Efficient Financial Management Policy in Nigeria: An Evaluation of the Operations of Treasury Single Account (TSA) in Ministries, Departments and Agencies (MDAS) in Nigeria

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Abstract
Treasury Single Account as a financial policy has been in use in several countries of the world. It is a public accounting system that uses a single account, or a set of linked accounts by government to ensure that all revenue receipts and payments are done through a Consolidated Revenue Account (CRA) at the Central Bank of Nigeria (CBN). It commenced in Nigeria in 2012 using a unified structure of accounting for 217 government Ministries, Departments and Agencies, MDAs, for accountability and transparency in public fund management This paper examines the implementation and operations of Treasury Single Account by the Ministries, Departments and Agencies in Nigeria.The result shows that with TSA, there is adequate monitoring of government revenue receipts and expenditures, reduction in reckless spending by government officials caused by multiple accounts operated by MDAs. Block leakages has been controlled.
Keywords: Treasury Single Account, Government, Banks, Ministries, Departments, Agencies

1.Introduction

The concept of public sector accounting has been described as a process of recording, communicating, analyzing and interpreting government financial statements and statistics in aggregate and details; it is concerned with the receipts, custody and disbursement and rendering of stewardship on public funds entrusted (Adams, 2004). Discussing the accounting systems is a necessary prerequisite for understanding the concept of TSA as an accounting system. It is known that various governments all over the world have been at one time or the other, operating different accounting systems used by various public sector entities. Each country has special environmental factors, internally or externally which play a vital role in creating its accounting system (Cooke and Wallace, 1993).

Ethnoven, (1997) in his work categorized all Third World countries initially into one broad group as "Third World Economies". In the subsequent part of his work, he divided the countries of Asia and Africa into two groups, but this grouping was based mainly on geographical factors rather than fundamental differences in their accounting systems. But for a long time, many writers had recognized Third world countries as a single unitary group when dealing with accounting systems. But by the eighties, it was accepted that the Third world was no longer a single economic unit and at least four groups were distinguishable- OPEC member countries, Newly Industrialized Countries (NICs), Middle Developing Countries (MDCs), and Least Developing Countries (LDCs). Kurian,1982, Hoogvelt, 1982, World Bank, 1989).

In the United States, for instance, there are two levels of government which follow different accounting standards set forth by independent private sector boards.at the federal level, the Federal Accounting Standards Advisory Board (FASAB) sets forth the accounting standards to follow. Then there is the Government Acting Standard Board (GASB) for the state and local level government. Government accounting is important to help political stability by ensuring that government revenue is not wasted, and is managed and spent efficiently, effectively and transparently (Aso, 2014).

Some countries of the world like the United States of America, UK, France and developing economies like India and Indonesia have adopted TSA in one time or the other for decades. Vietnam for instance, have made progress to improve oversight and control over cash balances for their state budgets. Government of Vietnam has embarked on reforms to adopt a TSA and strengthen overall cash management. In South Sudan also, the Public Finance Management (PFM) law is still not in place even though a draft was prepared more than three years ago. The purpose is to assess the PFM system performance in Jonglei state in South Sudan. Some other countries of the world operate a fragmented government banking arrangements where idle cash balances in their bank accounts often fail to earn market related remuneration. Such a government is always unaware of these resources thereby incurring unnecessary borrowing costs on raising funds to cover a perceived cash shortage. This is indicative of a critical weakness in public financial management where the ministry of finance/treasury lacks a unified view and centralised control over government's cash resources. As a result, these cash lie idle for extended periods in numerous bank accounts held by spending agencies while government continues to borrow to execute its budget. Nigeria is one of the countries experiencing such weak public financial management (PFM). It is based on these reasons that the current global revolution in government accounting became paramount. Nigeria has keyed into this new trend by its recent introduction and implementation of the Treasury Single Account (TSA) policy to assist in the better management of her economy. The concept of this policy according to the guidelines, is the operation of a unified structure of Government banks accounts in a single account or a set of linked accounts for all Government payments and receipts.

