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International Journal of Current Research
Vol. 9, Issue, 11, pp.60733-60739, November, 2017

INTERNATIONAL JOURNAL OF CURRENT RESEARCH

ISSN: 0975-833X

RESEARCH ARTICLE

IMPLEMENTATION OF THE TREASURY SINGLE ACCOUNT (TSA) IN NIGERIA: THE PAINS, THE GAINS AND THE WAY FORWARD

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ARTICLE INFO

Article History:
Received 22nd August, 2017
Received in revised form
04th September, 2017
Accepted 19th October, 2017
Published online 30th November, 2017

Key words:
Treasury Single Account,
MDAs, Cash Management and
Money Deposit Banks.

ABSTRACT

The study examined the pains and the gains in the implementation, of the Treasury Single Account (TSA) among the Ministries, Departments and Agencies in Nigeria. Analytical methods were employed in the presentation of relevant data. The results showed that the implementation of the Treasury Single Account has resulted to the concentration of authority to Central Bank of Nigeria to process cash transaction and operate TSA which has inflicted unbearable pains on the MDAs due to the high volume of regional level transactions and expansive network required for the operation. However, the findings also showed that the implementation of TSA has improved visibility of Government revenue and cash management. It has enhanced efficient payment processing with adequate checks and balances, facilitates revenue monitoring and strengthens cash planning and budget execution. More also TSA's implementation in Nigeria enables efficient cash management through regular monitoring of MDAs' balances with Money Deposit Banks .The study concluded that only a well tailored monitoring mechanism and strategies on TSA's implementation can consolidate its gains, strengthen the national treasury systems, guarantee efficient cash management and enhance proper accountability of public fund in Nigeria.

Citation: Rafiu Oyesola Salawu, Philip Olawale Odewole and Mathew Aremu Ayanbimipe. 2017. "Implementation of the treasury single account (TSA) in Nigeria: The pains, the gains and the way forward", *International Journal of Current Research*, 9, (11), 60733-60739.

INTRODUCTION

The Treasury Single Account (TSA) is part of the Public Financial Management (PFM) Reforms approved in 2004. It is a component of the PFM Reforms which are part of pillar 3, of the National Strategy for Public Service Reforms towards vision 20:20 which were partly designed to address impediments to effective cash management of the Federal Government. Before this time, the Federal Government faced with serious challenges of cash management crisis of her resources. .Before this time, there was in operation, in the various Ministries, Departments and Agencies (MDA), over seventeen thousand (17,000) multiple bank accounts kept in various Money Deposit Banks (MDBs) with idle credit balances, unaccounted for in multiple dormant accounts with huge balances over the years, kept from the view of the central authority who is the ultimate source of the fund. Government critical activities suffered acute financial provisions and adequate cash backings but were subjected to external financing with the facilities granted by the MDBs. The idle credit balances kept with them by the MDAs were used freely by Money Deposit Banks to extend credits to the owner-government to finance implementation of its annual budgets (Odewole, 2016). More also, there was inability of the government to determine her consolidated cash position for cash planning and effective cash management. Government could not ascertain the accurate credit balances in her various bank accounts with the commercial banks for crucial public needs. Poor cash planning, inability to fund government budget, lack of coordination among key fiscal agencies, non-remittance of government revenue and collections coupled with huge sum of Federal Government funds lost to failed banks were chain problems that propelled a drastic change in the module of traditional cash management and the adoption of Treasury Single Account in Nigeria. In 2009, Federal Government of Nigeria sought Technical assistance from International Monetary Fund (IMF) to advise on the feasibility of the adoption and operation of Treasury Single Account (TSA) in Nigeria to ease the prevalent cash management crisis in the country and bring an end to the operation of fragmented multiple bank accounts by the MDAs. A mission report was presented in June 2010 with the possibility of the adoption and operation of TSA in Nigeria. With the collective assistance and technical support from the IMF and World Bank, an inter-ministerial Taskforce developed detailed TSA requirements including the Structure, Scope, Strategy and Processes for the adoption and smooth operation of the cash management tool in

