

# Treasury Single Account (TSA) and Economic development in Nigeria: Accounting & Ethical Issues

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**Abstract:** Economic development indicators with regard to Nigeria as a nation have not been favourable as development indicators of Nigeria in recent times and over the years has shown. The situation perhaps necessitated the adoption and implementation of TSA policy by the government. Over the years, government has come up with different efforts and policies that could be used towards driving the economy towards the paths of development. One of such policy thrust is the issue of Single Treasury Account (TSA) and how it affects economic development. TSA is an economic policy that ensures and aggregates all revenues and income of government into a single source called treasury and it is controlled by the central bank (CBN) of Nigeria. With its implementation has risen a lot issues which includes ethical as well as accounting issues. This paper succinctly discusses the TSA Policy and its impacts on economic development with a focus on ethical and accounting issues that have arisen in the face of TSA implementation. The paper adopts Meta-analysis methodology. Several theories for the implementation of TSA were reviewed as theoretical framework. Past literature reviewed showed a gap as they left out ethical and accounting issues thus making room for this study. Trends of government revenue for the period of 2010 to 2019 were analysed. Pre TSA and Post TSA period analysis was conducted and findings discussed. The paper discovered via its trend analysis that total government revenue within the Post TSA implementation seems to flatten out when compared to Pre TSA period indicating that even with TSA implementation there is minimal government revenue generation witnessed, hence the need for a review of the policy to overturn the trend. Issues of record management, accounting skills gap as well as accounting infrastructure needed for real time TSA activities are some of the accounting issues. Issues of trust and perception, fraud and corruption in the wake of TSA policy, fall in Naira as well as borrowing implications are some of the ethical issues. All of these have hampers the expected progress of TSA policy towards economic development. The study concludes that whilst TSA policy is a laudable project, these issues must be dealt with other wise, economic development in the face of TSA policy will continue to suffer. The study recommended among others that there should be ethical revolution. All MDAs involved in the use of TSA must be ethical in its implementation and management of accounts. Ethical index can be developed whereby MDAs can be rated according to those that uphold the highest standard of ethics towards TSA policy. There is should training of the accounting manpower at all levels of TSA implementations. Manpower must be familiar with and be ICT compliant to deal with real time TSA transactions. Government must put adequate measures towards poverty reduction. TSA policy cannot not be effective where there is high level of poverty.

**Keywords:** Accounting Issues, Economic development, Ethical Issues, Nigeria, Treasury Single Account (TSA).

## **1. Introduction**

Economic development indicators with regard to Nigeria as a nation have not been favourable. There are spikes in inflation, a dramatic increase in unemployment, sluggish economic growth rate as well as a substantive decrease in foreign reserves and a dramatic fall in the Nigerian's currency value, with Naira tumbling downwards against the dollars in the forex market, and all of these signify economic downturn for the nation. Consequently, macroeconomic objectives have not been realistic and thus Nigeria is saddled with the responsibility of evaluating and realigning fiscal policies towards attending to these negative economic indicators that could lead her to the part of economic development. While there have been arguments in several fora that the economy is on the right part towards recovery as such there should be optimism that developmental activities will continue to be witnessed.

However, the rate of recovery cannot be said to be at the expected and accepted rate (Afokuyomi, 2017; Kalagbor & Ordu, 2019, Effiong & Obun, 2020), therefore calls for a policy check as well as retraction on the policy thrust that has been underlined that will result in economic recovery becomes necessary. One of such policy thrust is the issue of Single Treasury Account (TSA) and how it affects economic development. Over the years, government has come up with different efforts and policies that could be used towards driving the economy towards the paths of development. TSA is an economic policy that ensures and aggregates all revenues and income of government into a single source called treasury and it is controlled by the central bank (CBN) of Nigeria (Effiong & Obun, 2020).

While this noble policy have been adopted and used by countries the world over, it was introduced in Nigeria in year 2012 with partial implementation under the president Goodluck Jonathan. The Regime of President Mohamed Buhari embarked on its full implementation and across all government ministries, departments and agencies in the year 2015. With its implementation has risen a lot issues which includes ethical as well as accounting issues. In this paper, these issues are highlighted and discussed as well as how TSA can be implemented that will lead to sustainable economic development in Nigeria. However, first and foremost, the overview of economic development situation in Nigeria is examined looking at selected indicators and the need for effective TSA implementation.

### **1.1 Economic Development in Nigeria**

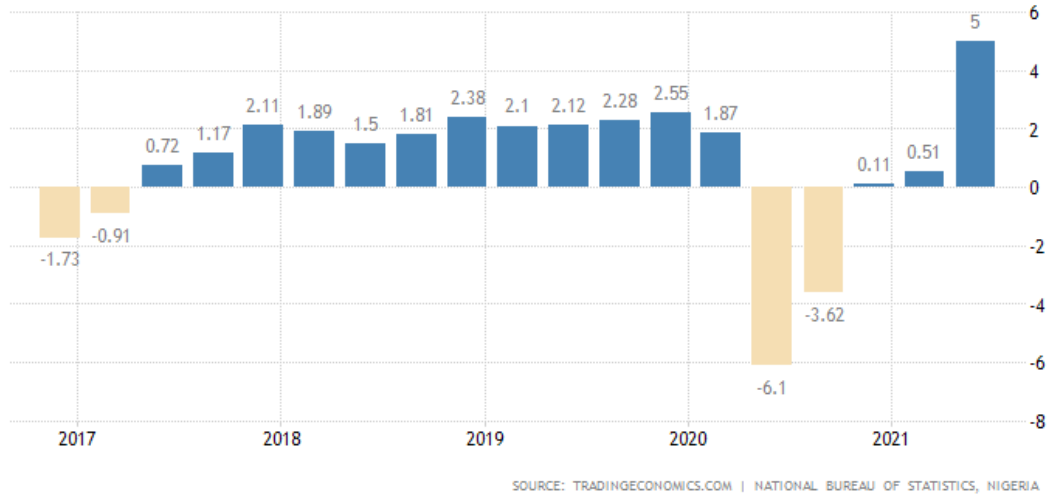
Economic development is referred to as an increase in living standards, improvement in self-esteem needs and freedom from oppression as well as a greater choice for the people (Tadaro, 1985). Although GDP is used in measuring economic development, however it is argued that the most accurate method of measuring development is the Human Development Index. HDI incorporates literacy rates, life expectancy rates as these affect productivity and as well lead to economic growth (Tadero & Smith, 2011). It also leads to the creation of more opportunities in the sectors of education, healthcare, employment and the conservation of the environment. Thus economic development can be summarized as to have taken place where there is an increase in the standard of living of the citizens, improvement in self-esteem needs and freedom from oppression as well as the citizens having a greater choice available to them (Amadoe, 2018).

Economic development indicators with regard to Nigeria as a nation have not been favourable. There are spikes in inflation, a dramatic increase in unemployment, sluggish economic growth rate as well as a substantive decrease in foreign reserves and a dramatic fall in the Nigerian's currency value, with Naira tumbling downwards against the dollars in the forex market. All of these signify economic downturn for the nation. Consequently, macroeconomic objectives have not been realistic and thus Nigeria is saddled with the responsibility of evaluating and realigning fiscal policies towards attending to these negative economic indicators that could lead her to the part of economic development. While there have been arguments in several fora that the economy is on the right part towards recovery as such there should be optimism that developmental activities will continue to be witnessed, however the rate of recovery cannot be said to be at the expected and accepted rate (see selected indicators analysis), therefore calls for a policy check as well as retraction on the policy thrust that has been underlined that will result in economic recovery becomes necessary. However for this to take place, government spending must take place, and the sources of government revenue to enable spending must come from a pool of government funds that is backed by a policy thrust.

### **1.2 Selected Development Indicators in Nigeria** **GDP Growth Rate**

The Nigerian economy could be termed to be within the contraction period having sluggishly recovered from recession it entered into in late 2015 to 2016. Although it is argued that in practical

terms, the nation is still not out of recession as the hardship in the land has not abated Inflation is still high, poverty level is high as well as rising unemployment yet government revenue and budgets are still increasing as well as public expenditure (Afokuyomi, 2017; Kalagbor & Ordu, 2019; Ordu, 2021). To buttress, this, a look at the growth rate in recent times for Nigeria from the figure 2.1 could tell the extent of the state of the economy. “

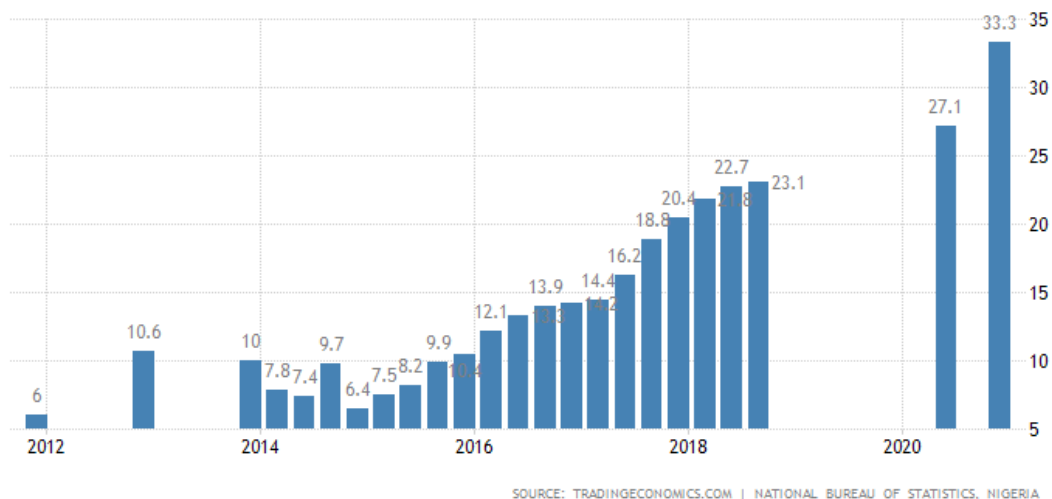


**Figure 1:** GDP Annual growth rate in recent times (Source: tradingeconomics.com, 2021)

From the chart above, it can be observed that between July of 2016 and June 2017, there was a negative economic growth witnessed in Nigeria; however from 2018 there was a sluggish growth witnessed, with rate ranging from 0.72% in July 2017 to 1.5% in July of 2018. It then witnessed a faster growth rate that peaked at 2.55% in December 2020 and there after it began to fall and entered back into recession 2nd quarter of 2021. In all it shows that developmental strides have been experiencing a faltering position within this period in recent times within the short term as depicted in the chart.