In the 70s, Nigeria was one of the richest countries of the world due to oil boom, but has retrogressed to become one of the poorest countries. Oteh, 2009, said that Nigeria still fall far short of the developmental progress required to impact on the wellbeing of the average Nigerian. It is a known fact that over half of the Nigeria's population live on less than one dollar a day due largely to poor leadership and corruption on the part of those entrusted with the patrimony of the nation. In the words of Achebe (1984), Nigeria's main problem is the unwillingness or inability of its leaders to rise to their responsibility to the challenge of personal example, which is the hallmark of leadership. Again her inability to manage their public finance, which leads to over looting of her treasury by public/civil servants due to the creation of spurious, multiple and fictitious accounts in her name have continued to cripple the economy. In the light of the above, Nigerian government have keyed into the operation of the Treasury Single Account which is believed to be a prerequisite for modern cash management. This directive was conveyed in a Central Bank of Nigeria (CBN) circular no BPS/CSO/DIR/01/079, dated February 25, 2015.Treasury Single Account is believed to be an effective tool for the ministry of finance/treasury to establishing an oversight and centralised control over governments cash resources. Having taken the bold step by Federal Government of Nigeria, this work is set to review its operations in Nigeria with a view to appraise its impacts on the various Ministries, Departments and Agencies (MDAs).

1.1Introduction Of Treasury Single Account in Nigeria

The Public sector in various countries of the world has been experiencing considerable expansion and changes in their accounting system. The reason for this is closely related to changes in the structure of government and concern for more accountable and transparent governance. This has resulted in a large increase in the number of accounts and sophistication of financial reporting. The expansion has brought with it an added demand for accountability (Dowdall, 2003). For instance, through the issuance of the International Public Sector Accounting Standards – IPSAS, the International Federation of Accountants (IFAC) declared the use of the accrual basis as a good accounting practice for the public sector. Accrual-based consolidated financial reporting allows the presentation of more information on the financial performance and position of government. The accrual-based method of consolidated financial reporting comprises changes designed to abolish double counting of data where inter-entity transactions have occurred. However, the basis of cash accounting is that it mainly concentrates on government revenue and expenditure in the current financial year. Accordingly, IPSAS believes in presentationof financial Statements which expressly directs in its second paragraph that international standards should be adopted in an environment that uses the accrual basis of accounting: "This standard shall be applied to all general purpose financial statements prepared and presented under the accrual basis of accounting in accordance with IPSAS." (IFAC, 2010, p. 32). Following this initiative, the accrual basis of accounting began to be adopted by other governments in a project of convergence with international standards (Torres, 2004; Martí, 2004). These are parts of recent development in the government financial information systems. Previous Nigerian leaders had tried several developmental policies in order to address her public accounting and developmental problems. This led to the recent introduction of the Treasury Single Account (TSA) as a means ofconsolidating government cash balances, giving the ministry of finance/Central Bank of Nigeria (CBN) oversight of all government cash flows, and bringing improvements in budget control and monitoring.

Nigerian's former President, Good luck Jonathan in 2012 first signed the Treasury Single Account contract that gave out 1% remittance fee for all government accounts moved to the Central Bank of Nigeria (CBN). But due to weak regulations and resistance by several Ministries, Departments and Agencies, the Nigerian government was initially finding it difficult to conform to the TSA policy. But according to Pattanayak and Fainboin, a country with a fragmented government banking arrangement pays for its institutional deficiencies in multiple ways. In spite of the resistance of the new policy by MDAs, the federal government of Nigeria commenced the pilot Implementation of TSA with e-payment component in April 2012 while the e-collections component of TSA commenced in January 2015. The pilot scheme commenced in 2012 using a unified structure of accounting for 217 government Ministries, Departments and Agencies, MDAs, for accountability, and transparency in public fund management.

In Nigeria, the introduction of TSA accounting system by the Federal government of Nigeria is aimed at the following;

1: Providing greater transparency in the Public Financial Management (PFM)
2: Gaining greater clarity to national financing needs and the management of the public debt.
3: Increasing the fiscal savings with less transaction charges, and more revenues,
4: Improving financial markets and
5: Providing more accurate accounting and improved reporting. (Udo, 2016)

The aim of this study, is to investigate the impact this policy has had on the efficiency of MDAs since its inception, to what extent are people really aware of this new policy and finally, what happens to the management of TSA so far. Interviews with some finance departments in some selected Ministries, Departments & Agencies with distribution of some questionnaires clearly highlighted the obvious impacts of this new policy in Nigeria. It is therefore, relevant to provide an empirical study that indicates/provides information on the effectiveness/(infectiveness) of TSA in achieving all its set objectives of achieving transparency and accountability in MDAs in Nigeria. The remaining part of this paper provides an overview of the literature on Treasury Single Account (TSA). This is then followed by a presentation of the methodology adopted including regression model, ANOVA and a description of the data employed in the study. In the section that follows, the empirical results are presented and analysed. The paper then concludes in the final section.

