Research Journal of Finance and Accounting
ISSN 2222-1697 (Paper) ISSN 2222-2847 (Online)
Vol.7, No.20, 2016

Appraisal of Policy Impact of Treasury Single Account in Nigeria

Oti, Peter A. (Ph.D.)[1] Igbeng, E.(Ph.D.)[2] Obim, E. Ndifon[3]
1.Department of Accounting, Faculty of Management Sciences
University of Calabar, PMB 1115 (UPO) Calabar, Nigeria
2.Department of Accounting, Faculty of Management Sciences, University of Calabar
3.Department of Banking and Finance, Faculty of Management Sciences, University of Calabar

Abstract
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. It is a financial policy, which requires all Ministries, Departments and Agencies (MDAs) to move their deposits with commercial banks into a single account with the Central Bank of Nigeria (CBN). The consolidation is to ensure accountability, enhance transparency and curb corrupt practices associated with management of public funds. The objective of this paper is to appraise the policy impact 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. The paper concludes by drawing attention to the shock being experienced by the deposit money banks, which has led to downsizing of its personnel, and adopting other cost minimization measures. The adverse effects on lending capacity with resultant effect on operations of the banks and companies which would ultimately result in lower profits and companies' income tax to the federal government gave the basis for recommending adequate education to elicit buy-in of all stakeholders and building into the policy a transitional window. The federal government is also advised to 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.
Keywords: Treasury Single account, fiscal operations, lending capacity liquidity, deposit money banks, spending units (SUs).

1. Introduction

There has been hue and cry from the Nigerian public and concerned members of the international community about the level of corruption in Nigeria. The slow pace of development has been attributed to the level of corruption. The political class upon taking over political power in 1999 has consistently blamed the under development and endemic corruption on the military who held sway for more than three decades after independence in 1960. From 1999 till date, successive democratic governments have had to initiate actions by way of amendments to extant legislation, constitution of anti-corruption agencies and institutionalization of procurement processes, all in an effort to strengthen section 80(1) of the 1999 constitution, which clearly spells out the payment of all monies of government into a Consolidated Revenue Fund (CRF).

The effort to be in full control and charge of government financial assets by practicalising the provisions of section 80(1) of the constitution of Nigeria got a fillip when the Buhari administration in September 2015 ordered all ministries, departments and agencies (MDAs) to sweep their account balances with deposit money banks to a central pool with the Central Bank of Nigeria (CBN). Some MDAs responded sharply, that it was impractical to do so due to their modus operandi. The commercial banks stood agape as they least expected this to happen so soon.

Perhaps, due to the President's disciplined military background he did not hearken to the whispers of the bureaucrats who felt the new order needed some gestation. Most Nigerians who cheered this move saw the policy as redemptive because it would curb the excesses of public office holders in terms of fiscal indiscipline. Some stakeholders equally responded when they expressed fears about the policy impact on their investment. As observed by Eme, Emmanuel and Chukwurah (2015), stakeholders lost about N573 billion in 2014 financial year following massive sell-off that over ran the market in the last quarter of 2014.

As difficult and painful as the new policy may be, it is an approach adopted by most developed and developing nations of the world as a control measure to deliver on some predetermined macro-economic objectives. Sailendra Pattanyuk and Israel Fainboim (2010), argue that idle cash of MDAs in commercial banks often fail to earn market-related remuneration; and because government is not in full control, they may borrow from the pool of their own money. This unnecessary contradiction is what the TSA stands to correct. In his article in ThisDay newspaper of 17th August, 2016 titled "Counting the gains of Treasury Single Account", Kemi

Adeosun points out the fact that, as at December 2015, N2 trillion had been remitted to the coffers of the federal government, and as at first quarter of 2016 the figure had moved to N3 trillion. She said, "these achievements are a huge strategic significance in our national economic recovery efforts". This paper is aimed at ex-raying the various opinions predicated on the impact of the policy on stakeholders in the light of global economic realities and the need to recommend possible steps to broaden policy acceptability and buy-in.