**Unemployment Rate**

In Nigeria, the unemployment rate measures the number of people actively looking for a job as a percentage of the labour force.



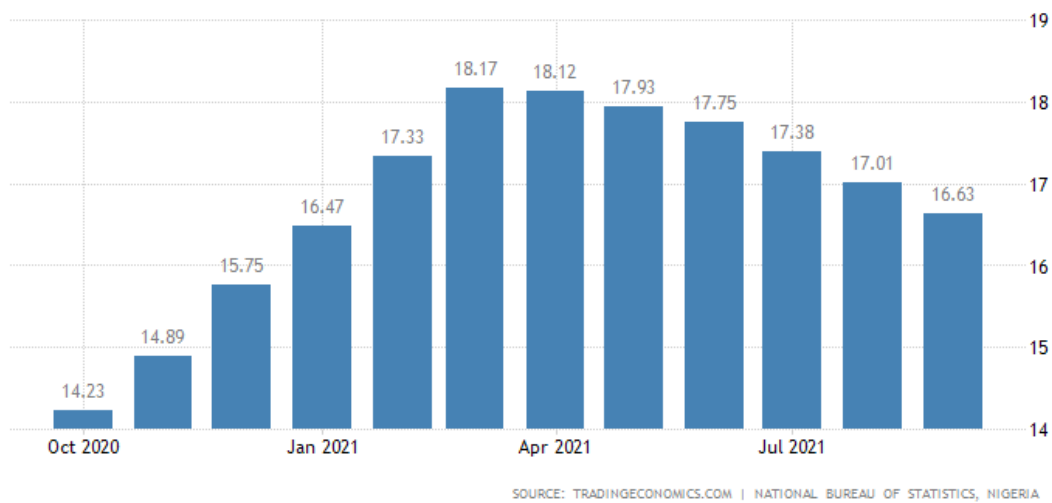
**Figure 2:** Nigerian Unemployment rate in recent times (Source: tradingeconomics.com, 2021)

From the chart above, it could be deduced that unemployment rate in Nigeria averaged 13.55 percent from 2006 until 2020, reaching an all-time high of 33.30 percent in the fourth quarter of 2020 and a record low of 5.10 percent in the fourth quarter of 2010. It thus implies that efforts towards raising

the funds needed to create environments that would tackle unemployment have not been effective enough, thus there is need for rethink of such efforts.

### **Inflation Rate**

Inflation is known as a general and sustained rise in price level. It is known as the consumer price index. In Nigeria, the Consumer Price Index (CPI) measures the change over time in prices of 740 goods and services consumed by people for day-to-day living. The index weights are based on expenditures of both urban and rural households in the 36 states. The most important categories in the CPI are Food and Non Alcoholic Beverages (51.8 percent of total weight); Housing, Water, Electricity, Gas and Other Fuel (16.7 percent) and Clothing and Footwear (7.7 percent). Transports account for 6.5 percent of total index and Furnishings and Household Equipment Maintenance for 5 percent. Education represents 3.9 percent of total weight, Health 3 percent, Miscellaneous Goods and Services 1.7 percent and Restaurants and Hotels 1.2 percent. Alcoholic Beverages, Tobacco and Kola account for 1.1 percent of total index, Communications for 0.7 percent and Recreation and Culture for the remaining 0.7 percent.



**Figure 3:** Inflation rate in recent times. (Source: tradingeconomics.com, 2021)

From the chart above, there have been increasing inflation rate, with rates increasing from 14.23% in October 2020 to as high as 18.17% in March 2021, before falling minimally in the preceding months. Although Nigeria's annual inflation rate eased for the sixth straight month to 16.63% in September of 2021, down from 17.01% in August. It was the lowest rate since January, largely due to a sustained moderation in food inflation since April (19.57% vs 20.3% in August) and despite the naira's ongoing depreciation. The annual core inflation rate, which excludes the prices of agricultural produce, rose to 13.74% in September from 13.41% in the prior month. On a monthly basis, consumer prices increased by 1.15%, following a 1.02% rise in the previous month.

### **Human Development Index**

The human development index (HDI) is a statistical tool that measures the overall achievement of a country in social and economic dimensions based on her citizens' state of health, level of education attainment, and standard of living. The HDI was created to establish and emphasize the fact the ultimate criteria for assessing a country's development should be people and their capabilities, not just economic growth alone. HDI was developed by Indian Nobel prize winner, Amartya Sen. and Pakistani economist. MahbubulHaq, with help from Gustav Ranis of Yale University and Lord Meghnad Desai of the London School of Economics, and was further used to measure a country's development by the United Nations Development Program (UNDP)'s Human Development Report Office. It is a summary composite index introduced as an alternative to conventional measures of economic development like the GDP and income per capita (Haq-Padda, & Akram, 2011).

In other words, the United Nations Development Program (UNDP) in 1990 introduced the Human Development Index (HDI) through its first annual Human Development Report (HDR) thereby transforming the landscape of development theory, measurement and policy (Elizabeth, 2007). Upon the establishment of the HDR, the UNDP succeeded in expanding the availability of measurement as well as creating a tool for comparison to be adopted by governments, non-governmental

organisations, scholars and researchers. Thus HDI becomes one the most reliable indicators of economic development for nations according to United Nations standards. For each dimension of the HDI, it sets minimum and maximum values which are further normalised (expressed as numbers between 0 and 1) to clearly indicate each country's position in relation to values. So according to UNDP (2015), the higher a country's HDI score, the higher its level of human development (and vice versa). The table below shows the fixed values for each indicator of the global HDI in 2014. "

**Table 1:** Minimum and Maximum Values of HDI Indicators

<b>Dimension</b>	<b>Indicator</b>	<b>Minimum</b>	<b>Maximum</b>
Health	Life expectancy (years)	20	85
Education	Expected years of schooling	0	18
	Mean years of schooling	0	15
Standard of living	Gross national income per capita (PPP 2011 \$)	100	75000

**Source:** UNDP (2015). Technical Note 1

Looking at Nigerians position of HDI, according to National Bureau of Statistic, shows that HDI has hovered around 0.527, 0.530, 0.528, and 0.526 in years 2015, 2016, 2017, 2018 and 2019 respectively. It obviously shows a drop in HDI thus indicating that economic development has been falling within those periods

### **1.3 Treasury Single Account - Definitions and dimensions**

TSA is a process and tool for effective management of government financials, banking and cash position. It is a tool that pools and unifies all government accounts and finances in a common pulse or fund (Oyedekun, 2016). TSA is also defined as a bank account linked through which the government carries out all its receipts and payments and gives a centralized view of government cash resources. The unity principle ensues from the fusion of all cash irrespective of its sources, but it is important to separate individual cash transactions for reporting purposes and to achieve the accounting system being opened not by depositing cash transaction in unknown specific bank account (Abdullahi et al, 2019).

Looking at the interrelationship between TSA and economic development, Mba (2015) sees TSA from three different approaches- TSA as a system of aggregative financial inclusion; TSA as a systemic approach that is affecting and connecting the whole Nigeria state and requiring a common principle in line with the Constitution (section 13, chapter 2) 1999 constitution as amended); TSA is as an integral part of government integrated financial management information system (GIFMIS) and Nigerian Government economic reform and governance project (ERGP). With this arrangement it is believed that it would reduce the cost of borrowing by government and its agencies, as the government will likely be in surplus at most times of the year. However, whether or not this has been achieved is debatable, hence calls by various quarters on the need to review the TSA policy. Dimensions of TSA.

According to IMF working paper (2010), there are several variants of the TSA structure, they can be broadly grouped into two categories centralized and decentralized TSA structure. The TSA systems established in most countries fall somewhere in between these two models and involve various types of bank accounts.

#### **Centralised TSA System**

A purely centralized structure is one in which all revenue and expenditure transactions of the government go through a single account generally maintained with the apex bank. At the other extreme, a TSA could be virtually operational even though line agencies—down to the lowest level in the organizational hierarchy—are allowed to retain separate transaction accounts in the banking system. However, in the latter case, balances in all transaction accounts should be swept into the TSA main account at the end of each day. In some countries, the TSA is composed of a single bank account (sometimes with subsidiary ledger accounts) at the central bank, which is operated either by a centralized authority (such as the treasury and its regional units) or by a number of budget institutions.

Under the centralised system, concentration of authority is at the treasury to process transactions, and access and operates the TSA. In this case, the treasury (supplemented in some countries by a network of regional treasuries) provides payment services for spending agencies and has the exclusive authority to operate the TSA, including its regional treasury sub-accounts. The budget

institutions submit their payment requests to the centralized authority/treasury before making payments.