1.1.1Accounting System in Nigeria Prior To Treasury Single Account

Accounting system can generally be seen as the process by which an operational environment, transaction and events are being recorded and classified for the purpose of accumulating and providing financial information that is good to the conduct of the activities of the entity with an environment of inter related elements which is working together in order to achieve the same objective(s).

Various governmental accounting systems are used by various public sector entities. Government accounting refers to the field of accounting that specifically funds application in the public sector or government. This fund application in public sector is guided by accounting standards which is embodied in the International Public Sector Accounting Standards (IPSAS). Prior to 15th September, 2015 (when Nigeria migrated fully into TSA era), most government ministries practiced fund accounting system. In the University of Nigeria, which falls within one of my study areas, fund accounting has been used all the years in the institution.

Figure 1.1 is a typical diagram of how fund accounting is operated as postulated by Alex in 2012. According to the diagram, an organization provide funds separately (like fund 1, 2 and 3 in the above diagram) for carrying out different specific functions as designated under them. It is separated because these funds are the accounting entity on which the accounting reports are based.The assignment of code numbers is to identify each type of fund. In a business you want to know how much was spent, how much was earned, and how much was left over. With non-profit you want to know these things, but you also want to make sure that the money you have, receive, and spend is allocated for the proper purpose (Alex,2012).

Non- profit organisations and government agencies have special requirements to show, in financial statements and reports, how money is spent, rather than how much profit was earned.

Fund accounting system is the type of system emphasising accountability rather than profitability. It is used by non-profit organisations and governments. In this system, a fund is a self-balancing set of accounts, segregated for specific purposes in accordance with laws and regulations or special restrictions and limitations. In fund accounting system, all funds are classified according to three or four digit codes.

Unlike profit oriented businesses, which use a single set of self-balancing accounts (or general ledgers), non-profits can have more than one general ledger (or fund), depending on their financial reporting requirement, (Barbara, 2004).

Under fund accounting, separate funds are provided for the purpose of carrying out different specific functions of government. Each fund is then accounted for separately, so that the fund is the accounting entity on which accounting reports are based. The purpose of fund accounting is to ensure that the government's organisations use the resources provided for each fund only for the purpose designated for the fund. The Focus of accounting in government is in determining how much money was received and the sources of such receipts, how such money was spent and for what purposes, and what remains after meeting the financial obligation. This means that government accounting was more concerned with information gathering that will enable government to prepare receipts and payments. (Omolehiniea et al, 2012)

Therefore, it was observed that many emerging markets and low-income countries have fragmented systems for handling government receipts and payments. According to Ocheni, (2015), within these countries, the ministry of finance/treasury lacks a unified view and centralised control over government cash resources. As a result, as earlier stated, when there is lack of a unified view, cash lie idle for extended periods in numerous bank accounts held by the spending agencies while the government continues to borrow to execute its budgets. It is based on these reasons that the current global resolution 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.

1.1.2 Overview of The Treasury Single Account

The Constitution of Federal Republic of Nigeria, section 80 (1) of the 1999 constitution as amended states,

"All revenues or other moneys raised or received by the federation (not being revenues or other moneys payable under this constitution or any Act of the National Assembly into any other public fund of the federation established for a specific purpose) shall be paid into and form one consolidated revenue fund of the federation" (CBN,2015)

It has been observed that irrespective of this constitutional act in place, successive governments in Nigeria have continued to operate multiple accounts for the collection and spending of government revenues in flagrant disregard to the provision of the constitution which requires that all government revenues be paid into a single account. Various governmental agencies, ministries and organisations were opening and operating various bank accounts in various banks with most of them not accounted for. This gave room for leakages of government funds and corruption. This continued until 2012 when the federal government of Nigeria under the Good luck Jonathan's led government ran a pilot scheme for a single account. A total of 217 Ministries, Departments and Agencies (MDAs) were used as a test case. This pilot scheme was successful as it saved Nigeria up to 500 billion naira. The success of this pilot scheme made the government to fully implement TSA. Directives were given to banks to implement the technology platform that will help in accommodating the TSA scheme. President Mohammed Buhari therefore in swift move directed that all government reserves should be remitted to treasury single account.