2. Statement of the Problem

The constitution of the Federal Republic of Nigeria is clear about the issue of handling of public revenue: all revenues should be paid into a consolidated revenue fund. To support the provisions of section 80(1) relating to consolidated revenue fund, the Fiscal Responsibility Act (2007) accentuates the need for prudent fiscal management. In addition, there are financial rules, regulations and treasury circulars which give details about the protection of government financial assets. In spite of all these statutory bases, the implementation of Nigeria's fiscal policies has left much to be desired. The recent order on treasury single account has met with mixed reactions. Whereas the government of the day is able to take full charge and control over its financial resources, other stakeholders, such as deposit money banks decry the negative effect on their cash holding, with a consequential effect on their lending capacity. This situation has forced the banks to reduce their workforce by about 15,000 in the past eight months. It is estimated that profits as at the end of 2016 would slide by about 15%. According to some economic analyst, the economic recession wind blowing through the landscape is largely attributed to this singular act of low level of liquidity hampering loanable funds in the hands of commercial banks. Others argue that the TSA has rather come to curb corruption which was brazenly perpetrated by the immediate past administration. These arguments form the basis for this research, with a view to proffering solutions to identified gaps.

3. Objectives of the Study

1. To examine the potency of TSA on the transparency and accountability of governments' financial transactions in Nigeria.
2. To assess the relationship between TSA implementation and Nigerian economic growth (using the proxies of availability of funds for business activities, employment level and other factors of production).
3. To evaluate the influence of TSA in projecting future business climate in Nigeria.

4. Research Questions

To successfully carry out this research, the following questions must be addressed:

1. Has the implementation of treasury single account impacted on transparency and accountability in the public sector in Nigeria ?
2. Is there any relationship between treasury single account implementation and economic performance (availability of funds for business operations, employment level and other factors of production) in Nigeria?
3. Has TSA implementation influenced business projections in Nigeria?

5. Research Hypotheses

The following null hypotheses were tested:

$H_0 1$: TSA implementation does not influence the actualization of transparency and accountability of governments' financial transactions in Nigeria

$H_0 2$: TSA does not enhance the availability of funds, business activities, employment level and other factors of production in Nigeria

$H_0 3$: TSA implementation has no influence on business projections in Nigeria.

6. REVIEW OF RELATED LITERATURE

As noted by Premchand, A.(1994), TSA has occupied a sizeable part of global public sector accounting and finance in the past two decades. "The functioning of the system of budget execution is carried out taking into account a number of fundamental principles, which traditionally include, general principles of the organization and building of a budget system, namely: budget transparency, the principle of separation of revenue, expenditure and sources of financing the deficit budget and other principles. The basic principles are reflected in the legislation of the majority of both federal and unitary states".

A treasury single account is a public accounting system under which all government revenue, receipts and income are collected into one single account, usually maintained by the country's central bank and all payments done through this account as well. The purpose is primarily to ensure accountability of government revenue, enhance transparency and avoid misapplication of public funds. The maintenance of a treasury single account will help to ensure proper cash management by eliminating idle funds usually left with different commercial banks and in a way enhance reconciliation of revenue collection and payment.

Treasury single account has become a useful model many governments all over the world adopt to establish centralized control over their revenue through effective cash management. It enhances accountability and enables government to know how much is accruing to it on a daily basis. In the case of Nigeria, it is expected that the implementation of TSA will help tame the tide of corruption. The federal government, over the years, had lost a lot of revenue which ordinarily should have been utilized to execute most of its developmental projects. Worried by this development and the need to ensure transparency, accountability as well as block financial leakages, the TSA policy was embraced.

According to the Stalwart report of 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.

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.

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 and FPOs were ordered to adhere strictly to this law.

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

The Act requires all the Departmental Vote Expenditure Allocation (DVEA) books, ledgers, mandate summary registers and imprest accounts shall be concluded on the last Friday of December, every year by 12 noon to rule-off all cash books and extract the cash book balances. Also all MDA on GIFMIS/TSA will have their accounts closed automatically online real time basis by the treasury (Eme, Emmanuel and Chukwurah, 2015). In October 2012, President Goodluck Jonathan had stated that by introducing the TSA his administration had, not only brought down the fiscal deficit, "we have enhanced the predictability of public expenditures. Our Integrated Payroll and Personnel Information System (IPPIS), Government Integrated Financial Management Information System (GIFMIS), improvement in Cash Management System through treasury single account (TSA), and other non-financial reforms, have greatly improved the nation's financial management system and accountability" (Yusuf & Chiejina, 2015:10).