### **Decentralised TSA**

In the decentralized system of TSA, budget institution's transactions are tracked, accounted for, and managed through a well-developed general ledger system. However, there are countries (e.g., Sweden) that have several linked bank accounts outside the TSA main account—with their balances automatically swept off at the end of each day. Individual line agencies are allowed to have separate transaction accounts and operate them. The TSA in this case is organized along the following lines:

- (i) accounts for individual spending agencies are opened either at the central bank, or with commercial banks; in both cases, then accounts must be authorized by the minister of finance;
- (ii) these accounts are zero balance accounts, with money being transferred to the accounts as specific approved payments are made;
- (iii) the balances in the accounts are automatically swept at the end of each day (where the banking infrastructure allows daily clearing) to the TSA main account;
- (iv) the central bank consolidates the balances in all the government accounts at the end of each day. Special ledger arrangements may be required in cases where the authority to operate the government bank accounts is centralized, particularly if some entities have legal authority to retain self-generated funds, or if there are legal requirements that the funds of social security institutions be maintained separately from other funds. Sometimes, multilateral and/or bilateral donors, even if they agree to manage their aid resources through the TSA, may request that such arrangements be set up in order to ring-fence the loans or grants they provide. This would require sub-accounts within the TSA and/or the development of a comprehensive treasury ledger system to track, account for, and report on specific flows through the bank accounts.

### **1.4 International Perspectives of TSA**

Patatanyak and Fainboim (2010) in their presentations within the framework of IMF working paper series stated that TSA is an essential tool for consolidating and managing government cash resources in countries with fragmented government banking arrangements. When TSA is adopted, it serves the purpose of minimizing borrowing costs. It recommended by IMF that public financial management reform agenda of nations should include the establishment of TSA. It noted that however, the degree of centralisation of funds, the role of commercial banks in TSA operation and availability of computer based integrated financial management information system IFMIS for efficiency differs from country to country and some countries operate TSA without IFMIS.

### **1.5 How TSA Works**

Mba (2015) noted that TSA is an integral Part of GIFMIS/ERGP, a Federal Government of Nigeria Treasury Circular, OAGF/CAD/026/V.1/253, issued and authorized by the Accountant-General of the Federation on 19th March, 2015, on Introduction of e-collection of Government Receipts, said/emphasized that TSA must run on e- Receipt basis 1. (para.1 of the OAGF circular). Further to Federal Treasury Circular Reference No. TRY/A6 & B6/2012 of 4th July, 2012 on the Guidelines for Implementation of Government Integrated Financial Management Information System (GIFMIS), it has become imperative to issue this additional instruction on e-collection. The directives indicated that with effect from 1st April, 2015, all payments due to the Federal Government or any of her agencies are to be paid in to the Consolidated Revenue Fund (CRF) or Designated accounts in the Central Bank of Nigeria (CBN) through Deposit Money Banks (DMBs) or electronic channels using the CBN Payment Gateways. This is in line with the operations of the Treasury Single Account (TSA) and the e-payment policies of the Federal Government. Based on the above, it shows that TSA as an integral part of GIFMIS, and GIFMIS is a component of Nigerian Government Economic Reform and Governance Project (ERGP).

Summarily, the operational features for TSA are required to follow the Guidelines issued by the Accountant General of the Federation, in the Circular OAGF/CAD/026/V.1/253 of 19 th March, 2015 and they are as follows:

- i) All Ministries, Departments and Agencies (MDAs) shall provide payers with details of receipts payable to the government. Account details of MDAs have been configured in the CBN Payment Gateway for this purpose;
- ii). All payers shall make payment into the CRF or other designated accounts in CBN through any branch of DMBs or electronic payment channels using the CBN Payment Gateway.
- iii). MDAs shall provide the required service(s) to the payers only after confirmation of the payment into the CRF or the agency s designated accounts in CBN as applicable;

- iv). All MDAs are to keep Cash Book/Memorandum Register where all receipts are recorded and thereafter, prepare and submit Returns to the OAGF on monthly basis and
- v). MDAs are to liaise with the Settlement centre in the office of the Accountant-General of the Federation (OAGF) for any query, reports or updates on collections made on their behalf.

## **2. Theoretical Framework for TSA Implementation**

### **2.1 Some Relevant Theories**

i) Unity of Cash Principles- it is based on theory of the frugality of money, the theory states that any unity of currency (money) is a substitutes for another for instance, in the analysis of consumer choice, frugality implies that consumption decision are based on consumer's total wealth, while the composition of the wealth is irrelevant (Grunberg & Modigliani, 1954). It follows therefore, that government banking arrangement should be structured and unified to ensure the frugality of the government's cash resources. It is argued that this position is taken by most economists as it has to with frugality and management of scare resources (Ojugwe, 2020).

ii) Unity of Treasury Principle- This principle states that the treasury has consolidated control of all funds available to DMBs for efficient management and accountability (World Bank, 2009). In other words, no other government agency should be allowed to operate bank account without the overnight of the Treasury. Conceptually, a TSA serves as a pool of government cash resources in one account or number of accounts which are linked into a main account. Its objectives are the same in all jurisdictions. The primary objectives are to ensure effective aggregate control over government cash balances. According to {CBN Occasional Paper2017} consolidation of cash resources through a TSA arrangement facilitates government cash management by minimizing borrowing costs. Other objectives include- minimizing banking transaction costs, expediting remittance of revenue collected through DMBs to the treasury ; prompt payment for approved government procurement, facilitating reconciliation between banking and accounting data's efficient control and monitoring of funds allocated to various government agencies, and facilitating better coordination of fiscal programs with monetary policy which eliminates sudden fiscal surprises for the monetary authority (Patternayak & fainbaim 2010)

iii) Stakeholder Theory- this theory is conceptualized on the assumption that the adoption of TSA by the FGN was as a result of pressure mounted on the government by the stakeholders for the eradication of corruption. This theory was proposed by Edward Freeman, in 1984. Freeman asserts that managers must satisfy a variety of constituents (e.g. investors and shareholders, employees, customers, suppliers, governments, local communities and organizations). In line with the tenets of this theory, emerging of TSA was as a result of government response to the yearnings, demand, and aspirations of critical stakeholders by way of developing strategic options towards eliminating corruption. The stakeholder's theory therefore explains the motivating factors that made the government to adopt and implement the TSA

iv) Public Finance Management Theory This theory assumes that the government will prudently manage her expenditures to the benefit of citizenry. The theory also stresses that government's revenue should be well mobilized to disallow the looting of such into private pockets (Udo & Esara, 2016). These consist of resources prioritization, the budgetary process, efficient management of resources etc (Ajugwe, 2020).

v) Modern Monetary Theory- this theory deals with how sovereign government should act, operate, especially in terms of the management of finances and the impact of her action on the Economy. This theory advocates for the concurrent existence of the TSA and the CBN being the apex bank is allowed to be in charge and in control of the TSA.

vi) Incremental Theory of Public Finance Making- emanated as result of collective efforts of various scholars such as Herbert Simon (1957), Landau (1960), Braybrook (1963) Dahl (1967) and popularised by Lindbolm (1968). The theory argues public policy making is premised on the way and manner policy makers thinks where there is a need to take decision affecting generality. This decision are taken in a condition not too conducive for more deliration and testing of such proposed policy. Incremental theory however proponents however argued that rather policy decision and implementation should be done incrementally or in phases after deliberations. Incremental theory

has five distinct characteristics which are i) Only small steps are taken at a time in order to achieve specific objectives, ii) it is non-comprehensive because of the limitation imposed on policy makers by lack of resources to go into proper investigation before implementation. iii) Policy decision involves successive comparison because policy is never made once, iv) In practice decision making suffices rather than maximizes from the available resources. v) There is also plurality of choice. This is because government decision is based on getting an agreement from competing forces or stakes in government (Vahyala et al, 2016).

Oyedekun (2016) observed that four distinct assumptions of incremental theory applies to Nigerian case of TSA implementation. These are i) There is fragility, volatility and unpredictability of human beings and their values, therefore policy maker who wastes too much time in trying to understand all values surrounding a problem before taking a remedial measure would only end up in becoming more confused by the time he completes in-depth analysis. ii) Policy makers lack the sufficient knowledge required to study and understand all the facts surrounding every issue they come across. Moreover the available resources of the policy maker are always insufficient which affects the analysis. iii) The dynamism of the environment in which the policy maker operates is in continuous flux. v) It promotes short-sighted decision making that may have adverse long term consequences.

## **2.2 Empirical Literature Review**

Abiodun et al. (2021), in their study investigated the effect of treasury single account policy on corruption in Nigeria. The study adopted a literature review methodology and conceptually examined the benefits and objectives of TSA policy. It indicated that the issue integrity, accountability and financial discipline on the side of public officers on which TSA intends to achieve, should be improved upon as there is lack of those virtues within the public officers while TSA is in place.

Ajugwe (2020) study on that focused on critical analysis of treasury single account policy in Nigeria took a critical look on the TSA by analyzing the different theories posited by many financial thinkers, the positive impacts on the economy and the challenges that may prevent in realizing such economic advantages will be analyzed, and, positive recommendations will be proffered. The study revealed that one of the objectives of establishing TSA which is reduction of corruption has not been actualised. Corruption has become cancerous worm that has eaten deep into the fabric of the Nigeria society, and cannot be wiped out by a single policy. It further stated that though TSA has to some extent ameliorates corruption in the public establishments. Despite the above observed rigidities, some key economic metrics have shown that the policy has created positive impacts on the fiscal and monetary policies TSA makes it easier for tax collections through technology which confers seamless generation and expenditure of the public revenue. While it has aided the CBN in the management of the monetary policy such as reducing liquidity in the inter-bank market, through seamless management of market liquidity, ensuring monetary and price stability and more importantly reduces the use of Open Market

### **Operation (OMO) and the consequent cost.**

Effiong and Obun (2020) in their study on treasury single account and economic growth-asymptomatic evaluation. "The study examined the post TSA era and the extent to which TSA implementation affect revenue generation, employment generation, and improvement in living standards. An asymptomatic evaluation was undertaken to uncover the degree of undisclosed and indirect influence of the operation of the treasury single account on the growth of the economy. Expo-facto research design was used and data for the study were obtained from the Federal Inland Revenue tax statistics report and UN data site. Data collected were analysed using the ordinary least square regression method, and descriptive statistical method. The research results indicated that the implementation of the treasury single account has a significant scientific influence on the growth of the economy in real GDP terms, while revenue generated by government and per capita income were negatively influenced by the operation of TSA. The descriptive result shows that non-oil revenue was higher than revenue from custom and excise duties, and other ministerial-based revenue. Based on the findings of the study, it was concluded that TSA affects economic growth in both positive and negative dimensions. The study recommended among others that the Government should secure, as soon as possible, appropriate legislations to support the growth of the industry to enhance adequate revenue generation to match unending government expenditures.