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the country (CBN, 2015). The TSA is a Bank Account or a set of Linked Account through which Government transacts financial operations. It is a unified structure that gives consolidated view of Government cash resources with a view to strengthen effective budget implementation, check idle cash balance, make planning easy and allow for effective decision making. The Federal Government of Nigeria TSA's framework provides for multiple set of linked accounts domiciled with the Central Bank of Nigeria (CBN). The primary objective of the TSA is to ensure that cash is available for MDAs as and when required and to remove delays in budget execution arising from artificial cash shortages in some MDAs while others keep hidden and idle cash balances with commercial banks. Also, the establishment of a TSA is to significantly reduce the government debt service costs, lower liquidity reserve needs and helps maximize the returns on investment of surplus cash. TSA is domiciled with the Central Bank of Nigeria (CBN) as a banker to government but the Bank does not receive money from payers or make payments to beneficiaries at its offices or branches. Payments are effected out of TSA account of the MDAs domiciled with the CBN into the commercial banks where respective beneficiaries of the fund maintain their accounts.

The commercial banks are however expected to render collection services and ensure real-time remittance of collected funds into the TSA. With the adoption of TSA, all bank accounts previously opened and managed by MDAs in banks are closed and moved to TSA account. at CBN as directed by the Treasury Circulars issued by the office of the Accountant-General of the Federation. MDAs are not allowed to maintain or continue to operate any account in commercial bank for any reason except with an express exemption granted by the President through the recommendation of the Accountant-General of the Federation. The establishment of the TSA does not take away the autonomy of MDAs. Full responsibility is still retained with the MDAs for all transactions in line with extant rules. Information is obtained by MDAs through online access to all balances on their Warrants via GIFMIS or directly in their accounts at CBN using the CBN payment Gateway. Besides, all payments on any MDAs transactions are initiated, previewed and authorized by the MDAs designated officers and processed by the approved officers of the MDA to the respective beneficiaries of the payments.

The TSA e-payment scheme commenced in 2012 with automation of payments/expenditure management by MDAs using the Government Integrated Financial Management Information System (GIFMIS) and the CBN Payment Gateway. With the automation, payments by MDAs are initiated and approved on GIFMIS for transmission into beneficiary's account. Payments are processed by the MDAs from their offices, processed by the MDAs from their offices, payment mandates are created and submitted electronically via GIFMIS or directly on the CBN payment Gateway. Phased implementation approaches were adopted for TSA in Nigeria. In 2011, Phase I TSA implementation strategy commenced with the opening of the Capital Accounts of all MDAs with the Central Bank of Nigeria (CBN), these capital accounts were later converted into sub-accounts under TSA and personnel costs of all MDAs on Integrated Payroll and Personnel Information System (IPPIS) were also made sub account of TSA. The commencement of Phase II TSA implementation strategy took off in 2012 with the opening of accounts for the personnel and Overhead Accounts of all Abuja based MDAs with the CBN. The TSA e-collection scheme is the concluding phase of the Treasury Single Account (TSA) initiative. It automates the collection of revenues, receipts and other monies payable to Ministries, Departments and Agencies (MDAs) directly into the TSA or designated TSA sub accounts using the CBN payment gateway. In Phase III, all donor funds were transferred to TSA. All remaining MDAs, partially funded or self-financing including the foreign missions were migrated to TSA. All Government controlled Trust Funds, Special Accounts, Social Security Fund etc were moved to TSA. The remainder of this paper is therefore arranged as follows: following the introductory section, section 2 reviews the literature, section 3 presents the methodology of the study. Section 4 presents the analysis and discussion of the results. Section 5 concludes the study and offers some crucial suggestions.