However, in 2013, the federal government began the mop up of funds released under the 2013 budget that were yet to be spent by ministries, departments and agencies of government. The development was confirmed by the then Accountant-General of the Federation, Mr. Jonah Otunla while addressing journalists in company of the then Director General, Budget Office of the Federation, Dr. Bright Okogu, who however, noted that funds for constituency projects would not be among the funds that would be returned to the treasury. He said officials of the ministry of Finance and the OAGF would ensure that funds that have not been used by agencies were returned before midnight of December 31. For agencies that are on the treasury single account, officials of the OAGF do not need to leave the office to go and mop up the fund as this is done electronically since the fund is in the Consolidated Revenue Fund. He then disclosed that from 2014, all agencies that are funded by government would be on the TSA adding that this would simplify the process of mopping up unspent funds. The policy on TSA he explained was intended to curb the financial excesses of some MDAs that have been refusing to remit their earnings deposited in commercial banks to the federal government which is constrained to go borrowing from banks at very high interest rates. It is globally recommended that no other government agency should operate bank accounts outside the oversight of the treasury. Institutional structures and transaction processing arrangements determine how a TSA is accessed and operated. The treasury, as the chief financial agent of the government, should manage the government's cash (and debt) positions to ensure that sufficient funds are available to meet financial obligations, idle cash is efficiently invested, and debt is optimally issued according to the appropriate statutes. In some cases, debt management including issuances of debt is done by a Debt Management Office (DMO). Judging by the provisions of the Financial Regulations (FR) and the 1999 constitution of the federal republic of Nigeria, some Ministries/Extra-Ministerial offices, agencies and other arms of government collect revenue (such as Value Added Tax (VAT), Withholding Tax (WHT), fees, fines and interest) are expected to remit same into the CRF.

EMPERICAL SURVEY

TSA implementation in Nepal:

The IMF Country report no. 08/181, June 2008 reported that before TSA in Nepal, the Adhoc cash management practice witnessed frequent overdrafts. They had more than 14,000 accounts of nearly 4,500 spending units (SUs). The report also has it that there was high level of resistance to change in SUs and line departments to adopt TSA system. The situation today is heart-warming for patriotic Nepalese. The 14000 accounts of SUs have been reduced to 445 Treasury single account; there are now real time budget execution reports (BERs), published daily on www.figo.gov.np/publications. Forecast of Treasury position today in Nepal is more realistic and it has ended the regime of idle cash in the bank accounts of some units of government, while use of overdraft has also stopped.

Implementation strategy was adopted which provided for the handling of resistance by massive orientation, partnership with dps. There was pilot testing and phased implementation with a roll-out in five stages in three years. The achievements includes: decreased operational cost, reduction in internal borrowing by government, enhanced accountability, improved public funds management creditability, and improved relationship with development partners.

Treasury Single Account in Vietnam

The World Bank report titled "implementation of Treasury single account and strengthening of cash management in Vietnam"; the TSA has aided the efficient management of government liquidity and facilitated the central bank coordination of its monetary policy operations. It has also aided in complete and timely information on government cash resources and operational control during budget execution.

Treasury Single Account in Ukraine

The TSA model in Ukraine has one "treasury function bank" with provision for processing of financial data and of release of information in real time mode. It makes use of WEB-based technology and low requirement to telecommunication channels. Initially, the government of Ukraine had challenges pertaining to transition from modified cash-based expenditure execution to accrual based budget execution.

Treasury Single Account in Dominican Republic

The purpose of TSA in Dominican Republic was to address an imminent social benefit crisis. The distribution of social benefits to the citizens in the early 2000s was done manually, and this created a lot of problems. Aid was not getting to those who needed it most. By 2003, the government found a solution whereby the key targets among the population were identified and a strategy of social subsidies administration was launched. The social subsidies administration (ADESS) created a new solution that addressed delivering benefits "quickly and cost efficiently, as well as creating a single flow of benefits that the government could control and monitor. This was achieved through a cash-based distribution program for food subsidies.