Pattanayak et al (2011) defined TSA as unified structure of government bank accounts enabling consolidation and optimum utilisation of government cash resources. It separates Transaction- level control from overall cash management. It is also a single accounting system under which all government revenues, receipts and income are collected into one single account, usually maintained by the country's central bank and all payments are done through this account as well.

TSA is also a public accounting system using a single account, or a set of link accounts by government to ensure that all the revenues, receipts and payments are done through a Consolidated Revenue Account (CRA) at the Central Bank of Nigeria (CBN). Here, all the government MDAs remit their revenue collections to the CRA through their individual commercial banks on a fee – for - service remuneration basis (Udo, 2016). Even though there are few exceptions for instance, all the moneys earned by the federal government through Value Added Tax (VAT), customs duties, immigration and other charges, are supposed to be paid into the CRA, the few exceptions boarder on the account operated by joint venture partners with government, like Oil Mining Leases(OMLs) in the oil and gas industries. The Deposit Money Banks (DMBs) are allowed to maintain revenue collection accounts for MDAs, but all collections must be remitted to the CRA at the end of every banking day, that is MDAs' accounts with DMBs must be balanced at the end of every banking day (Udo, 2016). 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.

1.1.3Principles Of Treasury Single Account

There are three key principles guiding the effective TSA system

First is Unification – Most governments all over the world previously operated a type of decentralised accounting system and Nigeria is one of such. But under TSA, all government banking arrangements became unified. This unification will help the ministry of finance or the treasury have an oversight of government cash flows in and out of these bank accounts and allow complete fungibility of all cash resources, including on a real-time basis if electronic banking is in place (Pattanayak, et al 2011). On this note, the Central Bank of Nigeria has already opened a Consolidated Revenue Account (CRA) to receive all government revenue and effect payments through this account. Here, all Ministries Departments and Agencies (MDAs) remit their revenue collections to this account through the individual commercial banks who act as collection agents. In effect, the money deposit banks will continue to maintain revenue collection accounts for MDAs but all monies collected by these banks will have to be remitted to the Consolidated Revenue Accounts with the CBN at the end of each banking day. In figure 2 above, shows that there is no central approval of payments; however, there is a centrally negotiated contract on which most spending units' rest on.

Secondly,the oversight of the treasury: Here, no other government agency should operate bank accounts outside the oversight of the treasury. 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 find it difficult to defraud the government since all funds will be swept into the TSA. Schmitz et al, (2006) stressed that for TSA policy to be maximised in Nigeria, it needs to be accompanied with the fiscal sunshine bill, which if enacted will open up the financial activities of government in a way that there will be no more hiding place for those who divert or loot government money. It has been observed that often when deposit is placed, the senior people in the ministry collude with banks to offer below commercial interest rates to government and then go behind to pay huge bribes to the government officials to keep the time deposit even past the time when the funds are required to fund projects. The TSA system gives the ministry of finance unique oversight of all government cash-flows and brings about improvement in budget control and monitoring. The federal ministry of finance with the office of the Accountant-

General of the federation serving as the implementing agency, in active collaboration with the Central Bank of Nigeria (CBN) has been championing the TSA in Nigeria.

Easy Financial Reporting on Government Revenue: Treasury Single Account offers an opportunity of instant financial reporting since at a glance, the total revenue accruing to the federal government will be known. This knowledge will help government borrow only when it is very necessary unlike the pre- TSA-era where government may continue to borrow at a very high interest rate due to perceived cash shortages without the knowledge that there is sufficient fund for its projects.