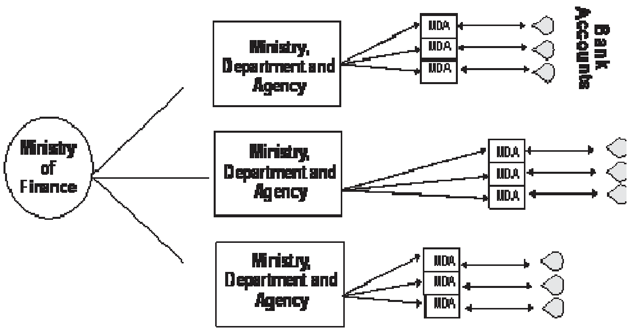
Literature Review

Treasury Single Account (TSA) is a tool for cash management rather than policy. It is a tool whereby government cash resources are pooled into a pyramid of a single account for effective cash planning and management (Odewole,2016). It is a unified structure of government bank accounts enabling consolidation and optimal utilization of government cash resources (Bashir, 2016). With the establishment of the Treasury Single Account in Nigeria, the era of the operation of fragmented multiple accounts by the Ministries, Departments and Agencies (MDAs) was over. No MDA is permitted to maintain account for any purpose with commercial banks including transit accounts. The operation of TSA prohibits the diversion of deposits to any commercial bank accounts and equally frowns at the use of surrogate accounts. The usual practice among the MDAs whereby funds are transferred from their CBN sub-accounts to commercial banks or other financial institution before spending ended with the adoption of the TSA. All payments are made from the CBN sub-accounts directly to the beneficiaries for the settlement of any goods and services to the MDAs. Foreign currency denominated sub-accounts are opened for MDAs at CBN upon request. All foreign currency denominated receipts are paid directly into the respective MDA Foreign Currency Account at CBN. The CBN upon request by the MDA monetizes the amount required by the MDA into Naira denominated sub-account. However, where the nature of the transactions of the MDA requires that it settles its financial obligations with the third party in foreign currency, then, the MDA could spend from the account without having to monetize subject to approved budget. The introduction of Treasury Single Account is therefore a direct result of numerous corrupt practices that exit in Nigeria (Kanu, 2016).

TSA was introduced to prohibit the fraudulent practice of operation of fragmented multiple bank accounts in various Money Deposit Banks and put an end to the practices of undisclosed credit balances at the end of the financial year. It was aimed at curtailing wastages, reducing the cost of governance in Nigeria and improve the living standard for the citizenry (Okeke and Eme, 2015). It is believed to be an efficient and effective means of managing government cash generation (Adebisi and Okike, 2016). TSA adoption is a bold step to stem down the spate of wanton rottenness that have plaqued the national treasury management and serve as a blockage against endemic and official financial lawlessness It is a common story that audit reports in Nigeria at all levels, reveal flagrant disregards to rules and procedures, overthrow financial discipline, accountability, probity and transparency, which the effective treasuries managements were set-up to establish and protect (Fatile and Adejuwon, 2017). TSA provides a network of subsidiary accounts all linked to a main account such that transactions are effected in the subsidiary accounts but closing balances on these subsidiary accounts are transferred to the main account at the end of each business day (Chukwu, 2015).

All MDAs are expected to remit all revenues collected on behalf of the federal government to the TSA through their designated Money Deposit Banks who serve as collecting agents to the MDAs. Any MDA operating Public Private Partnership (PPP) arrangement is required to maintain a separate (PPP) TSA sub account at CBN where all proceeds from the PPP are remitted using the CBN Payment Gateway. All revenues, receipts or proceeds accrued from PPP are remitted in gross into MDAs TSA sub-account at CBN. Subsequently, the partners' share of the proceed are transferred to the parties' accounts from the TSA sub-account and Federal Governments' share of the proceeds are paid into the TSA main account or any other designated account. The implementation of TSA helps to eliminate leakages and wastages and instills fiscal discipline (Odia and Odia, 2016). MDAs are made to fall in line and spend according to approved budget provisions (Kanu, 2016; Tayo, 2015). It has been used as both a process and a tool for effective cash management in Nigeria (Oyekpere, 2015). A non-TSA banking arrangements are typically characterized by multiple bank accounts, idle cash on bank accounts not remunerated, additional borrowing costs on the part of the governments, difficulty in capturing full cash position picture, impossibility in prioritizing and controlling expenditure disbursements, bank reconciliation responsibilities dispersed, reliance on banking rather than accounting systems for budget performance information.