Treasury Single Account in Mexico

In order to improve fiscal management in Mexico, the national treasury in 2007 initiated the treasury single account. Before this, the deposit money banks were custodians of the funds of federal agencies, which they disbursed to beneficiaries according to instructions of the agenciesThrough its TSA, the Mexican government makes payments to its supplies of goods and services including the payment of its workforce. With its overhauled payment system the total number of electronic payments made by the treasury increased significantly from 1.8 million payments in 2008 to 16.4 million payments in 2011.

According to the Mexican government, the benefits of this centralized system include among other; significant savings for the federal government because of the reduction in fees paid to commercial banks, improved transparency, improved budgetary control, improved forecast of financial data and of course, all the benefits associated with consolidation.

Treasury Single Account in the United States

TSA started in America as electronic benefit transfers (EBTs) in 1984 when a pilot was launched in the State of Pennsylvania for food stamp program of the department of Agriculture. The states in 1996 were mandated to adopt the Personal Responsibility and Work Opportunities Reconciliation Act (PRWORA) for food stamp distribution by October 2002. The implementation has since taken place and the EBTs currently has more than

42 million participants receiving this benefit on a monthly basis. One of the reasons for the adoption of EBTs is that the transaction cost was much lower and also had high satisfaction by beneficiaries. By 2005, the Financial Management System (FMS) launched the Godivest program which enabled migration from paper cheques to electronic systems in order to reduce time, materials and mailing cost of cheques. A recent survey showed a very high satisfaction rate due to the benefit of speed of payment, security and convenience. Besides, the Direct Express Program is cost-saving eg. The United States government estimated federal government savings of $400 million in 2010 and 12 million pounds of paper in the first five years of operating this initiative.

Treasury Single Account in Azerbaijan

The TSA implementation in Azerbaijan was targeted at funding a solution to receive utility bills and other government receipts. This was initially handled by the postal system whereby consumes mailed their payments through the postal network of Azerbaijan. The system was tedious, time consuming and inefficient. The state program for the development of the national payment system came up with a system between 2005 and 2007 to external access to payment and financial services for population living in underserved areas, promote modern use of electronic payment options by implementing the centralized information system on mass payment.

There are evidences of centralized and controlled system of receipts and/or payments in the Russian federation, Saudi Arabia, India, Italy, France, Croatia, Turkey, United Kingdom, Brazil, Philippines, Pakistan etc. In all, the adoption of treasury single account improves transparency, minimizes transaction cost, improves public finance management and control.

7. Research Methodology

The study adopts survey and exploratory research designs. It enables the collection of data from respondents through the use of questionnaire. The study focused on the appraisal of policy impact of treasury single account. The study was conducted among employees in government ministries, departments and agencies, Commercial Bank officials, officials of the central Bank of Nigeria, business operators, entrepreneurs, members of the civil society organizations and a cross section of the public. Views of stakeholders from newspapers and television commentaries made the list of sources. The estimated population of the study is 1012. While, the sample size used was 286; based on the applicable sample size determination of Yamane (1956) formula. The relevant data collected through the research questionnaire (5 point likert scale) are based on the potency of TSA on transparency and accountability of governments' financial transactions, while economic growth proxy was taken to be; availability of funds for business activities, employment level and production inputs. The data collected were analysed using the Pearson Product Moment Correlation coefficient (PPMCC) at 0.05 level of significance.