Ahmed-Gamgun and Ahmed (2018) in their study did a critical evaluation of the bases and challenges of treasury single account (TSA) in Nigeria. The objectives of the study was to underscore the fact that though there was regime change yet there is continuity in the policy of Treasury Single Account. TSA was carefully planned out for capital formation and reduction of revenue leakages. Data for this study was collected from secondary sources. The data was analyzed by using the technique of



content analysis. This study found that-(i) the search for both rural and urban development are responsible for the push for more funds through a mixture of Monetary and Fiscal Policies. (ii) Monetary Policy consists of deliberate policy-actions by the government through appropriate institutional framework i.e. monetary authorities which aimed at achieving particular set of economic objectives. (iii) Hence the research revealed that the policy of TSA is an international best practice in monetary and fiscal policy-making for economic development. (iv) TSA is therefore coordinated or institutionally rooted in the Central Bank of Nigeria. So it is recommended that the TSA policy should be sustained and the challenges be addressed by relevant stakeholders.

Ofurum et al. (2018) used ordinary regression technique to examine how much improvement in the collection of revenue accruing from the federal government, and the growth in GDP of Nigeria has been achieved through the TSA. The analysis showed a systemic rise in GDP from implementing TSA in Nigeria.

Akujuru and Enyioko (2018) that focused on the effect of TSA on corruption in Nigeria, looked at periods of 2011-2017. The study used a cross sectional survey design with the use of copies of questionnaire issued to 377 staff of MDAs in Rivers State from a population of 6339 staff. Descriptive statistics was used for data analysis. the study documented that the major challenges hampering the effective and efficient implementation of TSA policy includes inability of federal governments to remit appropriately to the various MDAs, uncertainties underlying federal government inactions and actions, bottleneck's/bureaucracy, internet platforms delays, inefficient human capital development and time wasting in the banks and payment.

Adekunle and Adegbe (2017) used Ordinary Least Square to investigate the impact of treasury single account on Nigeria's Economy. Data for the study were obtained from the CBN statistical bulletin (1999-2015). It was found out that TSA implementation exerted a positive significant influence on economic growth.

Abodunrin and Omole (2017) carried out an expository study on TSA Policy and its attempts to fight corruption in Nigeria. This paper looked at the issue of corruption and TSA separately and therefore fused the two concepts to appraise the later concept. It was found out that TSA implementation has assisted the consolidation of all government financial inflows into a single account thereby reducing corruption and frivolous spending of government officials.

Igbekoyi and Agbaje (2017) assessed the implication of treasury single account adoption on public sector accountability and transparency in Nigerian. The study used a purposive sampling technique from ten MDAs involved in revenue collection in Nigeria. TSA was found to exert a significant positive influence on financial outflows, transparency, and restraint misuse of public funds." From the review studies have majorly focused on the benefits, operations as well as challenges of TSA implementation, none have delved towards the accounting and ethical issues underlying TSA implementation that can lead to economic development, creating a point of departure for this study whose findings are presented here.

### **3. Methodology Adopted**

The study adopted the meta-analysis methodology. This methodology involves the study and analysis of recorded human communications such as books, journals, lecture notes, websites and relevant laws (Onyedekun, 2016). Accordingly, relevant literatures from various sources as regards to TSA are examined and used for this study. In other words, it is systematic literature review methodology.

### **4. Findings and Discussion**

#### **4.1 Importance of TSA to Economic Development**

As noted by Okereke and Okoye (2017), in Nigeria, it is expected that the implementation of TSA will help tame the tide of corruption of financial leakages and embezzlement.

i) The implementation of Treasury Single Account (TSA) is expected to block revenue leakages within the MDAs as the Ministry of Finance will be able to monitor the inflows and outflows, hence, augment the reduction in oil revenue due to falling oil prices especially in this recent times.

ii) The implementation of the TSA will have a positive effect on the national economic planning, swift & full budgetary implementation; reduce leakages and other irregularities in the MDAs, aid appropriate planning, data collection, analysis and timely aggregation of Federal Government Revenue. Realization of the government revenue on time causes its effective allocation.

According to Udoma (2016), maintenance of TSA will enhance funding government budget rather than depend on Federal allocation. In any economy where the budget is fully funded, the aim certainly will be accomplished. The consequence should be; improved economic system, political and social development. It is clear that a government that lacks effective control over its cash resources can pay for its institutional deficiencies in multiple ways. They are as follows:

i) Idle cash balances in bank accounts often fail to earn market-related remuneration.

ii) The government, being unaware of these resources, incurs unnecessary borrowing costs on raising funds to cover a perceived cash shortage.

iii) Idle government cash balances in the commercial banks are not idle for the banks themselves, and can be used to extend credit. These have been the case in Nigerian economy. Nigeria still owes a huge amount in both external and internal debts. Therefore, the implementation of TSA will promote a healthy economic system (Okereke & Okoye, 2017)

### **General Benefits of TSA**

1. Allows complete and timely information on government cash resources. In countries with advanced payment and settlement systems and an Integrated Financial Management Information System (IFMIS) with adequate interfaces with the banking system, this information will be available in real time. As a minimum, complete updated balances should be available daily. Establishment of TSA entails putting in place advance payments and settlement system, and an integrated Financial Management Information System with adequate interfaces with banking institutions to ensure information about the cash position of government are updated and made available on real time to the government cash managers (the Treasury)

2. Improves appropriation control. The TSA ensures that the Ministry of Finance has full control over budget allocations, and strengthens the authority of the budget appropriation. When separate bank accounts are maintained, the result is often a fragmented system, where funds provided for budgetary appropriations are augmented by additional cash resources that become available through various creative, often extra-budgetary, measures.

3. Improves operational control during budget execution. When the treasury has full information about cash resources, it can plan and implement budget execution in an efficient, transparent, and reliable manner. The existence of uncertainty regarding whether the treasury will have sufficient funds to finance programmed expenditures may lead to sub-optimal behaviour by budget entities, such as exaggerating their estimates for cash needs or channelling expenditures through off-budget arrangements. Under this initiative, banks would have to leave their comfort zones caused by dependence on government funds to now source for long term and sustainable deposits at cheaper costs, as it is the practice in modern economies around the world.

4. Enables efficient cash management. A TSA facilitates regular monitoring of government cash balances. It also enables higher quality cash outturn analysis to be undertaken (e.g., identifying causal factors of variances and distinguishing causal factors from random variations in cash balances).

5. Reduces bank fees and transaction costs. Reducing the number of bank accounts results in lower administrative cost for the government for maintaining these accounts, including the cost associated with bank reconciliation, and reduced banking fees. Lack of consolidation of government cash resources gives the impression that government does not have enough cash to run the affairs because the true picture of government's cash position is not clearly known. Effective consolidation

of government cash resources will play important roles in ensuring monetary and fiscal coordination by enhancing appropriate balancing of government borrowing requirements with liquidity strategies of monetary authorities. Such coordination will minimize cost or even eliminate cost entirely on situation when government does not need to borrow money from the public to service its debts as there are enough cash balances to adequately fund government programs and projects. Establishing a unified structure as recommended by IMF, where all government funds are collected in one account would reduce borrowing costs, extend credit and improves government's fiscal policy among other benefits to government. The cardinal objective of the TSA is to facilitate implementation of the Federal Government's Cash Management Policy, and to achieve greater accountability for public expenditure. This would ensure that sufficient cash was available as and when needed to meet commitments. It will control aggregate cash flow, improve the management of government domestic borrowing program, enhance efficiency and enable investment of idle funds or excess cash.

6. Facilitates efficient payment mechanisms. A TSA ensures that there is no ambiguity regarding the volume or the location of the government funds, and makes it possible to monitor payment mechanisms precisely. It can result in substantially lower transaction costs because of economies of scale in processing payments. Many governments have achieved substantial reductions in their real cost of banking services by introducing a TSA. Thus, TSA makes it possible to monitor payment transactions promptly and engender economies of scale by lowering costs in processing government payments scattered in various banks with different fees and charges on government deposits and transactions. With the introduction TSA all the revenues of the government are aggregated into one account with the CBN, this makes it easier to monitor accounts for payment/expenditures. As posited by CBN occasional Paper (2016) that the introduction of the treasury Single Account policy therefore is vital in reducing the proliferation of bank accounts operated by the MDAs towards promoting financial accountability among government organs.

7. Improves bank reconciliation and quality of fiscal data. A TSA allows for effective reconciliation between the government accounting systems and cash flow statements from the banking system. This reduces the risk of errors in reconciliation processes, and improves the timeliness and quality of the fiscal accounts. None reconciliation of accounts between banks and MDA has given way to massive frauds and sometimes made it possible for both internal and external auditing of accounts very difficult. In view of the fact that robust internal control is a key to accountability and provides a strategic weapon for effective reconciliations. The introduction of TSA becomes a game changer as account reconciliation between government accounts and cash flow statements from the banking system is enhanced. When government accounts are spread in various banks without any centrally coordinated account reconciliation format, it leads to massive errors in reconciliation processes and increases the risks of government loss of funds. The establishment of TSA eliminates this anomaly and reduces risks of errors in accounting reconciliations between banks and government treasury managers. Another important benefit from this exercise is that quality of fiscal data that are generated are essential tools for analysis of government fiscal operations.