Non-TSA Arrangements and characteristic features



MDA = Ministry, Department and Agency

The establishment of TSA in Nigeria started under the administration of President Goodluck Jonathan which achieved the reduction of fiscal deficit and enhancing the predictability of public expenditures (Yusuf and Chiejina, 2016). However, a full-fledged implementation was impracticable because of the mounting pressures within on his administration (Eme, Chukwarah and Emmanuel, 2015). The full-fledged operation became a compulsory enforcement under president Buhari's administration (Vanguard Editorial, 2015). The non-TSA arrangement was a clear contravention of the statutory provisions of the Nigerian Constitution (Iroegbu, 2015). Sections 80 and 162 of the constitution of the Federal Republic of Nigeria directs all federally-collected revenues be paid into the Federation Account. The Central Bank of Nigeria urged the Federal Government to urgently establish the TSA as a palliative to the erosion of the fiscal buffers through the depletion of the Excess Crude Account (ECA) in her Monetary Policy Committee (MPC) meeting (CBN, 2014). The Treasury Single Account (TSA) has the advantages of ensuring availability of funds for the execution of government policies, programmes and projects, controlling aggregates cash flows within fiscal and monetary limits, improving management of domestic borrowing programme, investing the idle funds for the benefits of the populace, improving transparency and accountability of FGN receipts and consolidating overall view of government cash position. The implementation of the policy however, has the capacity of crippling Ministries, Department and Agency as a result of bureaucracy in assessing needed fund for the smooth running of MDAs when the need arises (Obinna, 2015). Its implementation ends the practice of delayed remittance of government revenues to the treasury (Yusuff, Abdullahi, Emmanuel and Emmanuel, 2015). Adeolu (2015) observed other benefit of TSA in ensuring proper cash management and elimination of idle funds left with the Money Deposit Banks by the MDAs. This is largely because the public sector funds constitute a dominant proportion of commercial banks deposit (Utsu, Muhammed and Obukeni, 2016). And the full adoption of TSA enhances transparency, ensure accountability of government revenue and avoid misappropriation of public funds (Ekubiat and Ime, 2016). It allows the government to identify causal factors of variances in revenue generation and cash holding and distinguishes causal factors from random variances (Sailendra and Fainboim, 2010).

Data and Methodology

Data

The data used for this study were collected from the office of the Accountant-General of the Federation, Federal Ministry of Finance and the Ministry of Budget and Planning. Information were also gathered from the Central Bank of Nigeria, Abuja. Relevant bulletins from the Central Bank of Nigeria also served as sources of information on this study..

Model Specification

Analytical approaches were employed in the study to interprete the relevant data collected from the different sources. Graphical presentations were also used to depict the patterns of credits expansion recorded with the adopting of TSA and Federal Government of Nigeria deposits in Central Bank of Nigeria and commercial banks in the pre and post-TSA era. The metrics of total deposits were also analysed from the Central Bank of Nigeria data to illustrate the trends of total deposits for the pre and post TSA periods.

RESULTS AND DISCUSSION

Table I shows the summary of the TSA implementation strategy from years 2012 – 2017. At the commencement of the scheme in year 2012, its implementation was to be in phases for maximum benefits. The Batch I kicked off in 2012 with core ministries in the Federal Capital Territory, Abuja as pilot centres. Only ninety-three (93) Ministries, Departments and Agencies within Abuja started the scheme with the total annual budgets of 48.03% out of the country total annual budget. The success recorded in the Batch I pilot test encouraged the extension of the scheme to other parastatals within the Abuja metropolis not captured in the Batch I. In the Batch II 2013 implementation strategy, one hundred and thirty-three (133) MDAs were enrolled in addition to (93) MDAs in the Batch I and the figure of the MDAs enrollees into TSA rose to 226 with calculated annual budget of 77.92% out of the Federal Government annual budget. Batch III witnessed a mass inclusion of MDAs with the extension of the TSA implementation to other geopolitical zones of the country outside Abuja. Among the geopolitical zones, South-West recorded the highest number of MDAs of 119 with a total budgets put at 6.90% out of the Federal Government budget while the North-East presented the least number of the MDAs of 43 which total budgets translated to 1.54% out of the Federal Government annual budget. All the unity schools were enrolled into the scheme in year 2014 in the Batch IV with a total figure of 104 which budget for the year was about 0.77% of the country annual budget. In 2016 and 2017, Batch V implementation strategy featured all the foreign missions with a total number of 123 whose annual budget summation is 0.66% out of the Federal Government budget for the year.

Table 1. TSA implementation strategy

Year	Batch	Location	No. of MDAs	Percentage of FGN Budget
2012	Batch I	Abujat (FCT)	93	48.03
2013	Batch II	Abuja (FCT)	133	29.89
	Batch III	North-Central	59	2.59
		North-East	43	1.54
		North-West	71	3.25
		South-East	46	2.322
		South-South	50	4.00
		South-West	119	6.90
2014	Batch IV	Unity Schools	104	0.77
2016 and 2017	Batch V	Foreign Missions	123	0.66

Source: Office of the Accountant General of the Federation of Nigeria

The table shows batches of TSA implementation strategies in the country with addition in each phase and the proportion of the MDAs budget in the annual FGN budget. Column I shows the different years of adoption, Column II shows the various batches for the MDAs while columns 3, 4 and 5 show the location for the implementation of the TSA strategy, the number of MDAs in each location and the percentage of the MDAs budget in the total country annual budget for the year.
Table 2 explains the TSA implementation update as at January 31, 2017. The programme which effectively started in 2nd April, 2012 has in its enrolment figure a total number of 1,442 MDAs on its platform including 705 MDAs on GIFMIS platform. The total number of the TSA system across the country as at 31st Jnauary, 2017 was 10,173 while over 1,262 MDAs have been verified and granted access to the CBN Accounts through Remita.