8. Data Presentation and Analysis

TABLE 4.1 Data Presentation

ITEMS	SD	D	U	A	SA	TOTAL
1. The consolidation of government revenue into a single account, reduces revenue leakages and enhance adequate monitoring of funds.	22 (7.9%)	32 (11.5%)	40 (16.5%)	56 (20.1%)	123 (44.1%)	279 (100%)
2. Accountability and transparency is achieved by avoiding the misapplication of government fund and reducing corruption and effective reporting by MDAs	20 (7.2%)	31 (11.1%)	45 (16.1%)	59 (21.1%)	124 (44.4%)	279 (100%)
3. Availability of liquid funds in the economy were enhanced following the implementation of TSA	187 (67.0%)	73 (26.2%)	13 (4.7%)	2 (0.7%)	4 (1.4%)	279 (100%)
4. Business activities have been on the increased since TSA adoption.	183 (65.6%)	77 (27.6%)	13 (4.7%)	3 (1.07%)	3 (1.07%)	279 (100%)
5. Many people have be gainfully employed since the operation of TSA	179 (64.2%)	72 (25.8%)	14 (5.0%)	2 (0.7%)	12 (4.3%)	279 (100%)
6. The fear of autonomy by CBN on certain agencies and organisation and other uncertainty affects economic operations.	17 (6.1)	33 (11.8)	57 (20.4)	70 (25.1)	102 (36.6)	279 (100%)

Source: Field survey, 2016

9. Discussion of Findings

The response rate from the 286 respondents shows 279 returned their questionnaires; this represents 97.6 percent return rate. The descriptive analysis of the data collected were as presented below:

Information from table 4.1 shows the responses on the appraisal of TSA in Nigeria. Item one reveals that 22 respondents strongly disagreed that the consolidation of government revenue into a single account reduces revenue leakages and enhances adequate monitoring of funds; 32 respondents disagreed; 40 were undecided; 56 agreed while 123 respondents strongly agreed. It follows therefore that over 66.2 percent of the respondents were affirmative to the assertion. Item two on accountability and transparency reveals that 20 respondents strongly disagreed that accountability and transparency is achieved by avoiding the misapplication of government fund and reducing corruption and effective reporting by MDAs; 31 respondents disagreed; 45 were undecided; 59 agreed while 124 respondents strongly agreed. It follows therefore that over 65.5 percent of the respondents were affirmative to the assertion.

Item three on available fund reveals that 187 respondents strongly disagreed that availability of liquid funds in the economy were enhanced following the implementation of TSA; 73 respondents also disagreed, 13 were undecided, 2 agreed, while only 4 respondents strongly agreed. Item four on business activities reveals that 183 respondents strongly disagreed that Business activities have been on the increased since TSA adoption; 77 respondents also disagreed, 13 were undecided, 3 agreed, while only 3 respondents strongly agreed.

Item five on employment shows that 179 respondents strongly disagreed that many people have be gainfully employed since the operation of TSA; 72 respondents also disagreed, 14 were undecided, 2 agreed, while 12 respondents strongly agreed. Item six reveals that 17 respondents strongly agreed that the fear of autonomy by CBN on some agencies and organisation and other uncertainty affects economic operations. 33 respondents also disagreed, 57 were undecided, 70 agreed, while 102 respondents strongly agreed.

However, in order to establish the relationship between the variables, the correlation matrix was developed based on the collected data. Specifically, PPMCC was used to test all the hypotheses and the results are as follows:

The relationship between the potency of TSA implementation and the actualization of transparency and accountability of governments' financial transactions in Nigeria [$t_{val} = 0.923 > t_{0.05} = 1.97$] show a significant and positive relationship.

The relationship between TSA implementation and the enhancement of availability of fund, business activities, employment level in Nigeria [t_{val} = -0.121, -0.127, -0.119 > $t_{0.05}$ = 1.97] shows an inverse but significant relationship between the dependent variables and independent variable.

The relationship between TSA implementation and the fear of CBN autonomy on some agencies and uncertainty on economic operations [$t_{val} = 0.725 > t_{0.05} = 1.97$] shows a positive and significant relationship.