3. Data and Methodology

The research hypotheses were analysed using simple regression analysis. Simple regression analysis which is a statistical tool under parametric statistical test was used when we want to find out if an independent variable could predict the outcome of a dependent variable. It could be used to predict relationship or association between an independent variable and dependent variable. In this study, the independent variable is the institutions categorized into University of Nigeria, Federal Inland Revenue Services and Federal Road Safety Corps. The hypotheses decision was that if the probability or significant value is less than the alpha level of significant level of 0.05, the earlier stated null hypothesis will not be accepted. On the contrary, such hypothesis will be accepted.

Analysis and Results

The pilot scheme of TSA commenced in Nigeria in April 2012 while its e-collections component commenced in January, 2015. The focus of this paper is on investigating the impact this policy has had on the efficiency of Ministries, Departments, and Agencies (MDAs) since its inception. In this paper, regression model of analysis was used. It is a predictive modelling technique which investigates the relationship between a dependent (target) and independent variable (predictor) to find out first people's level of awareness of TSA in Nigeria, if TSA is providing good financial management of public accounting system in Nigeria and also whether it is checking corruption and mismanagement of funds using some selected agencies as a sample study.

Discussion

The TSA initiative which is being championed by the Federal Ministry of Finance with the office of the Accountant- General of the Federation serving as the implementing agency, in active collaboration with the Central Bank of Nigeria (CBN) seeks to establish a unified structure of government bank accounts, is believed to be the single most effective mechanism for dealing with corruption in cash management in ministries and agencies. But the mean responses of respondents concerning this idea resulting from the three institutions studied shows that with TSA, there is to an extent, monitoring of government revenue receipts and expenditures. TSA has helped to check reckless spending by government officials caused by multiple accounts operated by MDAs Funds have been controlled as no MDA is allowed to keep any operational bank account. On the other hand, FIRS is arguing on the contrary that it has not been achieved totally. Again, results have also shown that incidences of idle cash lying over extended period in Bank accounts of MDAs have been checked. While deposit money banks no longer use public sector funds deposited by MDAs to make free profits. Funds are automatically remitted to the central remittal account domiciled in CBN at the end of every business day or at more intervals. It has also been observed that government cash balances have been consolidated with TSA.

Investigation has also shown that the Accountant General of federation serving as the implementing agency in active collaboration with Central Bank of Nigeria (CBN) enhances oversight and control of government cash flow. This shows that TSA is checking corruption and mismanagement of funds in Nigeria to a reasonable extent**.**With TSA leading to the closure of about 10,000 multiple bank accounts operated by MDAs so far in commercial banks, the era when government's money is either lent back to government or invested in forex speculations is over. In effect, government can easily quarantine its revenues, with intended consequences including forcing interest rates to naturally nose-dive (Okwe, 2015).

Treasurt Single Account in Nigeria; The Journey So Far

All new policies, no matter how laudable and good must have its own downsides. Its pains and gains. So far, since the inception of the Treasury Single Account in Nigeria, the MDAs and the entire populace have been experiencing its pains and gains. The insistence by Federal Government on the adoption of TSA means fiscal discipline, efficiency, and accountability, on the part of government. According to the current Accountant-General of Nigerian federation Ahmed Idris, the implementation of TSA has brought about considerable gains to Nigerian economy. With TSA, he said, government has successfully eliminated multiple banking arrangements, resulting into (the) consolidation of over 20,000 bank accounts which were spread over Deposit Money Banks across the country. Prior to the introduction of TSA, there was indiscriminate borrowing by the government but the new policy has taken care of this and equally saved the government charges associated with those borrowing which amounted to an average of 4.7 billion naira monthly (Agabi, 2017). He also disclosed that with TSA, in one university, they discovered over 100 bank accounts and the university didn't even know about the accounts. TSA policy to an extent has certainly blocked government's revenue diversion and looting in addition to leading to the consolidation of government revenues, incomes, and receipts, it is believed that it might lead to the optimal utilization of government cash resources, including creative investment of public funds in the critical development sectors of the economy. (Othman, 2016). But in spite of the benefits of TSA, the policy is fraught with apprehension. Taking some instances like;

In the educational sector, according to a Vice Chancellor of one of the universities in Nigeria, TSA is causing underdevelopment and impeding research in our universities. Our institutions cannot access their grants on time due to transaction difficulties caused by the rigours associated with fund releases in TSA policy. Several funds from donor agencies (especially international donor agencies) are now diverted to countries with less transaction difficulties. It has been a shock for our universities seeing that their funds have been moved away from commercial banks to an account they cannot identify. Most universities that secure grants for researches, then the various Ministries, Departments and Agencies (MDAs) which have to suffer delays in getting transactions, the TSA remains a nightmare. Nweze, (2016). Funds generated in these institutions and various MDAs are mopped up to the central bank within a specified period.