Table 2. TSA Implementation Update as at 31st January, 2017

Date of Commencement	2nd April, 2012
Number of MDAs on the Platform (including 705 MDAs on GIFMIS)	1,442
Number of users on the system	10,173
Number of MDAs verified and have access to CBN accounts through Remita	1,262
Cash plans, warrants and releases and reporting as % of budget	99%
TSA MDA budgets as % of Total Budget	92.39
Number of payment orders concluded	38,661,214
Value of payment orders concluded	N13.666 trillion

Source: Office of the Accountant General of the Federation of Nigeria

The value of the Cash plans, Warrants and Releases to all the MDAs all over the country represent 99% of the total annual counrtyl budget for the year. The value of payment orders concluded as at 31stJanuary, 2017 was N13.66 Trillion while the number of payment orders concluded was reported at N380,661,214 as the close of the first month of year 2017.

The table presents the summary of the TSA implementation as at January 31, 2017. The commencement date, the number of MDAs on the platform, number of users on the system, the cash plans, warrants and releases and reporting as the percentage of total budget etc are illustrated on column I while column 2 shows the corresponding values of each item in column2. Table III shows the TSA inflows and balances as at January 20, 2017. The total credit balances on Remita Platform was N4,686,488,972,880.54 while the sum of N287, 935,146,617.87 stood as RTGS balance as at 20th January, 2017. The Direct Debit balance was in the value of N269, 773,570,596.31 with total inflows put together at N5,244,197, 660,044.72. The foreign currency transaction was valued at N100,010,502,744.66. The credit balance in MDAs Account excluding the balance in Consolidated Revenue Fund was N2,154,323,132,792.10 as at 20th January, 2017.

Table 3. TSA Inflows and Balances as at January 20, 2017

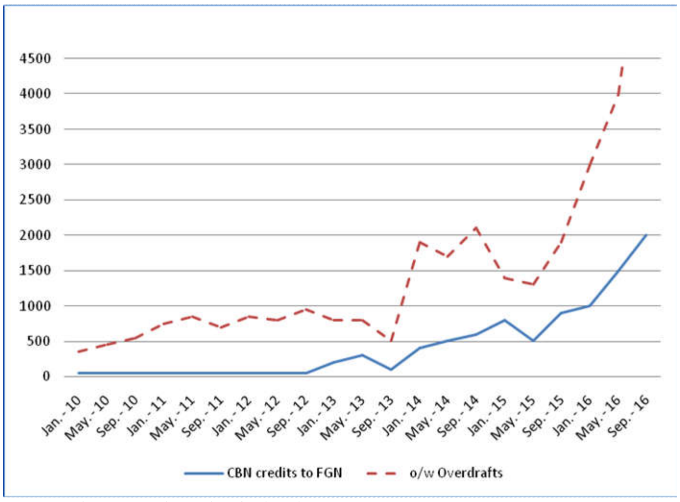
S/N	Description	Amount (N)
1.	Gateway	
	Remita	4,686,488,942,830.54
	Rtgs	287,935,146,617.31
2.	Direct debit	269,773,570,596.31
3.	Total inflow	5,244,197,660,044.72
4.	Less nnpc jvc, nass, judiciary, gtbank	72,947,362,056.21
5.	Sub-total	5,171,250,297,988.51
6.	Add foreign currency tax	100,010,502,744.66
7.	Grand total inflow	5,271,260,800,733.17
8.	Credit balance in mdas account (excluding crf)	2,154.323,1322,792.10
9.	Less crf balance (ways and means advances)	-1,757,530,979,543.50
10.	Net balance (including crf)	396,792,153,248.60