Table 4.2 Correlations

		TSA	Accountability and transparency	Availability of fund	Business Activities	Employment	Fear of the unknown
TSA	Pearson Correlation	1	.923**	-.121*	-.127*	-.119*	.725**
	Sig. (2-tailed)		.000	.044	.041	.047	.000
	N	279	279	279	279	279	279
Accountability and transparency	Pearson Correlation	.923**	1	-.139*	-.140*	-.152*	.804**
	Sig. (2-tailed)	.000		.020	.019	.011	.000
	N	279	279	279	279	279	279
Availability of fund	Pearson Correlation	-.121*	-.139*	1	.936**	.933**	-.143*
	Sig. (2-tailed)	.044	.020		.000	.000	.017
	N	279	279	279	279	279	279
Business Activities	Pearson Correlation	-.121*	-.140*	.936**	1	.984**	-.143*
	Sig. (2-tailed)	.043	.019	.000		.000	.017
	N	279	279	279	279	279	279
Employment	Pearson Correlation	-.119*	-.152*	.933**	.984**	1	-.157**
	Sig. (2-tailed)	.047	.011	.000	.000		.009
	N	279	279	279	279	279	279
Fear of the unknown	Pearson Correlation	.725**	.804**	-.143*	-.143*	-.157**	1
	Sig. (2-tailed)	.000	.000	.017	.017	.009	
	N	279	279	279	279	279	279

**. Correlation is significant at the 0.01 level (2-tailed).
*. Correlation is significant at the 0.05 level (2-tailed).
Source: Field survey, 2016

10. Conclusion and Recommendations

The idea of the federal republic of Nigeria being in control of all her financial assets is not in contention. The provisions of section 80(1) of the constitution and other supporting rules and regulations have not had any known public opposition and denouncement either. The present ruckus and hullabaloo in Nigeria stem from severing the channel of exploitation created by inappropriate implementation of fiscal rules over the years. Both formal and informal structures of public and private sectors had manipulated the system in a seemingly permissible manner for their economic gains. The reversal of this trend is the implementation of treasury single account (TSA) to the letter. This research shows that the deposit money banks are hurt as they no longer count on the availability of government revenue to trade. The business sector which hitherto relied on deposit money banks for short term credit facilities are no longer benefitting. This would surely impinge on their performance by the end of their financial year. On the other hand, ministries, departments and agencies (MDAs) who had the latitude to operate the accounts as it was convenient to them but contrary to basic financial rules and regulations have lost such undue privileges. The research also brought to the fore the human capacity challenge among the technical cadre of the public sector accounting system, which partly accounted for their reluctance to embrace the full implementation of the TSA. A section of the political class has blamed the current economic downturn on this policy, and are calling for its reversal, in spite of its obvious benefits. The research was able to confirm that the Nigerian public sector constituted a significant chunk of commercial banks customers' profile. The full implementation of the TSA which resulted in sweeping from the commercial banks about N2tr has no doubt jolted the entire economic system. From all these fronts there appear some level of uncertainties regarding economic fortunes of businesses as alternative sources of funding are difficult to come by.

Given the scenario above, it is recommended that the Nigerian government should admit the economic reality, while focusing on the enormous benefits of the policy and consider the following recommendations:

- Undertake urgent development expenditure to compensate for the massive cash sweeping from deposit money banks to the TSA with little or no room for capital flight.
- Consideration should be given to settlement of domestic debts in order to reflate the economy.
- The central bank should consider the buying of bonds.
- The deposit money banks should operate within the limits of their capacities and channel available credits to the productive sectors of the economy such as, agriculture and manufacturing.
- There should be continuous sensitization of key stakeholders on the need for TSA.
- Professional groups, such as Accountancy, Economics, Finance and Management bodies should collaborate with government and be involved in educating their members in order to have their buy-in.
- The civil society organizations and other advocacy groups should speak out firmly in favour of a system that favours transparency and accountability.
- Government should take steps to encourage a credit economy in order to reduce the pressure on the cash holdings of commercial banks.
- The central bank of Nigeria should consider downward revision of the cash reserve ratio (CRR) and monetary policy rate MPR in order to improve on the lending capacity of the commercial banks.
- The public should be encouraged to embrace banking culture to foster the intermediation role of the commercial banks.

The success of democratic governance depends largely on discipline, commitment and co-operation of stakeholders. This can be achieved when an all-inclusive approach is embraced. Having the financial resources of the nation in a manageable pack for the purpose of control and transparency needs no emphasis. The recommendations above cannot be claimed to be exhaustive. Government is further advised to develop a sensitivity analysis template to address shortcomings that may crop up in the course of policy implementation.

