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Treasury Single Account and Fund Management in Nigeria: A Perception of Accounting Practitioners in Ado-Ekiti Metropolis

R.T. SALMAN
University of Ilorin, Nigeria

M.A. ADESEYE
Afe Babalola University, Ado-Ekiti, Nigeria.

Abstract. Treasury Single Account (TSA) is a constitutional tool that facilitates collection of all government incoming cash in one account through transferring of the open account balances that hold names of the ministries and government departments existed in the Central Bank and the commercial banks into one consolidated account (CRF) while all approved expenditures and trusts are implemented through this account. The high rate of corruption bedeviling Nigeria economy coupled with the recent financial crunch have necessitated operationalization of the constitutional tool (TSA) across government ministries, parastatals, and extra ministerial departments with the sole aims of reducing siphoning of public fund, boosting revenue collection, and ensuring effective fund management. This study investigates the role of operationalized TSA in fund management by eliciting the opinion of accounting practitioners in Ado-Ekiti metropolis. Descriptive and inferential statistics were used in analyzing the data for the study. The study revealed that operationalized TSA reduces mismanagement of public fund and boost government revenues. It therefore recommended that the government political will in enforcing the TSA operation be sustained to fully harness its benefits.

Keywords: TSA, Fund Management, Accountability, & Transparency

1. Introduction

The Treasury Single Account (TSA) is not just assumed individual concept but a constitutional tool, which is backed with a particular section in the constitution of the nation (Nigeria). Section 80 (1) of the 1999 of the Nigeria Constitution as amended described TSA as all revenues, or other monies raised or received by the Federation (not being revenues or other monies payable under this Constitution or any Act of the National Assembly into any other public fund of the Federation TSA established for a specific purpose) shall be paid into and form one Consolidated Revenue Fund of the Federation"; successive governments have continued to operate multiple accounts for the collection and spending of government revenue in flagrant disregard to the provision of the constitution which requires that all government revenues be remitted into a single account. It was not until 2012 that government ran a pilot scheme for a single account using 217 ministries, department and agencies as a case study. This scheme saved the country about ₦500 billion in frivolous spending. The success of the scheme motivated the government to fully implement TSA, leading

the Federal government given a directive to banks to implement the technology platform that will help accommodate all MDA's in the TSA scheme. The recent directives of the President Mohammed Buhari led administration that all government revenues be remitted to a Treasury Single Account is not only in consonance with this programme but also in compliance with the provisions of the 1999 constitution (as amended).

In February, 2015, the Central Bank of Nigeria issued a circular directing all deposit money banks to implement the Remita e-Collection Platform. The Remita e-Collection is a technology platform deployed by the Federal Government to support the collection and remittance of all government revenue to a Consolidated Account domiciled with the CBN. This marked the beginning of the full implementation of Treasury Single Account (TSA) system in Nigeria. The circular also ordered all revenue-generating agencies to close their accounts with commercial banks and transfer same into a Consolidated Revenue Fund of the Federation and Treasury Single Account as a new electronic revenue collecting platform.

According to the Accountant General of the Federation (AGF), Mr. Jonah Otunla, the new Electronic Revenue Collection (ERC) platform is aimed at improving internally generated revenue in the face of declining oil prices. This, he said, was in line with a series of treasury reforms, which began in 2012, aimed at ensuring transparency and accountability in the management of the nation's finances. It was observed that there are leakages of government receipts and government funds been idle in unidentified accounts that have been the bane of the economy growth (Otunla, 2015). The Treasury Single Account introduced and enforced by the Federal Government of Nigeria will enable government Ministries, Departments and Agencies to device means of ensuring proper cash management of funds in their custody. This policy is a critical step towards curbing corruption in the public funds management. The TSA as a constitutional tool will be used to reduce indiscipline among public sector workers, non-challant attitude of public sector officers on government idle funds and to ensure adequate fund flow that will be channeled to critical sectors of the economy to speed up development. The implementation of this policy will also reduce mismanagement of funds in the public institution such as Federal Universities where different fees are demanded from the students but application of same not transparent. It is against this background that the study examines the role of TSA on fund management in the public sector.

2. Objectives of the Study

This study generally aims at examining the role of consolidation of all government funds in a single account (SA) on fund management. To achieve this, the specific objectives were:

(i) to examine the role of Treasury Single Account on Effective fund Management.
(ii) to assess the role of the Treasury Single Account on government transparency.