8. Lowers liquidity reserve needs. A TSA reduces the volatility of cash flows through the treasury, thus allowing it to maintain a lower cash reserve/buffer to meet unexpected fiscal volatility." Effective Liquidity management is an essential aspect of monetary policy implementation in Nigeria and effective vehicle for the Monetary authorities to design liquidity management strategies fiscal behavior of government. When government needs funds to finance budget short-falls, it requires monetary authorities to issue debt instruments to fill the fiscal gap. However, if the government is unaware of the size of their cash balances, such inflow may increase the size of cash in the banking system as well as system liquidity. High system liquidity has the potentiality of undermine macroeconomic stability. The TSA, therefore, reduces the volatility of cash flows through the treasury thus, allowing it to maintain a lower cash reserve/buffer to meet unexpected fiscal need instead of borrowing from the public to fill such fiscal need and the gaps. With this comes better cash management practices since the treasury can at all times have an overall view of government cash position, as against the fragmented position of different MDAs, which need to laboriously pooled together to get overall picture at a given time.

9. It improves the utilization of ideal funds by the MDA- Prior to the introduction of TSA, MDA were allowed to open various accounts with the DMBs, the MDA only sought approval to spend it when the need arises. Remarkably, the introduction of the TSA effectively eliminated the decentralization of the Government fiscal operations. The TSA ensures that ideal funds are effectively utilized in the operation of government fiscal policy and reduces the tendencies to borrow to fund government needs. Establishing a unified structure as recommended by IMF, where all government funds are collected in one account would reduce borrowing costs, extend credit and improves government's fiscal policy among other benefits to government.

10. It has a positive implication on monetary policy- the establishment of TSA for the management of government's fiscal cash system will surely reduce liquidity in the inter-bank market, but improve the effectiveness of the government's fiscal operation. It has a serious implication on the monetary policy, the CBN will facilitate the framework being one of its core mandate has the sole responsibility to conduct of monetary policy. ensure monetary and price stability CBN Act amended (2007). It is expected that TSA will reduce market volatility as it will trigger the minimizing the effect of the withdrawal of all government funds that were hitherto at the disposal of DMBs will now be none existent. The incidence of huge injections and withdrawals which characterized money market over the years, resulting in liquidity cycles (fluctuations) would be smoothed out and reduced. Consequently, the CBN ability to manage market liquidity will improve significantly. Federal Government deposits also have a sever implications for the CBN commitment to maintain exchange rate stability. DMBs deploy such deposits to trade at the foreign exchange market and often engage in speculation purchases that increases the demand pressure in the foreign market. The resultant effects are the depreciation of Naira exchange rate, widening spread between the official rate and bureau- de- change (BDC) segments of the exchange rate market and the exchange rate premium. There will be a profound effect on the domestic goods and services and thus, exacerbating inflationary pressures. Therefore, the TSA minimizes the DMBs demand pressure and speculative attacks at the foreign exchange market.

11. Improve Approbation and internal control: Internal control is the heart of financial management and this is exactly what TSA inputted into the accounts of the MDAs, thereby encourages budget appropriation in a given year which is often dependent on whether the spending unit was able to exhaust the appropriate resources in the previous year. The TSA ensures that the appropriation authorities have full control over the budget allocations when they have single account. When separated bank accounts are maintained, the result is often a fragmented system, where funds made available for budgetary appropriate are augmented by additional cash resources that became available through extra budgetary cash resources that became available through extra budgetary measures. In the final analysis TSA encourages robust internal control that instills accountability in the fiscal management.

12. Enhances the use of technology in cash management: Another important objectives of the government in adopting TSA is that it aids effective management of government cash balances by the use of technology. The use of appropriate computer software to manage government financial transactions can be enhanced through the integration of government accounts in MDAs and government treasury managers. Adopting technology for effective management of government cash resources would have been impossible without the implementation of TSA. TSA enhances proper coordination of all agencies involved in the cash management process such as ministry of finances, treasury managers, revenue collecting agencies and banks. TSA was online and in real time, meaning that it could be done from anywhere in the world. Once fully operational, transaction can be completed within 10 minutes, even if the individuals responsible are scattered across the world.

13. To minimize corrupt practices in government treasury management: Corruption has been the bane to the development of Nigeria, it is deep-rooted in every facet of the society and one of the major problem, the introduction of TSA will address by reducing to a great extent the endemic corruption in Nigeria. TSA also has as one of the subsidiary objectives, the need to facilitate reconciliation between banks and accounting institutions while ensuring effective control and

monitoring of funds allocated to various government agencies. The policy was introduced to reduce the proliferation of bank accounts operated by MDAs and also to promote transparency and accountability among all organs of the government to ascertain the amount that is accruing to its accounts on a daily basis. It is a financial tool that unifies all government accounts in a single pool for effective means of managing government and create a more resilient fraud resistant environment. The policy was introduced to reduce the proliferation of bank accounts operated by MDA and also to promote transparency and accountability among all organs of the government to ascertain the amount that is accruing to its accounts on a daily basis. It is a financial tool that unifies all government accounts in a single pool for effective means of managing government. It will also encourage integrity in the management of public funds by the government and her agencies.

14. Maximize Government interest earnings: Government deposits in banks have not been adequately remunerated in the past, often at low interest rate. It has been observed that when the MDA accounts were fragmented in various banks, they could fix the deposits at incredible low interest rate and borrow the money at a high interest rate thereby making the government to lose a huge sum of money, Besides, banks hold on to tax revenues in their custody for a long time without paying interest before remitting them. The TSA eliminates these implicit subsidies or floats the banks have benefited from by remitting such revenues on daily basis. Also, whatever surplus balances is left in the TSA after all payment obligations are met, the CBN or Treasury could invest such surpluses to earn interest income for the government which inevitable increases the revenue of the government. With TSA, government can easily quarantine its revenue, with intended consequences including forcing interest rates to naturally nose-dive, since no serious business should be ready to borrow at such double digit rates when the economy is struggling at between 4 and 5 percent. TSA is forcing the banks to leave their comfort zone caused by dependence on government money to become as creative and inventive as it is the case in modern economies around the world, which is to seek.

#### **4.2 Criticisms of TSA Implementations Towards Economic Development in Nigeria**

While TSA have been hailed as the policy in the right direction towards economic growth and development, however there have been concerns on its efficacy towards economic recovery and consequently achieve economic development due to its tendencies of starving the private sector the needed funds for contribution towards economic development. Government revenue the world all over constitutes the chunk part of bank deposits that can be used by other sectors to function maximally towards economic growth participation in the nation. For example the available funds at the bank can be used as loan to other sectors such as production, manufacturing as well as service sector towards economic participation in the forms of job creation, construction of industries, and provision of infrastructures as well as human capital development within the nation that triggers economic development. TSA in Nigeria starves the banks of these funds that are circulated to other sectors through loans, thus has retarded the process of economic development in Nigeria (Effiong & Obun, 2020; Ordu, 2021).

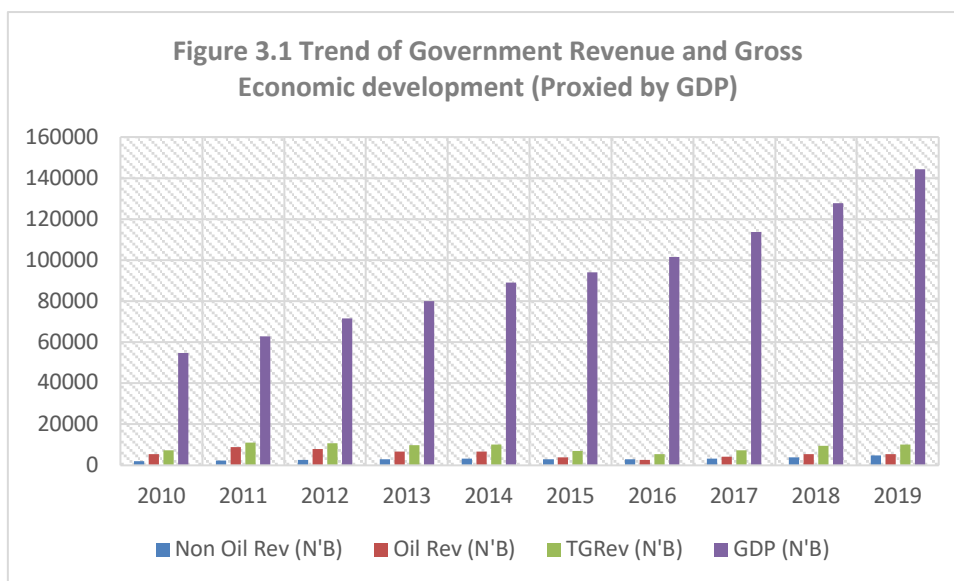
Ojukwu (2017) highlighted some of the inherent challenges associated with TSA that has led to several criticisms as well as calls for its review. These challenges are as follows:

1. TSA is plagued by the inability to redistribute the income from the single treasury back into the economy by ways of fiscal and expansionary monetary of government.
2. Treasury single account TSA has a lot of prospects and challenges for developing economy. In practice, the government banking arrangements may consist of several bank accounts which can be at both the central bank and commercial banks. Consolidating this might take serious effort and genuine commitment on the part of the Central Bank of Nigeria. However, the balances in commercial banks should be cleared every day and all government cash balances should be consolidated in one central account—the TSA main account—of the treasury at the central bank. This posed a huge challenge at the onset of the implementation of the treasury single account. However, Issues related to cash management have arisen and should be properly dealt with by regulatory authority.

