.53 | -6.53 | 42.6409                 | 2.9347                |
| 5    | 55 | 45.39 | 9.61  | 92.3521                 | 2.0346                |
| 6    | 6  | 9.08  | -3.08 | 9.4864                  | 1.048                 |
| 7    | 2  | 3.16  | -1.16 | 1.3456                  | 0.4258                |
| 8    | 10 | 9.87  | 0.13  | 0.0169                  | 0.0020                |
| 9    | 3  | 1.97  | 1.03  | 1.0609                  | .5385                 |
|      |    |       |       | $\frac{\sum(o-e)^2}{E}$ | 11.2828               |

From Table 4.3 above the calculated  $X^2$  value equals 11.2828. This value is compared with the critical value of  $x^2$  ( $x^2$ -tab) at degree of freedom of four ( $df=4$ ) and five per cent level of significance ( $p.05$ ), which is 7.815. This was found to be significant, since it is less than the  $x^2$ -calculated value of 11.2828. That is, there exists significant acceptability of TSA among operators of MDAs and significant stakeholders studied. To further ascertain whether this acceptability translates to a favourable disposition towards the continued implementation of the TSA, the study evaluated the perception of the participants on its workability and the evaluation result is shown in Table 4.4 below.

**TABLE 4.4 Spread of respondents on perception of TSA as being implemented**

| Category | Opinion  |          |           |       |
|----------|----------|----------|-----------|-------|
|          | Positive | Negative | Undecided | Total |
| FCPS     | 10       | 29       | 01        | 40    |
| SCPS     | 28       | 86       | 11        | 125   |
| Banking  | 6        | 16       | 03        | 25    |
| Total    | 44       | 131      | 15        | 190   |

Source: Field work, 2016

A further analysis of Table 4.4 using the  $\chi^2$  statistical technique reveals the result in Table 4.5 below.

**TABLE 4.5  $\chi^2$  analysis of the perception of TSA shown in table 5 below**

| Cell                      | O  | E     | o-e   | (o-e) <sup>2</sup> | (o-e) <sup>2</sup> /e |
|---------------------------|----|-------|-------|--------------------|-----------------------|
| 1                         | 10 | 9.26  | 0.74  | 0.5476             | 0.0591                |
| 2                         | 28 | 28.95 | -0.95 | 0.9025             | 0.0312                |
| 3                         | 6  | 5.79  | 0.21  | 0.441              | 0.0076                |
| 4                         | 29 | 27.58 | 1.42  | 2.0164             | 0.0731                |
| 5                         | 86 | 86.18 | -0.18 | 0.0324             | 0.0004                |
| 6                         | 16 | 17.24 | -1.24 | 1.5376             | 0.0892                |
| 7                         | 01 | 3.16  | -2.16 | 4.6656             | 1.4765                |
| 8                         | 11 | 9.87  | 1.13  | 1.2769             | 0.1294                |
| 9                         | 03 | 1.97  | 1.03  | 1.0609             | 0.5385                |
| $\frac{\sum(o-e)^2}{E} =$ |    |       |       |                    | 2.4050                |

From the result in Table 4.5, above, the calculated  $\chi^2$  value of 2.4050 was found to be less than the critical  $\chi^2$  value at the five per cent significance level and four degrees of freedom of 7.815. Since the calculated value  $\chi^2$  was found to be less than the critical  $\chi^2$  value, the null hypothesis was accepted. The implication of this acceptance is that the perception of the public towards TSA is not significantly positive. In order words, though there exists a significant acceptability of the policy, the perception about the way it is operated is not significantly positive. The lessons that can be learnt from the result in hypothesis one and two are that the policy of TSA, as a check policy on financial mismanagement and accountability is a welcome development. However, the policy, as operated presently is perceived to be antithetical to the main reason for its coming into operation. This finding is in agreement with the main argument that TSA implementation could bring about a cash crunch and liquidity challenge to the banking sector, particularly at its early stages of implementation, kicking off the use of fine tuning policies which actively uses a greater number of instruments to accurately target daily cash balances on the TSA (Pattanayak and Fainburn, 2010). It is also in agreement with everyday experience in MDAs which have had to be starved of operational funds as a result of mob ups and delayed reimbursement or releases of impress.

## 5.0 Summary, Conclusion and Recommendations

Treasury Single Account is a financial policy in use in several countries all over the world. It was introduced by the federal government of Nigeria in 2012 to consolidate all inflows from all agencies of government into a *single account* at the Central Bank of Nigeria. This work evaluated public perception of TSA as implemented in Nigeria, using Calabar in Cross River State as the area study. The study surveyed 190 respondents drawn from the State civil and public service, Federal civil and public service and the private sector, especially, the banking sector. The study stated two hypotheses to confirm the acceptability or other wise of the policy and to know how significantly positive the perception of the public about the operation of the TSA policy is. Analyzing the data gathered through the use of the questionnaire instrument, the study found out that there exists a significant acceptance of the TSA by Nigerians.



The study also found out that the perception of the public about the mode of implementation of the TSA was significantly not positive. Arising from these findings, the authors consider it valid to conclude that, TSA as a model public finance management policy to curtail public financial leakages was generally well perceived by respondents. However, they view the operational modus as ill-timed and lacking in pre-launch preparation, thus culminating in a stampede in general administration, hardship and gross systematic inefficiency. This, no doubt, could constitute potent threats to the success of the corruption battle of the Administration, through the use of the TSA cooperation and buy-in by critical stakeholders may be tardy and hard in coming, giving the democratic dispensation.

## 6.0 Recommendation

From the findings above, the study recommends as follows:

- Government should organize enlightenment seminar and workshop for account holding MDAs on the benefit of TSA. This level understanding and reduce bureaucratic bottle-necks as well as heighten capacity of the operators of the policy.
- Government should put in place proper mechanism for compliance audit, with built-in incentives for complying MDAs.
- Government should deliberately ensure timely and monthly release of operational funds to encourage MDAs to support the TSA Policy. This can be achieved through the use of treasury bills (T-bills) or other short-term borrowing instruments aimed at offsetting the impact of TSA implementation on government cash flows.
- The CBN and the Federal Ministry of Finance should put in place sound treasury management systems and processes to deliver TSA and treasury reforms as one integrated package.

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