3. Statement of Hypotheses

The following hypotheses were formulated as guide to the study:

H_{01}: Treasury Single Account does not facilitate effective fund management
H_{02}: Treasury Single Account does not improve government transparency and accountability

4. Literature Review

4.1 Conceptual Clarification and a Look back to TSA in Nigeria

Treasury Single Account is a public accounting system under which all government revenue, receipts and income are collected into one single account, usually maintained by the country's Central Bank and all payments done through this account as well. The purpose is primarily to ensure accountability of government revenue, enhance transparency and avoid misapplication of public funds. The maintenance of a Treasury Single Account will help to ensure proper cash management by eliminating idle funds usually

left with different commercial banks and in a way enhance reconciliation of revenue collection and payment (Adeolu, 2015). It is a single pool for harvesting revenue inflows of MDAs and was not President Buhari's idea. It was conceived by the immediate administration of President Goodluck Jonathan, but it remained a mere policy on paper due to lack of political will to enforce it (Otunla, 2015).

It is globally recommended that no other government agency should operate bank accounts outside the oversight of the treasury. Institutional structures and transaction processing arrangements determine how a TSA is accessed and operated. The treasury, as the chief financial agent of the government, should manage the government's cash (and debt) positions to ensure that sufficient funds are available to meet financial obligations, idle cash is efficiently invested, and debt is optimally issued according to the appropriate statutes. In some cases, debt management including issuance of debt is done by a Debt Management Office (DMO). Judging by the provisions of the Financial Regulations (FR) and the 1999 Constitution of the Federal Republic of Nigeria, some Ministries/Extra-Ministerial Offices, Agencies and other arms of Government collecting revenue (such as Value Added Tax (VAT),Withholding Tax (WHT), fees, fines and interest) are expected to remit same into the Consolidated Revenue Fund (CRF).

In line with Section 16 of the Finance (Control and Management) Act, LFN, 2004 and the Financial Regulation No. 413, all unexpended recurrent votes for a financial year shall lapse at the expiration of the year. Consequently, all unspent balances in the Recurrent Expenditure Cash Books at the end of 2012 financial year must be paid back to the Consolidated Revenue Fund Account No 0020054141107 with the CBN by issuing mandate in favour of "Sub-Treasury of the Federation" latest by the close of work on the last Friday of every December.

It should be noted that all MDAs, including Universities, Polytechnics, Federal Medical Centres, Teaching Hospitals, Research Institutes and River Basin Development Authorities and FPO's were ordered to adhere strictly to this law. All Accounting Officers are required to make a return of unspent balances on the recurrent expenditure Cash Books, along with copies of treasury Receipts, to reach the Office of the Accountant-General of the Federation latest by close of business on Monday, 31st December, 2012. It is obligatory to comply with this regulation in order to avoid the imposition of stiff penalties against defaulters. The irony, however, is that some parastatals did not remit their operating surpluses into the CRF as provided by the FRA 2007 (sections 22 and 23) while most MDAs engage in acts that result into loss of government revenue.

The FRA (2007) equally made arrangements for closing the year accounts. According to the Act, all the Departmental Vote Expenditure Allocation (DVEA) Books, Ledgers, Mandate Summary Registers and Imprest Accounts shall be concluded on the last Friday of December, every year by 12 noon to rule-off all cash Books and extract the Cash Book balances. Also all MDA on GIFMIS/TSA will have their accounts closed automatically real time basis by the Treasury. In October 2012, President Goodluck Jonathan had stated that by introducing the TSA, his administration had not only brought down the fiscal deficit, but has enhanced the predictability of public expenditures. Although, the Integrated Payroll and Personnel Information System (IPPIS), Government Integrated Financial Management Information System (GIFMIS), and other non-financial Reforms, have greatly improved the Nation's Financial Management System and accountability (Yusuf & Chiejina, 2015). More improvement in Cash Management System through Treasury Single Account (TSA) is still desired.

Bearing this in mind, in 2013, the federal government began the mop up of funds released under the 2013 budget that were yet to be spent by Ministries, Department and Agencies of government. The development was confirmed by the then Accountant General of the Federation, Mr. Jonah Otunla. Otunla while addressing journalists in company of the then Director General, Budget Office of the Federation, Dr Bright Okogu, however, noted

that funds for constituency projects would not be among the funds that would be returned to the treasury. He said officials of the ministry of finance and the OAGF would ensure that funds that have not been used by agencies were returned before midnight of December 31. According to him, people are on the field in the various ministries, and usually officials from the ministry of finance do not sleep on the last day of the year.