REFERENCES

Akande, L. (2015), "Buhari orders Federal Ministries, Agencies to open Treasury Single Account", Press Release, August 9

Agbakoba, O. (2016). Federal Government to return all monies from the TSA to Banks. *Premium newspaper,* Sep. 28*, P21*

Ali Hashim and Allister J. Moon, "Treasury Diagnostic Toolkit, *Worldbank working paper #19,2004*

Biago Bossone and MassimoCirasino, The oversight of the payments systems; A framework for the Development and Governance of payment systems in Emerging Economies, *worldbank Report, july 2001*

Central Bank of Nigeria (2014), "Communique No. 94 of the Monetary Policy Committee Meeting", March 24-25, pp 1 – 37

Collins, J. and Hussey, R. (2003) *Business Research a practical guide for undergraduate and Post-graduate students,* 2nd Ed. New York, Palgrave Macmillan

Eme, O. I., Emmanuel, N. I. and Chukwurah, D. C. (2015). Analysis of pros and cons Treasury Single Account policy in Nigeria. *Arabian Journal of Business and Management Review (OMAN Chapter)*, Vol. 5, No. 4, Nov, 2015, Pp 20-39

Garbade, K. D. et.al, 2004). *Fundamentals of Financial Management* (11th edition), Delhi: Pearson Education, Inc.

James A. and Moses A. (2012). Impact of Tax Administration on Government Revenue in a Developing

Economy – A Case Study of Nigeria. *International Journal of Business and Social Science.* Vol. 3 No 8, Pp 105

Larson, M. C. (2007). Local Government Cash Management, Chapter 2 in *Local Public Financial Management*, ed. by Anwar Shah, The World Bank.

Ocheni, K. D. (2016). Treasury Single Account: A catalyst for public financial management in Nigeria. A *paper presented at a workshop organised by Association of National Accountants of Nigeria (ANAN), International Federation of Accountants (IFAC), Office of the Accountant-General of the Federation (OAGF) and The World Bank in Abuja*

Publication of Public Expenditure and Financial Accountability (PEFA) Framework, May 2006.

Open knowledge.worldbank.org: *Implementation of Treasury Single Account and Strengthening of Cash Management in Vietnam- Open Knowledge Repository*

Sailendra P. & Israel F. (2010). Treasury Single Account: concept, design, and implementation Issues. *IMF working paper,* WP/10/143.

Schmitz, Stefan W. and Geoffrey E. Wood, (2006), "Institutional Change in the Payments Systems and Monetary Policy – An Introduction, "*in Institutional Change in the Payment System and Monetary Policy,* ed. By Stefan W. Schmitz and Geoffrey E. Wood (Routledge)

Sekaran, U. and Bougie, R. (2010) *Research Methods for Business: A Skill building Approach,* 5th ed. West Sussex, UK. John Wiley & Sons Lt

Stephen, O. (2016). Treasury Single Account: a catalyst for public financial management in Nigeria. A paper presented at a workshop organized by Association of National Accountants of Nigeria (ANAN), International Federation if Accountants (IFAC), Office of the Accountant General of the Federation (OAGF) and the World Bank in Abuja. Extracted from www.thenationonlineng.net/treasury-single-account-a-catalyst-for-public-financial-management-in-nigeria/

Sun Editorial (2015), The new Treasury Single Account August 25, P 17

The Stalwart Report. Extracted from web on: http://thestelwartreport.com/understanding-the-treasury-single-account-tsa-system-things-you-should-know/

Vanguard Editorial (2015), Treasury Single Account: Bank deposits loss may hit N2tr, August 17, p. 18

White, L. H. (2006). Payments System Innovations in the United States since 1945 and their Implications for Monetary Policy," Chapter 1 in *Institutional Change in the Payment System and Monetary Policy*, ed. by Stefan W. Schmitz and Geoffrey E. Wood (Routledge).

Yusuf, I. A and Chiejina, N. (2015), "Anti-Graft War: One Economy, One Account", *Sunday Nation*, August 16, Pp. 9 – 10 & 71.