Source: Federal Ministry of Finance of the Federal Republic of Nigeria

The table above summaries the total fund received in various Ministries, Departments and Agencies using TSA platform. Colum I shows the description of the fund and the different gateway while column II shows the values of the fund against the ga. Table IV shows the graph depicting the level of credit expansion as a direct result of implementation of TSA in Nigeria. The Central Bank of Nigeria credits and the overdrafts were plotted together to explain the extent of credit expansion the establishment and implementation of TSA has effected in revenue mobilization, control and effective cash management and blocking the loopholes for leakages. Three critical points were taken in each year as the representation performance periods for the rest of the year. The credit expansion periods were divided into the pre-TSA periods and post TSA periods. The pre-TSA periods were years 2010-2011 while the post-TSA periods were years 2012-2016. The post-TSA periods were also divided into the pilot years and the full-implementation years. The pilot years are years 2012-2014 while the full implementation years are years 2015-2016. For each of these periods, the months of January, the starting points, the months of May, and September were consistently taken into consideration in depicting the graphs for credit expansion in the national treasuries throughout the implementation of the Treasury Single Account. In the pre-

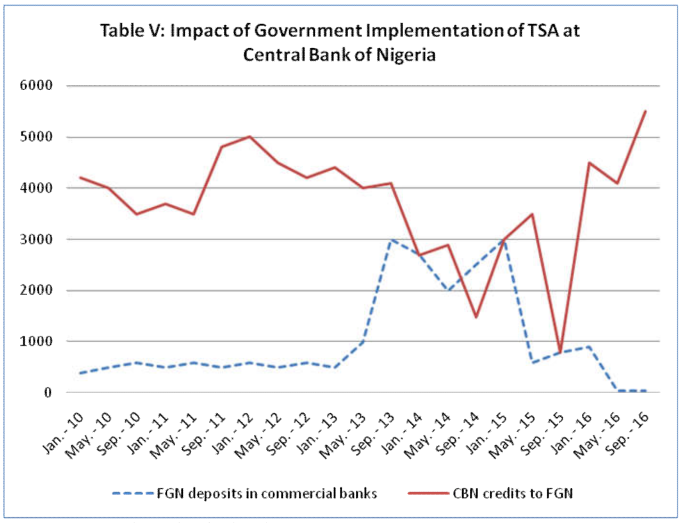
TSA era, o/w overdrafts were at zero levels as clearly depicted on the graph from years 2010-2012. The trend slightly differed in years 2013-2014 as more Ministries, Departments and Agencies were enrolled on the platform. There was a departure in the means and ways (overdrafts) behaviour with effect from the full implementation years i.e. years 2015-2016. The credits expansion graph also behaves in the same manner with o/w overdrafts. When the overdraft graph is at zero level, the CBN credit to FGN level is slightly above it especially in the pre-TSA periods, when the o/w overdraft level rises with the introduction and implementation of TSA, the CBN credits expansion rate also rises at an arithmetical rate, when the overdrafts possibility graph keeps on rising, the CBN ability to generate credits to the Federal Government rises above it in a steady pattern especially in the full implementation years i.e 2015-2016.

Table 4. TSA Credit Expansion in Federal Government of Nigeria



Source: The Central Bank of Nigeria

The graph shows the credit expansion of Treasury Single Account in Federal Government of Nigeria. The red dotted lines illustrate the pattern of overdraft over the periods covered by the report while the blue dotted lines represent the credits behavior of funds recovered from the implementation of the Treasury Single Account. Table V presents the graph and the pattern of deposits of Central Bank of Nigeria belonging to the Federal Government of Nigeria as a result of the implementation of TSA. From the graph, it can be clearly seen that from years 2010-2012, MDAs deposit with the commercial banks is insignificant. Most of the Government cash resources are kept with the Central Bank of Nigeria as the Government Banker. The graph shows the pattern of FGN deposits in CBN rising well over the graph depicting FGN deposits in Commercial banks. However with the effect from year 2013, the FGN deposits in commercial banks began to rise, signaling a declining trend in the MDAs deposits with the CBN. This scenario pushed up the costs of governance whereby government borrowed her own fund at exorbitant rate from commercial banks to finance its annual budget. At the full implementation of TSA in Nigeria, there was a drastic drop in the FGN deposits in commercial banks by significant magnitude. By year 2016, almost all the public fund have been transferred to the CBN TSA accounts as illustrated by the behaviors of the two graphs showing negative trend.. While the deposits of FGN in commercial bank decreases at an increasing rate, the graph showing the deposit at the CBN rises at an increasing rate and this pattern was sustained to the close of the year, and this development repositions the CBN as a major stakeholder and a sole 'warehouse' of government cash resources to the exclusion of Money Deposits Banks in the country.