4.2 Essential Features of Treasury Single Account

Pattanayak and Fainboim, (2010) and Karen (2006) suggested three essential features of a full-fledge Treasury Single Account.

Firstly, the government banking arrangement should be unified, to enable ministry of finance (Mof) (or treasury) oversight of government cash flows in and out of these bank accounts. A unified structure of government bank accounts allows complete exchangeability of all cash resources, including on a real-time basis if electronic banking is in place. The TSA structure can contain ledger sub-accounts in a single banking institution (not necessarily a central bank), and can accommodate external zero-balance accounts (ZBAs) in a number of commercial banks.

Second, no other government agency operates bank accounts outside the oversight of the treasury. Options for accessing and operating the TSA are mainly dependent upon institutional structures and payment settlement systems (see the section on Transaction Processing under a TSA System).

Third, the consolidation of government cash resources should be comprehensive and encompass all government cash resources, both budgetary and extra-budgetary. This means that all public monies irrespective of whether the corresponding cash flows are subject to budgetary control or not (e.g., in the case of reserve funds, earmarked funds and other off-budget/extra-budgetary funds) should be brought under the control of the TSA. The cash balance in the TSA main account is maintained at a level sufficient to meet the daily operational requirements of the government (sometimes together with an optional contingency, or buffer/reserve to meet unexpected fiscal volatility).

However, establishing a TSA usually requires a legal basis to ensure its robustness and stability. Being legally recognized is thus a precondition that is particularly important in those countries where the "presumed" autonomy of some institutions is an obstacle to the implementation of a TSA.

4.3 Transaction Processing Under a Treasury Single Account System

Cem (2010) explained that there are two primary transaction processing models, each of which could be associated with either the Centralized or Decentralized TSA architecture.

4.4 Centralized Model

The model is based on Centralized Transaction Processing. This implies a concentration of authority at the treasury to process transactions, access and operate the TSA. 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, which includes regional treasury subaccounts. The budget institutions submit their payment requests to the centralized authority/treasury before making payments. Such a transaction processing model could be associated with either the centralized (e.g., Brazil and France) or the distributed TSA structure (e.g., the United Kingdom). In these cases, only the centralized authority/treasury operates the TSA main account and transaction accounts. A separate transaction accounts for each regional treasury unit and/or individual budget institutions could exist. This is illustrated appropriately in the figure below:

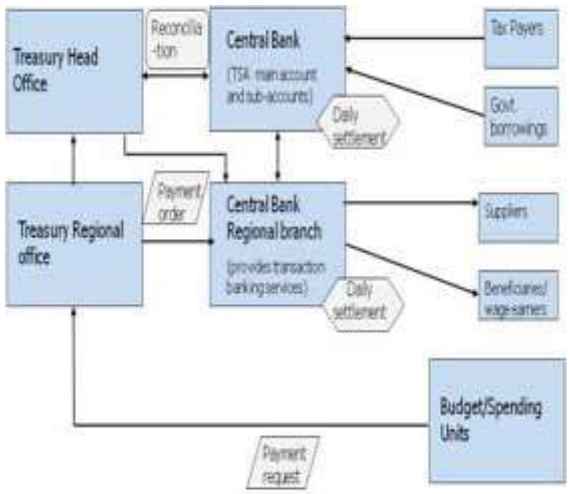

Figure I: A Typical Centralized Transaction Processing System (Adapted from Pattanayak & Fainboim, 2010)

4.5 Decentralized Model

The second model is associated with decentralized payment and accounting systems. Here, each budget institution processes its own transactions during budget execution and operates the respective bank account under a TSA system. This transaction processing model could be associated with either the centralized (e.g., India, where a single bank account at the Reserve Bank of India, the central bank, is supplemented by subsidiary ledger accounts to record and control payments attributable to individual line ministries) or the distributed TSA structure (e.g. Sweden, where each decentralized budget institution has one or more transactions accounts at one or more banks). Combination of the options (of the decentralized TSA structure and the decentralized transaction processing model) require an efficient and reliable communication network and interbank settlement system for netting of balances of several transaction accounts with the TSA main account. See the figure below:

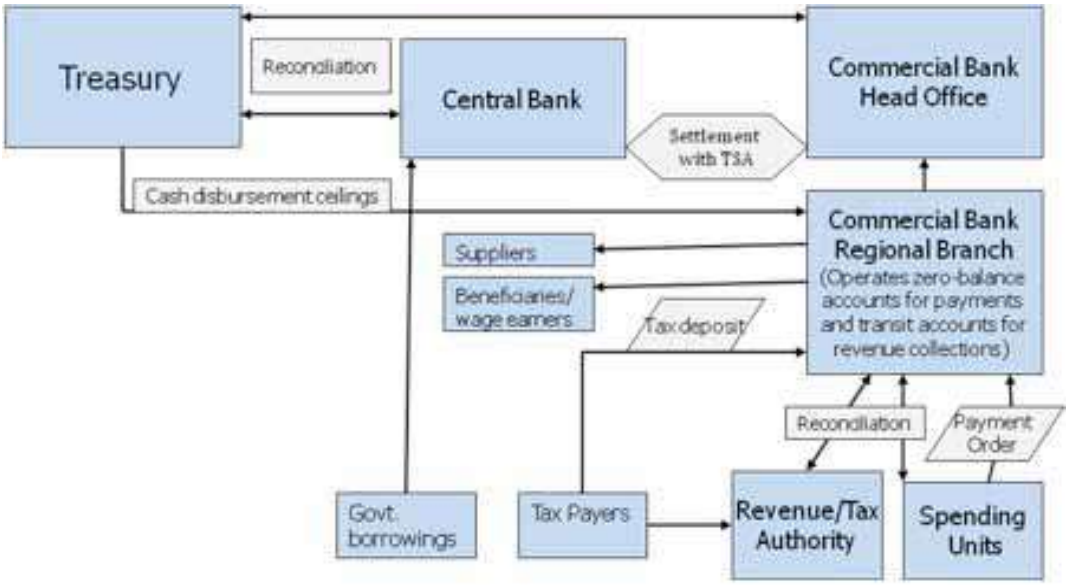

Figure II: A Typical Decentralized Transaction Processing System (Adapted from Pattanayak & Fainboim, 2010)

4.6 Preconditions for Setting up a TSA

Teresa and Pedro (1995), Khan and Pessoa(2010) and Pattanayak and Cooper (2011) stated that there is a need to address some important issues upfront before key decisions are taken on design options and the strategy to establish a TSA. Unless these issues are addressed, the TSA implementation is unlikely to be successful, as the experience of many

countries demonstrates. Successful implementation of a TSA also requires sound treasury systems and processes. Therefore, TSA and treasury reforms should be viewed as one integrated package.

A complete inventory of existing bank accounts is required. As a key precondition, the government should have full information about the bank accounts opened/operated by various agencies under its control. In some countries, an unknown number of government bank accounts are opened by line ministries/agencies, sometimes outside the treasury's control. It may, therefore, be necessary to conduct a census of the bank accounts of all government agencies, asking each agency to provide information on the number and type of accounts held at commercial banks and the amounts deposited in them and explain the reasons for holding them. Even this simple task may prove difficult to achieve in the face of resistance from government agencies and their respective bankers. Following the census, a complete inventory of government accounts should be prepared (including their nature, type, and cash balances).

Also, The need for political support for reform of government banking arrangements-establishing a TSA may require hard decisions, such as closing the existing bank accounts of spending units (outside treasury control), that can provoke powerful opposition. For success, a TSA reform must be explicitly and strongly supported by the highest levels of government. Cabinet decisions to initiate and reinforce the reform are helpful. In addition, banking network and technology-the technological feasibility and capacity of the banking system to participate in the operation of a TSA, and to report on TSA transactions, should be established. This includes the existence of an interbank settlement system, a small payments clearing system, a Real Time Gross Settlements System (RTGS) at the central bank for high value transactions, and the connection of major commercial banks to the RTGS. This requirement is especially important in the case of a distributed government bank accounts structure.

Furthermore, the need to review legal/regulatory framework is necessary. Sometimes the existing legal and regulatory frameworks may allow spending units to have independent bank accounts. These need to be amended and good international practice is to vest the ministry of finance/treasury with the sole legal authority for opening government bank accounts. To make the TSA a stable feature of treasury management, it is good practice to include it (in related laws such as a treasury law or an overarching PFM law) as a fundamental feature of the respective country's PFM system.

4.7 Key Implementation Steps

Pattanayak and Fainboim, (2010), suggested that the implementation of a TSA would typically involve the following steps:

(i) The census of government bank accounts should be reviewed to identify bank accounts for closure. In particular, those bank accounts that have outlived their utility (and are not required) should be closed and their balances should be transferred to the TSA.

(ii) Some existing cash-holding bank accounts at commercial banks could be converted to zero-balance accounts (ZBAs) for transaction banking purposes.