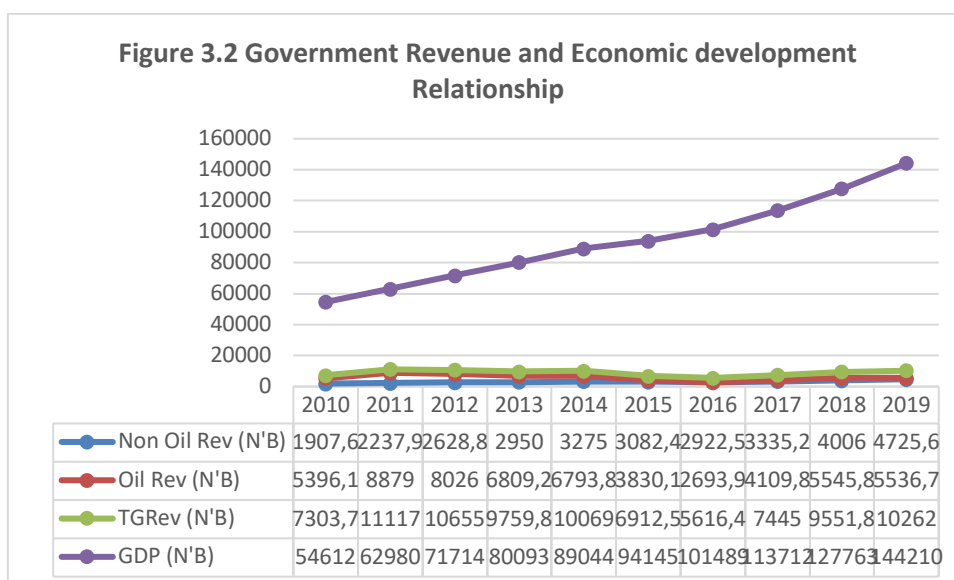
3. The existence of weak capacities in operating and maintain TSA infrastructures constitute a problem and must be checked and corrected if the main objectives of the TSA will be achieved (Ajugwe, 2020).
4. Problems associated with the banking interface with TSA infrastructure, such as bank statement, changing transaction status, among others have been seen to constitute a major problem
5. The objective of the government to put all the funds in one consolidated may even constitute some problems and affects negatively operation of some organizations and prevents them from achieving their objectives.
6. One of the main objectives of establishing TSA is to curb corruption that has been endemic and cancerous to the development of Nigeria, however, it has not entirely succeeded in fighting corruption and install accountability and transparency as it was envisaged. It can be argued that it has actually put an end for MDA accountants having multiple accounts or placing government money at ridiculous interest rate while borrowing at very high interest rate at the same bank. But however, it has increased the instance of over invoicing, taken of bribing before contract are awarded and executed, the chief executive cornering the juice contract for himself and his cronies these are the corrupt practices that made it impossible for accountability and a bane to foster a positive operation of fiscal policy.
7. Risk of identity theft, switching and interception of remittances and diversion via Hacking as well as other forms of on-line fraud.
8. Nigerian infrastructure deficiencies and constraints e.g. lack of adequate Computerization, wired and wireless system.
9. Insufficient cyber security measures.
10. Inadequate electricity power supply.
11. Regional and International Terrorism (Mba, (2015))

#### **4.3 Trends Analysis**

Within the last ten years period under review, government revenue has experienced a cyclical movement in terms of increase, faltering from N7.3 trillion in 2010 to as low as N5.6 trillion in 2016. Whilst there was a minimal increase from 2010 to 2011 to N11.1 trillion Naira, however this increase was not sustained as the trend has shown (figure 3.1 and 3.2). Afterwards there have been steady decline in proceeding years up until recently in year 2019 of which it increased marginally up to N10.2 trillion Naira. On the other hand, GDP has experienced a steady increase though not on a higher level rising from N54.6billion in 2010, N62.9 billion in 2011 to N94.1billion in 2015 and N144.2billion in 2019 respectively (figure 3.7). Interestingly, within the period of introduction of TSA in year 2015, there were steady decline in government revenue with the revenue declining almost 50% from year 2012 (N10.6 trillion) to N6.9 trillion in 2015 and 5.6 trillion in 2016 respectively (figure 3.6). This trend implies that one of the objectives of TSA policy of increase in government revenue as a result of blockage of revenue leakages in the system was not achieved as such economic development objectives suffers as result of insufficient funding for the activities.

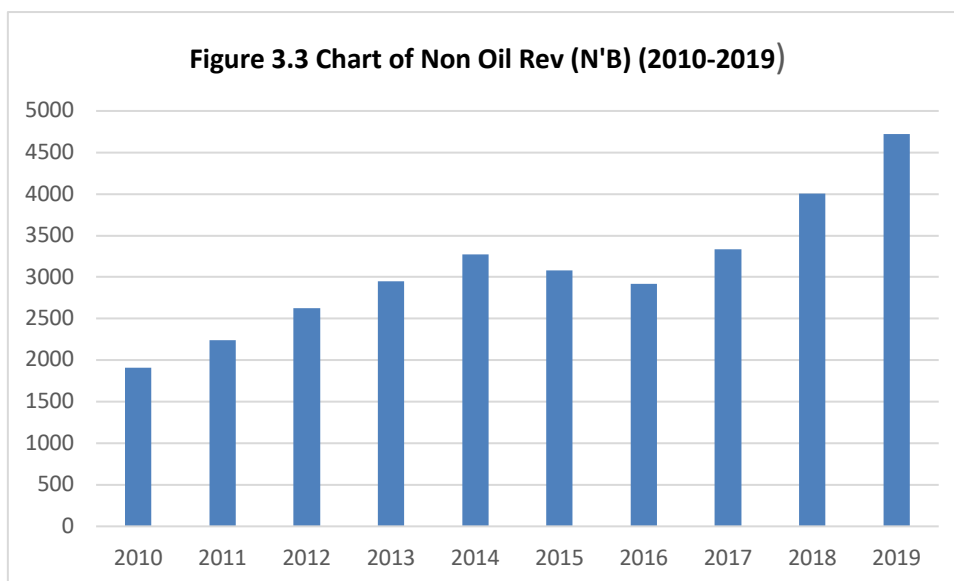


**Source:** Excel output of data computed by Researcher 2021, Data sourced from CBN statistical Bulletin 2019

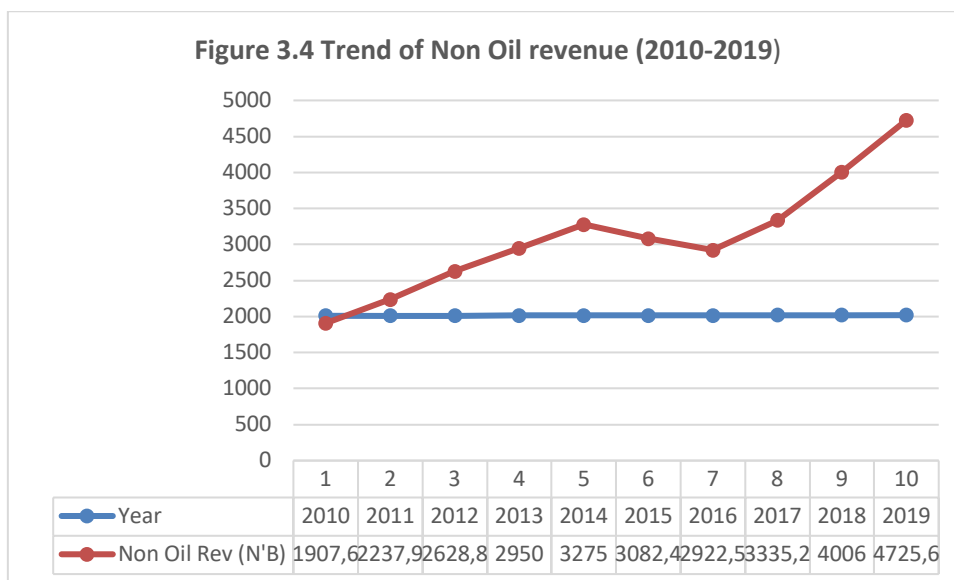


**Source:** Excel output of data computed by Researcher 2021

Looking at the trend on the components of government revenue, non-oil revenue and oil revenue, it shows a fluctuation in movement as well. Non-oil revenue for example, started out at 1.9 trillion in 2010 to a marginal increase to 2.2 trillion in 2011, N3.1 trillion in 2015 and fell to N2.9 trillion in 2016 with the advent of TSA policy implementation (see figure 3.3 and 3.4).