Source: Central Bank of Nigeria

The table shows the behaviours of FGN deposits at CBN as a result of the implementation of TSA. The dotted blue lines illustrate the trends of the deposits in CBN while the red dotted lines show the pattern of deposits with the Money Deposit Banks.

When the TSA implementation took off in April, 2012, the first set of accounts were closed in April and the first transaction completed by state house, followed by the head of service and other MDAs followed in the same year and by May 2015, there were 551 MDAs making payment out of TSA (Kemi Adeosun, 2017). By September 2012, with the only 93 MDAs on TSA, average monthly ways and means (overdraft) financing from CBN had reduced to zero from a monthly average of N102billions in 2011. Despite this development, there was a story of government revenues of a value more than N2 trillion that were still locked down in commercial banks earning no interest and instead, being lent to the Federal Government at high cost (Kemi Adeosun, 2017).

The collections into TSA were overwhelmingly resisted by vested interest groups that had made it impossible to get 4 not only the N2trillion balances but also new collections and extra budgetary funds into TSA. By 29th May, 2015, collection of revenues into TSA had failed. Presently, MDAs totaling 1,442 (one thousand, four hundred and forty-two) are using the e-payment functionality provided by the Government Integrated Financial Management Information System (GIFMIS) or CBN gateway Remita to process payments directly from the TSA. These MDAs cover 92.39% of the FGN budget as at January, 2017. The massive migration of MDAs accounts to the CBN have resulted to liquidity constraint leading to Banks inability to sufficiently support economic growth. Also, there were liquidity implications for banks that have supported long-term foreign currency projects for economic benefits. Most of the Foreign Currency Yields withdrawn has been deposited in foreign countries to the detriment of the country's economy, forgetting that financial inclusion is a gradual process and cannot provide an immediate replacement for the lost deposits. The banking industry seemed to be the worst-off as a result of the implementation of TSA. It led to huge liquidity constraint among the banks, heightened industry risk and limited alternative sources of liquidity. More also, concentration of authority of CBN to process cash transaction and operate TSA have brought untold pains and hardship to the MDAs because of the high volume regional level transaction and expansive branch network required. Its implementation has necessitated increased complexities leading to stifled operations for revenue generating MDAs. There were reconciliation issues. Huge staffing requirements. Operational difficulties and the need for high level technologies infrastructure to ensure operational efficiency. The operation of TSA has impacted negatively on the Money Deposit banks and financial market in Nigeria. It inflicted the banks with severe liquidity contraction leading to probable defauts. There was limited access to alternative sources of funds, higher inter-bank lending rates and strained balance sheet. It increased non-performing loans portfolio, staff redundancy and rising unemployment. The banks now have limited capacity to lend to the real sector and reduce its ability to fund existing loans on balance sheet. The financial markets suffered volatile securities market shocks as markets rush to off loaded government securities.

Despite the pains suffered as a result of the implementation of TSA, the operation has recorded countless gains and significant milestones in the country's treasury management. TSA's inclusion has improved visibility of Government revenues drive and cash flows management. In the pre-TSA era, it was difficult for relevant institutions to determine Federal Government consolidated balances on a timely manner. TSA's implementation has removed this impediment thereby improving decision making process and engendering efficiency in Public Finance Management (Yemi Osinbajo, 2017). It has eliminated revenue and expenditure float. In the pre-TSA days, an average of 28 days were taken to access cash after revenue have been collected through the commercial banks and about 21 days for MDAs to access their budgetary allocations after release from Treasury. These timing differences which adversely affected budget implementation have been eliminated. TSA's inclusion as a tool for cash management in Nigeria guarantees optimum cash management, payment processing is facilitated seamlessly with adequate checks and balances. It improves appropriation control and enforces budget execution control. It reduces bank fees and transaction costs, enables efficient cash management through regular monitoring of balances. Facilitates Revenue Monitoring and strengthens cash planning and budget execution. The implementation of TSA in Nigeria has brought about significant improvement in Federal Government liquidity position, enhances better control and oversight over MDAs operations and eliminates cash handling risks.