Secondly, in the banking sector, according to the CBN director, he said that the TSA regime has impacted on the liquidity level in the banking system due to the attendant remittance of cash, which constitutes a major portion of bank's liquid assets to the apex bank. The *Nationnewspaper* reported that the impact on the liquidity in the banking system end up putting pressure on interest rates and availability of credit to the economy. With TSA implementation now extended to all federal MDAs, the Nigerian banking industry, on the aggregate basis, has been affected in terms of deposits and funding cost structure. It has reduced the amount the Federal Government of Nigeria (FGN) loses in interest rates on borrowing from commercial banks. Equally, the use of public funds for investment purposes by commercial and microfinance banks (Adekunle, 2016). The mopping of public sector funds from the commercial Banks as directed by the TSA policy has some negative implications to the Banking Industry as little or no funds are left with them for business purposes. Initially, banks enjoyed governments' funds deposit especially fixed deposits that help them to invest and reap hefty dividends. Some of these funds are sometimes not withdrawn for six months or even more and banks trade with them and make profits. But with what is happening now, the introduction of TSAis now forcing most commercial banks to leave their comfort zone caused by over dependence on government deposits to now become as creative, diversifying and exploring other avenues and inventive as it is the case in modern economies around the world, which is to seek private deposits through investing in the real sectors of the economy**.** On the other hand, too, some commercial banks in Nigeria that cannot survive the heat of the new policy have commenced laying off some of their staff. It is now very difficult and almost impossible for a bank customer to secure soft loans from their banks. Those that promises to offer any form of loan will have a very high interest rate which will discourage an intending customer. A bank staff explained that with TSA, easy and risk-free revenues that was hitherto available to banks via investment of Federal Government of Nigeria deposits in Treasury bills and government bonds has been restricted. For instance, if the entire government deposits were invested by the banks in Treasury bills, at the current yield of 14%, it would generate interest income of about 374 billion naira for the banks. Nweze, (2016). This revenue for instance is no longer available to commercial banks due to the introduction of TSA.

The Managing Director/CEO of Systemspecs, a financial company in charge of the Remita, Mr JonnObaro, speaking on the gains of TSA recently said, "with TSA, the President, the Accountant General, CEOs of government agencies of the federation and other relevant government functionaries can see on a dashboard all that is happening within the economy. (Agabi, 2017). The TSA through the Remita has made it possible for government to receive funds from any part of the country, allowed the government pay salaries without the need to upload salary schedules from separate software to the e-payment platform. It has fast-tracked the MDA's compliance with the e-payment and cashless policy of the CBN (Adekunle, 2016).

Recommendation

It has been observed that TSA has led to the closure of about 17,000 fictitious bank accounts illegally operated on behalf of the Federal Government by MDAs, Universities and other government institutions by private entities in commercial bank to government's detriment. With the discovery of these monies, government is now aware of how much it has per time and can plan better for the citizenry and, of course, has more funds to implement it. The consequence of this is that many banks which had depended so much on these idle funds for borrowing and carrying out other transactions are closing up due to lack of funds. This in effect is sending a lot of our youths back to the labour market thereby increasing unemployment. We are recommending that part of this cash in the Central Bank should be re-invested into the economy for developmental purposes. Again, the various bank accounts held by the MDAs in commercial banks do not necessarily have to be closed, but they should be operated as Zero-Balance Accounts where any closing balance must be swept to TSA at the central of Nigeria (CBN) on a daily basis to give government a consolidated cash position. Equally, organisations where government is only a shareholder and public corporations that are providing commercial rather than social services should be excluded to avoid hampering their operations given the level of bureaucracy in government.