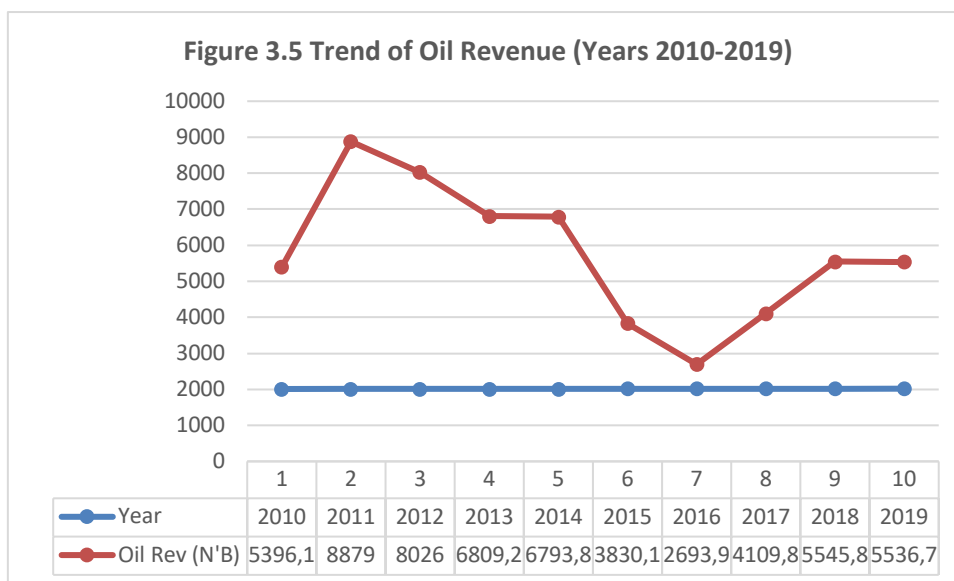
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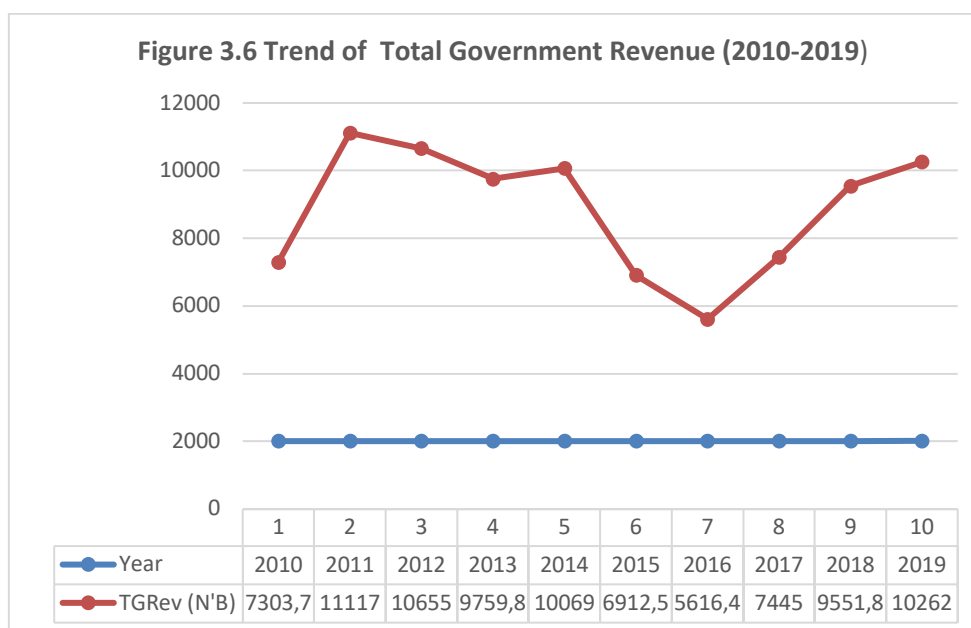
**Source:** Excel output of data computed by Researcher 2021

With Oil revenue movement, there is a sinusoidal movement trend (figure 3.5) witnessed as it shows a deep fall and decline in the oil revenue, with revenue starting out at as high as N8.8 trillion in year 2011 and falling over 80% to as low as 2.6 trillion in year 2016 before increasing relatively to N4.1 trillion in the subsequent year. The implications of this is that funding accumulation for economic development has suffered as a result of dependency on oil revenue as the highest contributor to the TSA pool of account, thus other sources of funding needs to be sought, otherwise economic development pursuits may not be actualised even in the long term.





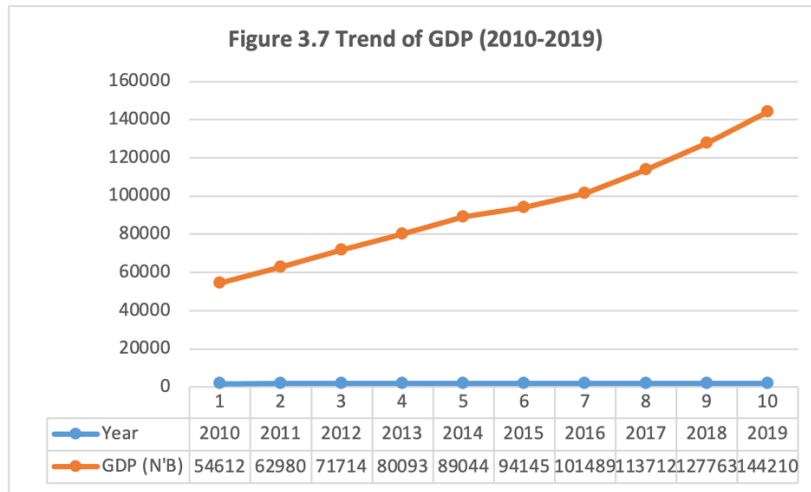
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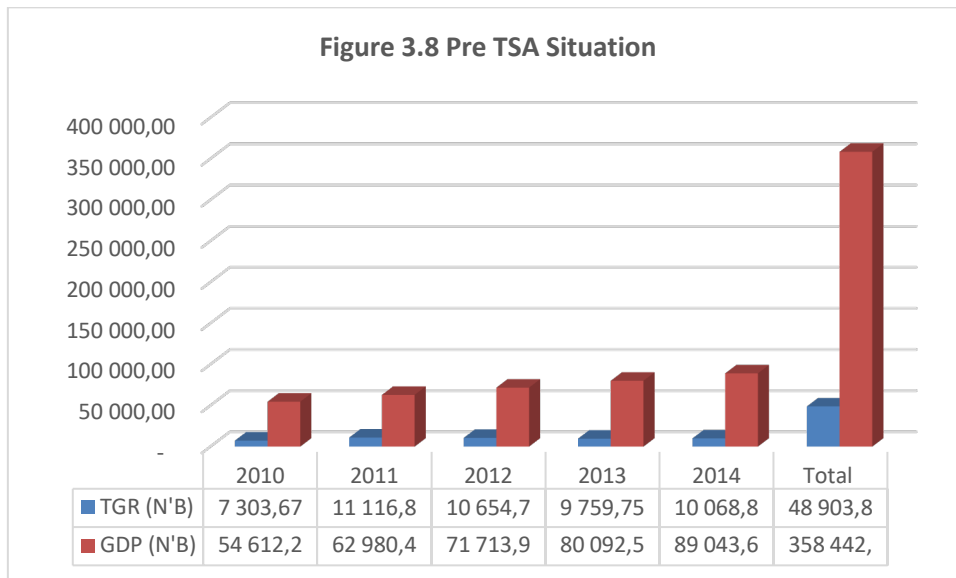
**Source:** Excel output of data computed by Researchers 2021

**Pre TSA Revenue and GDP Position Analysis**

An analysis of the pre TSA revenue and GDP position shows that a total revenue of N48.9 trillion was realised with the period of 2010 -2014 with a corresponding increase in GDP with GDP figures at 358.4 trillion (Figure 3.8). However, while GDP witnessed a steady increase in those period, government revenue witness a little insignificant drop as this drop did not affect the revenue base needed for economic development. Again, the trend shows that GDP and government revenue has a liner relationship (figure 3.9) as the revenue is increasing almost as the same rate as the GDP.



**Source:** Excel output of data computed by Researchers 2021

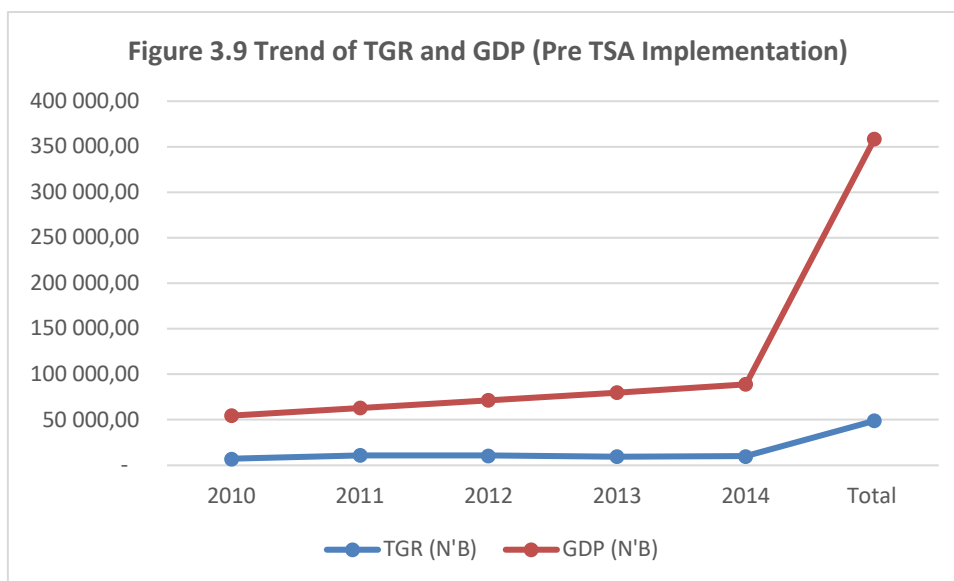


**Source:** Excel output of data computed by Researchers 2021

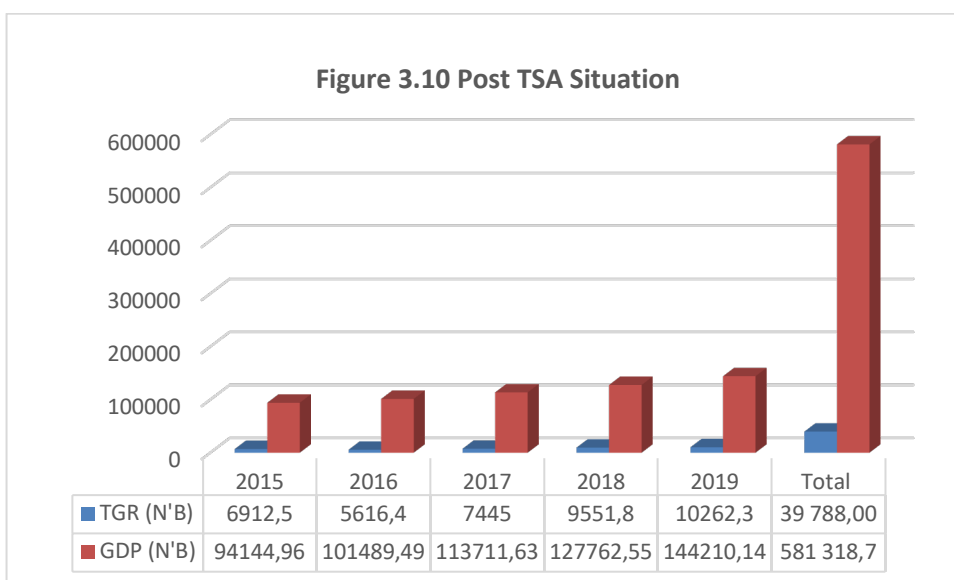
### **Post TSA Revenue and GDP Position Analysis**

Different scenario is witnessed with post TSA implementation. There is a sharp drop in government revenue, with the revenue standing at N39.8 trillion Post TSA periods of 2015- 2019 as reviewed. Again, there was a sharp reduction in government revenue in TSA implementation periods of 2015 and 2016 (figure 3.10) before picking up. However increase in revenue witnessed thereafter was at a minimal rate of 20 -30% increases with the revenue increasing to N9.6 trillion and N10.3 trillion in 2018 and 2019 respectively.