(iii) The treasury/technical committee should prepare a functional and technical requirements document, including a clear identification of changes to business processes and any required amendments to the financial regulations and any other law/regulation to support the budget execution and accounting procedures under the TSA system.

(iv) The IFMIS design should provide for the required interface between the TSA and the transaction processing and accounting systems, whether centralized or decentralised. With the introduction of electronic fund transfer (EFT) in the banking sector, it would be possible to move towards direct payments from the TSA main account, especially for large value payments to suppliers, or

regular large quantity transactions (such as wages).

(v) An orderly and gradual transfer of cash balances from the existing commercial bank accounts(that are either to be closed or converted to ZBAs) to the TSA should be implemented, with a view to ensuring minimal disruption to banking system liquidity and monetary policy (this activity needs to be coordinated with the central bank).

(vi) Taxes are now collected in most countries by the commercial banks and an efficient TSA system will require that the revenues collected are remitted to the TSA at the end of each business day. Banks should be able to report to the treasury the amounts collected on a daily basis, for cash management purposes. Participation of respective commercial banks will be required to introduce electronic collection of taxes. The revenue collection and remittance services should be remunerated on a fee-per-transaction basis. Usually these banking services are contracted by an autonomous tax agency.

(vii) In order to procure services from the commercial banks in an efficient and cost-effective manner, the following factors, among others, should be taken into consideration during the procurement process: (a) designing the bid selection criteria to avoid contracting the services to only one bank, in circumstances where this could generate systemic risks, given that the treasury is likely to be the largest client of the banking system; (b) ensuring adequate geographical coverage of the bank branches; and (c) making sure that the banks comply with minimum service standards and provide for effective mechanisms for enforcing these standards (e.g., penalties for deviation from standards).

(viii) There may be a need for special arrangements—e.g., cash safes and imprests-for remotely located agencies/spending units without access to the banking network. Mobile banking options may also be considered, if available. However, the need for imprest accounts should be carefully reviewed, and as the banking sector develops, these accounts should be progressively closed.

(ix) The users of the TSA system, within the ministry of finance/treasury and line ministries/agencies, should be trained to build their comprehensive understanding of the new banking, payment, and accounting arrangements, including under the IFMIS. A user manual on receipt and payment procedures should also be developed.

(x) For accounting purposes, it may be preferable for the introduction of the new banking arrangements to coincide with the beginning of the fiscal year.

4.8 Key Reconciliation Procedures

Cem (2010) highlighted procedures for reconciliation of implemented TSA as stated below:

Step1: Check previous Bank Reconciliation Statement. Confirm that outstanding items and errors included in the last Bank Reconciliation Statement now appear on the bank statement for the current period. Any items still outstanding from the previous reconciliation and carried forward to the current Bank Reconciliation Statement should be explained and follow-up action noted.

Step 2: Compare the ledger and the bank statement. Compare the ledger entries for receipts with the deposit transactions on the bank statement, and the ledger entries for payments with the payment transactions on the

bank statement. Entries that appear in both the cash-at-bank ledger account and the bank statement should be marked off. The remaining items, where the ledger and bank statement vary, may be due to: (i) outstanding or late deposits that appear in the cash-at-bank ledger account and not on the bank statement;(ii) checks not presented or electronic funds transfers (EFT) that appear in the cash at-bank ledger account and not on the bank statement; (iii) items appearing only on the bank statement that do not appear in the cash-at-bank ledger account, for example fees, charges and electronic deposits; or (iv) errors made in entering items in the cash-at-bank ledger account and/or errors made by the bank (providing the transaction banking services)on the bank statement.

Step 3: Prepare journals for entries in the ledger. Prepare journals for those transactions appearing only on the bank statement that are confirmed as being legitimate transactions. When these items have been recorded in the cash-at-bank ledger account they can be marked off, since they are now common to both sets of records.

Step 4: Prepare adjusting journals for any corrections to the ledger. Prepare adjusting journals for any errors identified in the cash-at-bank account. When these errors have been adjusted in the cash-at-bank ledger account, the entries should match the bank statement transactions and they can also be marked off.

Step 5: Advice the bank of any errors in the bank statement. The bank (providing the transaction banking services) should be notified of any errors appearing on the bank statement. These items will appear on the Bank Reconciliation Statement. The errors should be corrected by the bank and should be recorded on the subsequent bank statement.

Step 6: Prepare the new Bank Reconciliation Statement. The remaining differences that are included on the Bank Reconciliation Statement are those items that appear in the cash-at-bank ledger but not on the bank statement, i.e., outstanding deposits and unpresented cheques or EFTs. Errors made on the bank statement and any items still outstanding from the last Bank Reconciliation Statement also need to be included on the new Bank Reconciliation Statement.