In the banking sector, it is known that different models of TSA have various levels of commercial bank involvement ranging from France where there is no involvement whatsoever to the UK where there is significant involvement of commercial banks to Peru where the TSA is actually managed by a commercial bank rather than the central bank. Therefore, the impact will depend on the model adopted by the policy of the CBN. With the model adopted in Nigeria, it is recommended that a lower monetary policy rate should be considered to ensure that the cost of borrowing does not increase for banks with consequences for businesses and individuals. Loans should be given banks (lend to these commercial banks for interest to increase their liquidity). They should be asked to pay low interest rate to increase the liquidity of commercial banks. This will enable banks to lend money to investors and equally boost the economy.

Again, borrowing an idea from Okwe, we also recommend that for TSA policy to be maximised, improve financial accounting and check corruption, Nigeria should accompany it with the Fiscal Sunshine Bill. This bill if enacted will open up the financial activities of government in a way that there will be no more hiding place for those who divert or loot government money. For instance, with Fiscal Sunshine Act in place, budgeting process and implementation, including contract awards, will be in the open for Nigerians to see both how revenues are generated and how public money is being spent by those in government.

More so, Treasury Single Account is cost rewarding since the government will save the borrowing costs associated with the previously perceived cash shortages. Taking the Nigerian experience, all developing economies, especially the African countries should embrace the TSA policy in order to grow their economies.

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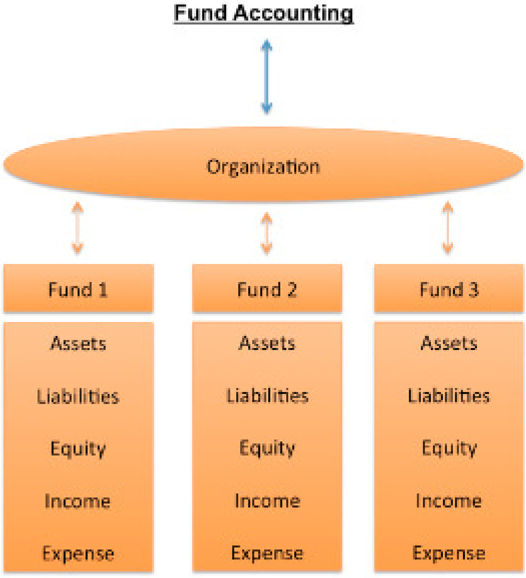
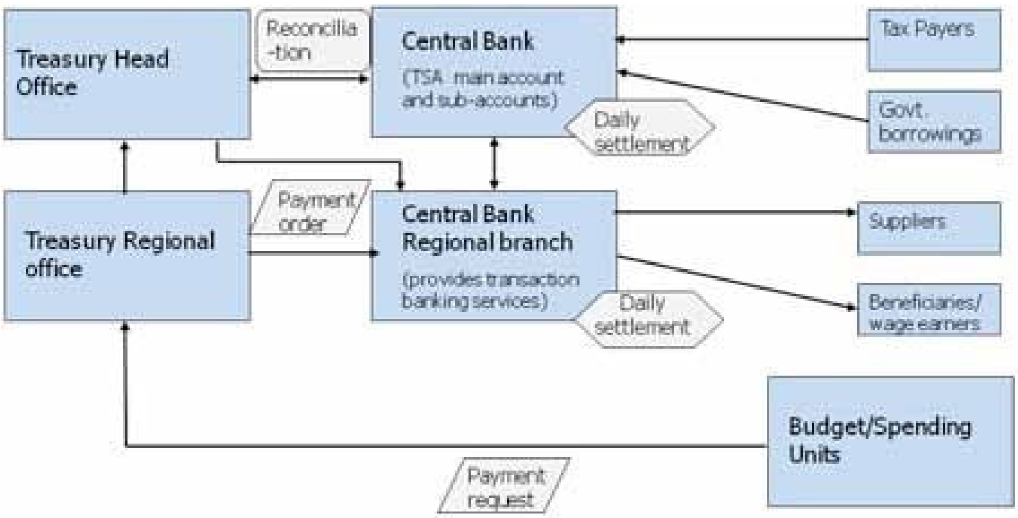
FIGURE 1.1
A TYPICAL FUND ACCOUNTING DIAGRAM



Source: (Alex, A 2012). http://www.apolos.com.

Figure 2. this is a diagram showing atypical Centralized Transaction Processing System



(Source; IMF Fiscal Affairs Department, August, 2011)