AN ANALYSIS OF PROS AND CONS TREASURY SINGLE ACCOUNT POLICY IN NIGERIA

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Abstract
The objective of this paper is to discuss the objectives, pros and cons of a Treasury Single Account recently introduced by the Buhari administration. The adoption of a Treasury Single Account (TSA) by the federal and some state governments is seen by many as aimed at plugging loopholes in the Nigerian Financial System. A TSA is a unified structure of government bank accounts enabling consolidation and optimal utilization of government cash resources. It is a bank account or a set of linked bank accounts through which the government transacts all its receipts and payments and gets a consolidated view of its cash position at any given time. This presidential directive would end the previous public accounting situation of several fragmented accounts for government revenues, incomes and receipts, which in the recent past has meant the loss or leakages of legitimate income meant for the federation account. It would be recalled that President Muhammadu Buhari had earlier promised state governors at the inaugural meeting of the National Economic Council, NEC, in June, that all revenues prescribed for lodgement into the federation account will be treated as such under his watch and that he will ensure strict compliance with all relevant laws on accounting, allocation and disbursement. The paper explores the various gamut of TSA and concludes by positing that for an administration that has unwritten social contract signed with Nigerians in terms of service delivery; it has the obligation to aggregating states’ resources to provide services and amenities promised to the people. Any step taking in the direction aimed at plugging leakages in revenue generating agencies should be seen as a step in the right direction.

Keywords: Treasury Single Account, Revenue leakages, incrementalism, Corruption & Nigerian Financial System.
Introduction

The Federal Government’s directive to all revenue-generating agencies to close their accounts with commercial banks by February 28, 2015 and transfer same into a Consolidated Revenue Fund of the Federation and Treasury Single Account as a new electronic revenue collecting platform introduced recently by President Buhari has continued to generate debate across the country. The February directive, according to reports, was due to the speculation in the banking sector that shareholders lost about N573 billion in 2014 financial year following massive sell-off that overran the market in the last two quarters of the year.

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. Director, Funds, Office of the Accountant General of the Federation, Mr. Mohammed Dikwa, who spoke on his behalf, posited that henceforth, government revenues would now be paid into the CRF/TSA, as it is now difficult for MDAs to maintain revenues with commercial banks. According to him, with the coming of e-collection, MDAs can no longer maintain Revenue Bank Accounts (RBA) with commercial banks. They are therefore advised to transfer any outstanding balance in your RBA to the CRF and immediately commence processes for closing them. MDAs are given up to February 28, 2015 to close their RBAs, stressing that appropriate sanctions shall be applied against any MDA that fails to comply. This directive was not implemented till recently when the Presidency re-affirmed his commitment in enforcing this policy.

However, speaking on the feasibility of the system, a development economist and financial analyst, Mr. Odilim Enwegbara, said there was need to overhaul the Fiscal Responsibility Act (FRA) of 2007 in a way that blocks the huge leakages caused by certain sections and subsections of the Act. He said,

I am particularly concerned with how Section 22(1) which, mandates all the revenue generating Ministries, Departments and Agencies (MDAs) to remit 80 percent of their operating surplus to the Consolidated Revenue Fund Account, allowed these MDAs to fraudulently resort to driving their so-called operating costs so high. By driving their operating costs so high, it allows them to declare close to zero operating surpluses and as a result, 80 per cent of their remittance to government treasury becomes close to zero naira(Okwe, et.al, 2015:52).

He argued that,

This singular lacuna has made it possible for revenue generating MDAs to have reportedly generated N3.06 trillion in 2009, but only remitted N46.80 billion to government coffers; generated N3.07 trillion in 2010 but remitted mere N54.10 billion; and generated N3.17 trillion in 2011 and just remitted a meager N73.80 billion. He cited the case of NNPC and its subsidiaries, which, having internally generated N6.132 trillion between 2009 and 2011 remitted zero naira to the government treasury(Okwe, et.al, 2015:53).

Another accounting fraud he pointed out was the one committed by the Nigerian Communications Commission (NCC), which had two different audited accounts — one with lower figures sent to the Fiscal Responsibility Commission (FRC) and another with higher figures sent to the Office of the Auditor General of the Federation (OAGF). Enwegbara also
cited the fraud discovered during a close examination of the Federal Inland Revenue Services (FIRS) presentation showing how in its 2009 audited accounts, N5.6 million was found in the audited account forwarded to FRC while N323 million was found in the same audited account it sent to the Office of the Auditor General of the Federation.

Listening to the presentation by the Chairman of FRC at a hearing organised by the House of Representatives’ Committee on Finance in January 2013, he said it was unbelievable to hear the Chairman recount how these agencies were fraudulently diverting government funds. He lamented that Nigeria’s MDAs were defrauding the nation’s commonwealth.

Enwegbara advocated the need for the Federal Government to send a bill to the National Assembly requesting the amendment of this controversial Section 22(1) of the Fiscal Responsibility Act of 2007 to stop the ongoing fraud that costs the nation trillions of naira in revenue. “I went as far as suggesting then that the amended Fiscal Responsibility Act should mandate all revenue-generating federal agencies to open a Consolidated Revenue Fund Account they should have a drawing right to” (New Telegraph Editorial, 2015:17).

Given their statutory responsibility toward remitting the generated revenue to support government’s efforts in reducing the country’s recurrent deficit, how could they go ahead to violate with gross impunity the Constitution of the Federal Republic of Nigeria, which clearly states that government can never spend any money without appropriation. If most modern economies are almost wholly dependent on their internally generated revenues, why is the little money we are generating internally diverted by those who are supposed to be saving it for our commonwealth? In other words, how do we expect our own country to transit from an economy dependent mostly on oil revenue to become an industrial economy run mostly on internally generated revenues?