4.9 An Overview TSA and Government's Cash Management-The Possible Gains

The implementation of a Treasury Single Account will pave the way for efficient government cash management (Lienert, 2007; & Williams, 2010). Some of the major benefits include:

(i) Minimum idle cash: implementation of the TSA will help in minimizing idle cash held by government institutions outside the Consolidated Fund. As of end May 2015, various government bodies held over N35.billion in current deposits with scheduled banks, which are largely non remunerative and primarily used for transactional purposes. This amount is likely to reduce as a large number of financial transactions among government bodies will be settled within the consolidated account, and there wouldn't be any need to hold transactional balances by each government institution. The overall amount of cash balances to be held for transactional purposes in TSA will be decided according to the government policy for cash management.

(ii) Direct Savings: There is an element of direct savings for the government as short term government borrowing to cater for revenue and payment mismatches is likely to reduce. Idle cash balances in sub-accounts can be for replenishing sub accounts in need of cash balance. Moreover, the amount in transit or waiting for clearance especially for inter-government institutions will substantially reduce as transactions are settled within the account.

(iii) Contain financial risk: The active management of TSA is expected to mitigate financial risks. Credit risk will reduce due to limited government exposure towards

private sector commercial banks. Similarly, TSA will reduce operational risk by minimizing the scope of mismanagement or fraud.

It may be added here that these benefits will not be realized until the existing arrangements for cash handling and control are improved. This will require efficient cash management to be identified as a specific objective of government entities. Also, operational procedures may be refined in light of TSA implementation.

On a similar note, the Federal Government officially commenced the operation of a Treasury Single Account on Monday, 17th of September 2015. This effectively moved about N1.2 trillion from Nigerian Banks to the Central Bank of Nigeria. For most Nigerians, this decision is a bold attempt at stifling corruption and ensuring government revenue is effectively mobilized and monitored. However, the TSA does have well documented advantages and have been implemented in so many countries around the world.

Pattanayak and Fainboim (2010) in manual prepared for International Monetary Fund in 2010 titled Treasury Single Account: Concept, Design, and Implementation Issues outlined the benefits of operating a Treasury Single Account. They started by explaining that the primary objective of a TSA is to ensure effective aggregate control over government cash balances. The following are the eight major advantages of TSA:

(i) 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.

(ii) Improves appropriation control. The TSA ensures that the MoF 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.

(iii) 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 behavior by budget entities, such as exaggerating their estimates for cash needs or channeling expenditures through off-budget arrangements.

(iv) 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).

(v) 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.

(vi) 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. The establishment of a TSA is usually combined with elimination of the "float" in the banking and the payment systems, and the introduction of transparent fee and penalty structures for payment services. Many governments have achieved substantial reductions in their real cost of banking services by introducing a TSA.

(vii) 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.

(viii) 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.

4.10 Underpinning Theories

Williams (2010) defined Cash Management as the corporate process of collecting, managing and (short-term) investing cash. It is a key component of ensuring a government's financial stability and solvency. In public policy, instrumentalism refers to the method of change by which many small policy changes are enacted over time in order to create a larger broad based policy change (Adeolu, 2015). Therefore, in order to critically explain what TSA and Cash management are in the government setting, the study considers the theory of accountability and fund theory.

Theory of Accountability-these are policies used to enforce authorization policies by controls imposed before shared resources are accessed. Recently, there has been great interest in accountability mechanisms that rely on after-the-fact verification. An auditor uses audit logs, record vital systems information and identify dishonest principals and to assign blame when there has been a violation of security policy. The fear of being "caught" helps to achieve security by deterrence, in the spirit of traditional law enforcement and organizational security. Accountability plays a critical role in the development of trust during human interaction.

Thus, accountability is viewed both as a tool to achieve practical security and as a first-class design goal of services in federated distributed systems. While designing for accountability is subtle in general, mechanisms to instrument systems to support accountability have been explored in several specific applications: determinate distributed systems, network storage, validating ISP quality of service claims. The accountability approach to security lack general foundations for models and programming. Therefore, for proper accountability and close monitoring of the government funds, the TSA policy will be implemented and accountable for by the Central Bank of Nigeria.