The operation of TSA however met with implementation challenges at the early phase of adoption which slowed down the scope of its spread. There were oppositions by some arms of government and interest groups who resisted its implementation. Also, many MDAs experienced difficulties in accessing bank statements of its operations which made reconciliation of the accounts impossible by the MDAs. Some could not even reconcile their accounts for years after the adoption of the TSA in their various organisations. Not only that, there were reported cases of non-compliance by some key stakeholders, operation of multiplicity of sub-accounts, non-implementation of spending controls by extra-budgetary entities/funds. To worsen the situation, the fees charged by service providers (REMITA) to the MDAs were exploitative and unbearable which resulted to an uproar by the National Assembly. However, this excessive and overcharges had been refunded to the MDAs and subsequent deductions are now to be paid by the consumers enjoying such services. More also, there were few reported cases of some MD As still maintaining accounts with the commercial banks for fear of restricted access to own fund in TSA accounts with the CBN at time of need. There are challenges of bringing some MDAs (beneficiaries of statutory transfers) on board such as National Assembly, Independent National Electoral Commission and the National Judicial Council. Some MDAs are faced with the problem of funding for infrastructure, incentives and logistics. For the operation of TSA to properly achieve its desired objectives, far reaching steps will have to be taken by the government such as trimming of number of TSA sub-accounts for ease of reporting. There should be awareness creation/change management to reduce resistance and enforcement of spending limits at extra-budgetary MDAs/funds. The federal government should come up with a strong TSA monitoring and enforcement framework, verifying the extent of compliance with the TSA guidelines coupled with instituting risk management and quality assurance framework. The interface between the Government Integrated Financial Management Information System (GIFMIS) and Central Bank of Nigeria (CBN)to enable automated bank statement processing, and timely preparation of Bank reconciliation to ensure proper accounting of all TSA transaction need to be further strengthened. TSA coverage needs to be extended to statutory transfer agencies and special funds of the Federal Government of Nigeria requires to be integrated within the TSA. The National Assembly, National Judicial Council and other government statutory bodies should be enrolled into TSA. There should be a strong technical back-up supports of Accounting Packages and ICTs. MDAs should embark on training and re-training, change management and capacity building. Organization restructuring must take place rapidly along achieving much desired success for TSA implementation.

Conclusion and Policy Recommendation

The objective of this paper is to examine the pains, the gains and the way forward in the implementation of the Treasury Single Account (TSA) in Nigeria. Some of the pains in the implementation of the TSA is the liquidity constraints inflicted on the Deposit Money Banks (DMB) leading to inability of the Banks to adequately support economic growth. Also, the concentration of authority at the Central Bank Nigeria to process cash transactions for over 1,442 MDAs using the e-payment functionality provided by CBN gateway Remita to process payments is both frustrating and retrogressive..This has resulted to clumsiness and unnecessary delay in payment processing. However, the benefits derived by its implementation are invalueable. It has enhanced timely reconciliation and improvement in data quality, made possible great reduction in ways and mean charges, eliminated idle funds normally warehoused with commercial banks and facilitates efficient payment mechanisms.

To ensure effective implementation of TSA in Nigeria, the following recommendations must be put in place:

- Linking up of all special Accounts and Social Trust Funds to the TSA
- There should be appropriate legal framework for the implementation and enforcement of sanctions for erring MDAs.

- These should be a blanket closure of all existing MDA Accounts at DMBs for transfer to TSA – Sub Account at CBN
- The process of making revenue payments into the TSA need to be further facilitated and should enable online production of e-receipts
- There should be a workable system for consistent monitoring and Evaluation of the implementation of TSA to ensure efficient and cost effective delivery
- TSA implementation should be extended to Nigeria foreign mission.
- Federal government should establish a joint reconciliation of mopped up fund among the stakeholders – MDAs, Remita, Deposit Money Banks and CBN
- TSA guidelines should continuously be reviewed. Federal government should look critically at the peculiarities of each MDAs or Sector of MDAs before their inclusion. It may not be necessary to include all the MDAs by all means.
- Training should be provided to relevant staff of CBN, MDAs and DMBs to ensure efficient implementation.
- These should be establishments of intra-MDAs monitoring and enforcement framework to avoid erroneous payments.
- There should be a reviewed liquidity ratio and incorporation of idle funds of cash reserve ratio (CRR).s
- Introduce codes for specific MDA sub-accounts to reduce reconciliation issues.
- Scheduled migration of cash balances from Deposits Money Banks to the TSA should be given a considerations.
- Federal government should consider the possibility of the current Nigeria macro condition and continue to support the implementation of the TSA. The study concluded that only a well tailored monitoring mechanisms and strategies on the TSA Implementation can consolidate the gains, strengthen the national treasury systems, guarantee efficient cash management and enhance proper accountability of public fund in the country.

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