Worthy of note however that is there was a steady increase in GDP values even in this Post TSA era. GDP value stood at N581.3 trillion within the period thus indicating that perhaps economic development activities could be fuelled by other factors such as borrowing as well as private sector participation in the economy. Another important observation is that total government revenue within the Post TSA implementation seems to flatten out when compared to Pre TSA period (figure 3.11 and 3.9) indicating that even with TSA implementation there is minimal government revenue generation witnessed, hence the need for a review of the policy to overturn the trend.



**Source:** Excel output of data computed by Researchers 2021



**Source:** Excel output of data computed by Researchers 2021

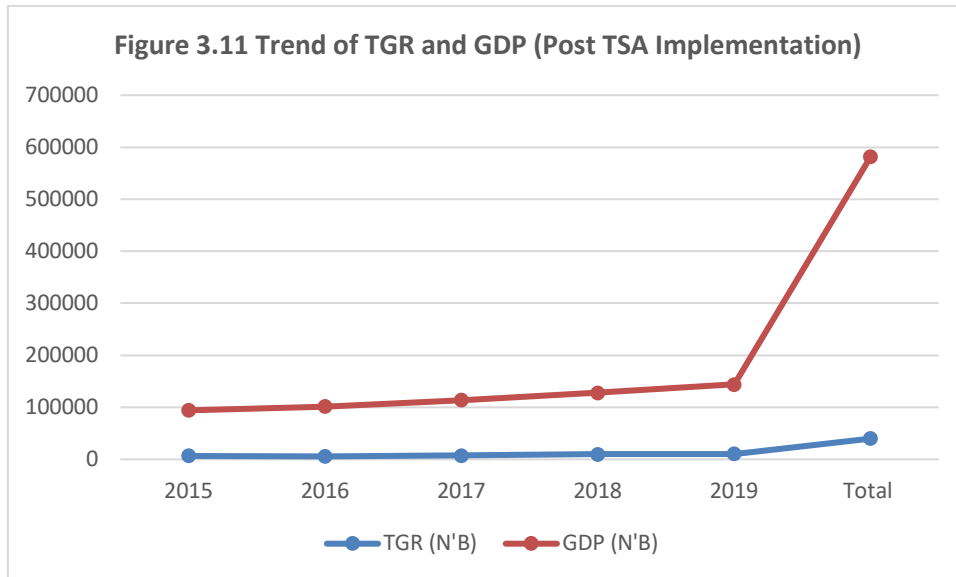
#### **4.4. Accounting and Ethical Issues of TSA for Economic development**

##### **Accounting Issues**

While TSA Policy has been adjudged to be of huge success especially considering its perceived benefits both to the government and to stake holders, there have been some accounting issues that are raised in the wake of TSA implementation. These issues include:

1. Record Management implications. How is the accounting records kept in the wake of TSA implementation? Is the recording keeping inline with international accounting best practices as well as with International Public Sector Accounting Standards (IPSAS)? all of these accounting issues has rising in the wake of TSA implementation in Nigeria.
2. Non availability of requisite accounting skills to manage the large pool of funds that emanates from TSA accounts
3. There is also the issue of public auditors gap. There is skills gap in terms of auditor towards these government accounts, hence other accounting implications towards accountability and transparency arises.

4. Accounting equipment and infrastructure issue
5. Issue with ICT infrastructure to enable real time accounting transactions and accounting information management in real times
6. Issue of TSA policy undermining of budgetary management and control
7. Infrastructure issue in Nigeria especially the power issue undermine accounting functions for real time transactions required in TSA implementation
8. Different accounts that are not National Assembly approved but operated under the guise of TSA



**Source:** Excel output of data computed by Researchers 2021

### **Ethical Issues**

The issue of Trust and perception is often considered when it comes to TSA policy. There is the issue of Trust on the system and its implementers. Salary and pension biometrics is a reference point. Corrupt Nigerians will develop a way out like the 1% so called commission, Cash for hand & refund through contract inflation etc.

Another issue is fraud, corruption and circumventing the system by the Policy makers. The issue of fraud and corruption is still high even with TSA implementation thus calling to question the ethical and moral justification for implementation of TSA. "Okereke and Okoye, (2017) documented that in recent times, the National Assembly of Nigeria and the readable public was thrown into a state of confusion and disagreements as it were, as a result of accusations and denials of fraud with Treasury Single Account between Senator Dino Melaye and Lai Mohammed (representing the Presidency). The operation of TSA has been tagged as a fraud; this was the conclusion of Senator Dino Melaye. He contested the alleged outrageous commission of 25billion Naira received by SystemSpecs, the organization in charge of the operation of TSA. His position necessitated the National Assembly of Nigeria (NAN) to summon a committee of enquiry to investigate the operation of the project since its inception. The Central Bank of Nigeria (CBN) in the same vein, requested the return of all the commission charged and received by SystemSpecs (Okereke & Okoye, 2017). However, the Federal Government of Nigeria (FGN) through the office of The Minister of Information and Culture Lai Mohammed described as rumor the information flying around that TSA is a project meant to siphon the Nigeria treasury and also that the 1% being charged as commission by System Specs can't be justified (The Sun Newspaper, 2015).The minister in his statement cleared the administration of President Muhammadu Buhari from the signing of the contract that led to the operation of TSA (Sahara Reporters, 2015). The platform handler, who is also the managing director of the project System Specs, Mr. John Obaro, explained the distribution of the 1% commission charged as a portion

being shared between System Specs, Commercial Banks and CBN in the ratio of 50:40:10 respectively.

Another issue is fall in Naira in the currency market. With the implementation of TSA, when there is election, the 'big boys' tend to bring in dollars and this has the tendency to depreciate the naira so that they can have more naira to spend during elections.

There is also borrowing implications. With TSA ministries are allowed to borrow and as well manage the borrowed funds. The ethical questions becomes: why should one person borrow for all of us to pay? It should be a collective borrowing and a collective repayment.

## **5. Conclusions and Recommendations**

### **5.1 Conclusion**

From the review as shown in this paper, TSA Policy has no doubt played a vital role in garnishing the needed revenue pool for effective and efficient economic development in Nigeria since its inception, however several factors have hampered its expected progress and some of its objectives have not be achieved. No doubt Treasury Single Account is required to drive economic development of the nation. However, looking at its objectives of increasing revenue it has not fared well and thus economic development pursuit has suffered. In addition, it while TSA have been hailed as the policy in the right direction towards economic growth and development, however there have been concerns on its efficacy towards economic recovery and consequently achieve economic development due to its tendencies of starving the private sector the needed funds for contribution towards economic development among others. The paper has discovered via its trend analysis that total government revenue within the Post TSA implementation seems to flatten out when compared to Pre TSA period indicating that even with TSA implementation there is minimal government revenue generation witnessed, hence the need for a review of the policy to overturn the trend. In other words, Post TSA revenue generation analysis indicates that even with TSA implementation there is minimal government revenue generation witnessed, hence the need for a review of the policy to overturn the trend. Ethical issues and Accounting issues have been seen as some issues that hampers the progress of TSA in terms of government revenue generation needed to fast track economic development in these contemporary times. Issues of record management, accounting skills gap as well as accounting infrastructure needed for real time TSA activities are some of the accounting issues. issues of trust and perception, fraud and corruption in the wake of TSA policy, fall in Naira as well as borrowing implications are some of the ethical issues. The study concludes that whilst TSA policy is a laudable project, these issues must be dealt with other wise, economic development in the face of TSA policy will continue to suffer

### **5.2 Recommendations**

For TSA implementation can lead to sustainable Economic development to take place, the following are suggested as what that can be done:

1. There should be ethical revolution. All MDAs involved in the use of TSA must be ethical in its implementation and management of accounts. ethical index can be developed whereby MDAs can be rated according to those that uphold the highest standard of ethics towards TSA policy
2. There is should training of the accounting manpower at all levels of TSA implementations. Manpower must be familiar with and be ICT compliant to deal with real time TSA transactions.
3. Government must put adequate measures towards poverty reduction. TSA policy cannot not be effective where there is high level of poverty.
4. There should be investment in strong and viable ICT infrastructure. This is important and TSA works well where there is real time transactions and IT infrastructure is needed for this to happen
5. There should be and establishment of a strong and transparent institutional financial framework supported by cashless practicable limits in real term not just on paper.
6. There should be strong legislation to back up TSA policy with stringent punishment for those who fail to comply to it at all levels. Such laws should make it illegal to operate separate accounts by all levels of government aside from the approved accounts for TSA implementation.
7. There should be awareness and enlightenment on the TSA policy, its workings, benefits as well as the challenges that could be faced and how it can be overcome. All stakeholders must be abraded of these developments from time to time.

8. The CBN, should also be more proactive and institute measures to correct any lapses or negative impact of the policy and provide measures to cushion any effect especially to participating institutions such as the commercial banks and other financial institutions.

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