Fund theory, however, was developed by William J. Vatter, backs away from both the entity and proprietary theories because of the inherent weaknesses and inconsistencies of both. A fund is simply a group of assets and related obligations devoted to a particular purpose, which may or may not be that of generating income. The financial position (balance sheet) equation would be

ΣAssets = ΣRestrictions on Assets

The restrictions on the assets arise from both liabilities and invested capital. The invested capital must be maintained intact unless specific authority for partial or total liquidation is given. The restriction on assets also includes the specific purposes for their use mandated by law or contract. Fund theory, therefore, is most applicable to the governmental and not-for profit areas where endowment funds, encumbrances, and special-asset groups often devoted to specific and separate purposes prevail.

4.11 Empirical Framework

Kanu (2016) assessed the positive effect of implementation of TSA on the Economy, the public accounting system and the undesired consequences on the liquidity base and performance of banking sector in Nigeria. The study administered questionnaire to the Management staff of the ten banks selected for

the study and employed Chi-square as a statistical tool for analysis of the data. The results obtained confirmed that the implementation of Treasury Single Account in the public accounting system impacted negatively on the liquidity base and the performance of banking sector in Nigeria. The study therefore recommended that the CBN and the Government should come up with an arrangement to address the issue of TSA considering the impact of the activities as the important factor for efficient management, control of government's cash resources as well as sustainability of banks. According to the study, the CBN should go beyond the guidelines and put in place measures to correct any lapses or negative impact of the policy both in the banking sector and the economy at large. The implication of the study is that banks should avoid Arm chair activities and go to other source of funds in the economy. Many people that are denied access to credit facilities, investments and savings opportunity should be encouraged as this will improve the economy and result in sustainable banking sector in the country.

Tari, Myatafadi and Kibikiwa (2016) attempted to look at the contributions of reviving the Treasury Single Account. The study relied on secondary methodology to effectively examine the fiscal impact of reviving the TSA policy and anchored on incremental model as a framework of analysis. It suggested better ways of making the policy effective amidst the dwindling oil price and the superiority of Dollar against the Naira. Hence, the study concluded that TSA will be a failure in Nigeria, except proper monitoring of government account is carried out, in all government institutions and strong punitive measure applied against defaulters and corrupt officers,. The study recommended that, the financial institutions and their supervisors, that is, Central Bank of Nigeria, be proactive and instate measures to ensure full compliance to TSA and correct any lapses or negative impact of the policy on the affected financial institutions among others.

Bashir (2016) examined the extent to which Treasury Single Account can block financial leakages, promotes transparency and accountability in the public financial management. Both primary and secondary data had been employed. The study populations were Ministries, Department and Agencies (MDAs) within Bauchi metropolis using a sample of 72 respondents through judgment sampling. The data were analyzed using the Pearson Correlation techniques. The result showed that adoption of a Treasury Single Account (TSA) is capable of plugging financial loopholes, promoting transparency and accountability in the public Financial System. It was recommended that for the success of this policy, government should promulgate more legislation to make it mandatory for all the three tiers of government in Nigeria.

Pattanayak and Fainboim (2010) in their work titled Treasury Single Account: Concept, Design and Implementation Issues explained its concept, essential features, and potential benefits. It also presents alternative models and approaches for designing a TSA that take into account specific country contexts as well as the preconditions and desirable sequencing for its successful implementation.

5. Methodology

This study adopted a survey design, 'a research technique in which information is gathered from sampled respondents using a questionnaire' (Tariq, 2009). In this study, the researchers' interest is in studying the opinions of respondents through the distribution of self-administered copies of questionnaire on a cross-sectional basis to the selected samples in order to harness information for the purpose of analysis and making deductions there from. The study focused on accounting practitioners in Ado-Ekiti metropolis, and a total of sixty (60) copies of questionnaire were administered to elicit the opinion of accounting practitioners on the role of TSA in fund management of public entities and transparency of government activities with fifty (50) returned completed. It used both descriptive and inferential statistics for the analysis of data gathered through the questionnaire. The descriptive statistics in this study include the summarised frequencies and percentages table, while chi-square test was used for inferential statistical analysis.

6. Results and Discussion

Table 1: Respondents' Profile

Details	Characteristics	N	%
Gender	Male	41	82
	Female	9	8
	Total	50	100
Age	21-35 Years	2	4
	36-50 Years	21	42
	51-65 Years	26	52
	66years and above	1	2
	Total	50	100
Education	B.Sc./HND	27	54
	M.Sc./Ph.D	23	46
	Total	50	100
Professional Qualification	ACA	34	68
	ACCA	6	12
	CNA	10	20
	Total	50	100

Source: Authors' computation, 2016

Table 1 above shows the background information of the respondents. On gender classification, 82% (41) were males while 9% were females. Also, 52% of the respondents falls 51-65 age bracket, 42% are between 36-50 years, 4% were within 21-35 years while 2% were 66years and above. On education, 54% were holders of B.Sc./HND while 46% were M.Sc./Ph.D holders. Finally, as for the respondents' professional affiliation, 34% were ACA, 6% were ACCA while 10% were CAN.

7. Testing of Hypotheses

H_{01}: Treasury Single Account does not facilitate effective fund management

Table 2: Chi-Square (X^2) contingency table on Treasury Single Account and effective fund management

			RESPONSE				
			SD	D	A	SA	Total
QUESTION	Question one	Count	9	1	15	25	50
		Expected Count	4.8	5.8	16.8	22.8	50.0
	Question two	Count	3	2	24	21	50
		Expected Count	4.8	5.8	16.8	22.8	50.0
	Question three	Count	4	8	14	24	50
		Expected Count	4.8	5.8	16.8	22.8	50.0
	Question four	Count	3	12	14	21	50
		Expected Count	4.8	5.8	16.8	22.8	50.0
Total		Count	19	23	67	91	200
		Expected Count	19.0	23.0	67.0	91.0	200.0

Source: Authors' computation. 2016

Table 3: Chi-Square(X^2) Tests on Treasury Single Account and effective fund management

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	24.038[a]	9	.004
Likelihood Ratio	24.302	9	.004
Linear-by-Linear Association	.210	1	.647
N of Valid Cases	200		

Source: Authors' computation, 2016

Table 3 depicts the results of the chi-square used to test null hypothesis 1; from the computation, the result showed that the chi-square value is 24.038 with an asymptotic significance of 0.004 This implies that χ^2_{calc} **= 24.038 >** χ^2_{tab} **=3.3251** at 5% level of significance and degree of freedom of 9. Based on the paradigm, the study failed to accept the null hypothesis and concludes that operationalisation of the treasury single account brings about effective fund management in public sector.

H_{02}: Treasury Single Account does not improve government transparency and accountability

Table 4: Chi-Square (X^2) contingency table on Treasury Single Account and Government Transparency

			RESPONSE				
			SD	D	A	SA	Total
QUESTION	Question one	Count	10	11	12	17	50
		Expected Count	5.0	8.0	16.0	20.8	50.0
	Question two	Count	3	2	24	21	50
		Expected Count	5.0	8.0	16.0	20.8	50.0
	Question three	Count	4	8	14	24	50
		Expected Count	5.0	8.0	16.0	20.8	50.0
	Question four	Count	3	12	14	21	50
		Expected Count	5.0	8.0	16.0	20.8	50.0
Total		Count	21	32	64	83	200
		Expected Count	20.0	32.0	64.0	83.0	200.0

Source: Authors' computation, 2016

Table 5: Chi-Square(X^2) Tests on Treasury Single Account and Government Transparency

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	23.493[a]	9	.024
Likelihood Ratio	23.663	9	.023
Linear-by-Linear Association	1.375	1	.241
N of Valid Cases	200		

Source: Authors' computation, 2015

Table 5 depicts the results of the chi-square used to test null hypothesis 2; from the computation, the result showed that the chi-square value is 23.493 with an asymptotic significance of 0.024. This implies that χ^2_{calc} **= 23.493 >** χ^2_{tab} **=3.3251** at 5% level of significance and degree of freedom of 9. Based on the decision rule, the study failed to accept the null hypothesis and concludes that operationalisation of treasury single account facilitates accountability and transparency of government activities.

8. Conclusions and Recommendations

This paper analyses the responsibilities taken by the executive arm of the Nigerian government

through the operationalisation of the treasury single account to ensure effective treasury management. It sought to empirically elicit opinions of accounting practitioners in Ado-Ekiti metropolis on the role of treasury single account in facilitating effective fund management and ensuring government transparency and accountability. Copies of Structured questionnaire were administered to 60 randomly selected qualified accountants in the study area with 50 copies returned completed.

The study found respondents positive view of the significance of treasury management and specifically opined that operationalisation of treasury single account facilitates effective fund management in forms of management of government receipts and payments, short-term treasury forecasts, management of treasury deficit funding, management of treasury peaks, reduced idle fund as well as interest and exchange rates risks management. It was also found that treasury single account brings about more transparency and accountability for government activities. The study recommends that the political will of government in enforcing fully operational treasury single account be sustained to better harness enormous benefits accruing from it.

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