He said it was against this background he applauded government for its recent policy, which not only mandates MDAs to close their revenue accounts with banks and open the same with CBN but also for them to adopt an e-collection system in place of the current system, which allows them to easily divert revenues.

Through his recent action and pronouncements, President Muhammadu Buhari has indicated his administration’s keen interest in the financial affairs of state owned oil company – the Nigerian National Corporation (NNPC). This is understandable because the President as a former petroleum minister had been particularly miffed that unlike what was a functional, efficient corporation he presided over several years ago with accounts in one or two banks, the NNPC of today operates too many bank accounts, thereby complicating financial reconciliation. Sadly, NNPC is not the only agency of government that runs such loose accounts. Several Ministries, Department and Agencies (MDAs) of government are also guilty, a development that has not only made it difficult for government to track its revenue, but also hampering government’s effort in aggregating revenue for project execution.

Unarguably, apart from the NNPC, which handles the sale of crude oil on behalf of government, there are other MDAs equally on the A list of heavy revenue generating agencies. In the category of heavy revenue generating MDAs are the Nigeria Ports Authority, Nigerian Maritime Administration and Safety Agency (NIMASA), Federal Inland Revenue Service (FIRS), the Nigeria Customs Service (NCS), National Communications Commission (NCC) and numerous others.

This paper seeks to address the pros and cons of the new policy with a view of suggesting mechanisms for effective implementation. To achieve this objective, following the introductory remarks is the clarification of concept. Next is the theoretical perspective of the paper which is anchored on incrementalism. The history of the policy is explored in the next
context of the paper. The pros and cons of the policy are addressed in the next section. The final segment offers recommendations and concludes the paper.

**Contextualizing Single Treasury Account**

The TSA, a single pool for harvesting revenue inflows of MDAs was not 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 on the part of past administration to enforce it. But with Buhari on board as President, the enforcement has become a compulsory policy that all the revenue generating MDAs must comply with. They have been mandated to channel their earnings into a single account to be domiciled with the Central Bank of Nigeria (CBN). Federal Government’s seriousness about enforcing TSA was conveyed in a circular entitled, “Re: Introduction of Treasury Single Account (TSA) (e-Collection of Government Receipts)” by the Head of the Civil Service of the Federation, Danladi I. Kifasi. The circular dated August 7, 2015 made it known that President Buhari:

> Has approved the establishment and operation of Treasury Single Account for e-Collection of Government Receipts for all Federal MDAs with effect from the date of this circular. Specifically, the circular was to aid transparency and facilitates compliance with sections 80 and162 of the Constitution of the Federal Republic of Nigeria 1999 (as amended). Consequently, he said all receipts due to the Federal Government or any of her agencies shall be “paid into the TSA as follows: Account Name: Accountant General (Federal Sub-Treasury), Account No. 3000002095 maintained in the Central Bank of Nigeria (CBN), except otherwise expressly approved(Vanguard Editorial,2015:18).

Kifasi said, that the government had put in place effective monitoring mechanisms to ensure strict compliance. “All Accounting Officers, Directors of Finance and Accounts, Directors of Internal Audit, Heads of Accounts and Heads of Internal Audit Units of MDAs and other arms of government are enjoined to give this circular the widest circulation and ensure strict compliance to avoid sanctions. He said that further enquiries on the issue should be directed to the Accountant-General of the Federation (Vanguard Editorial,2015:18).

The order on TSA, which came into effect on August 11, marks the beginning of MDAs’ retirement of revenues due to the Federal Government into a unified account maintained by the Central Bank of Nigeria (CBN). The payment of government revenue into multiple bank accounts operated by MDAs in commercial banks, as obtained under the old order, was clearly against the Nigerian Constitution which, in Sections 80 and 162, directed that all federally-collected revenues should be paid into the Federation Account. It was a flagrant breach of the constitution that underscores the rot in the management of the country’s finances. It is heartening that this will now be history, going by the efforts of the new administration to implement the TSA policy that was reportedly first recommended by the Federal Government’s Economic Reform and Governance Programme in 2004, but dumped in 2005, following intense pressure from the banking industry. TSA also is part of the Public Financial Management reforms which falls under Pillar 3 of the National Strategy for Public Service Reforms towards Vision 20:2020. The public financial management reforms were designed to address impediments to effective and efficient cash management.

The former President Goodluck Jonathan administration had set a February 2015 deadline for the implementation of the initiative, but did not go ahead with it. Bankers had pressurized the former government of Goodluck Jonathan, which had initiated the policy in
December 2014, to soft pedal on the implementation which was originally scheduled for February 2015, on the reasons of a likely negative impact on the economy. Recently, bank treasurers told Vanguard that the implementation would adversely affect liquidity in the banking system and end up putting pressure on interest rates and availability of credit to the economy. According to,

The nation’s banks would be losing about N2 trillion deposits to the Central Bank of Nigeria, CBN, with the implementation of the Treasury Single Account, TSA, as ordered by President Muhammadu Buhari. The report on accounts of banks with CBN shows that as at beginning of this current quarter, banks’ total public sector deposits was N1.3 trillion but additional net flows from Federation Accounts Allocation Committee, FACC, as at end of last month (about N240 billion) as well as expected inflows by end of this month may push the figure close to N2.2 trillion by the time the pull out begins next month (Okwe, et.al, 2015:53).

According to the directive, this measure is specifically to promote transparency and facilitate compliance with sections 80 and 162 of the 1999 Constitution. Henceforth, according to a statement by Laolu Akande, the Senior Special Assistant to the Vice President on Media and Publicity, all receipts due to the Federal Government or any of its agencies must be paid into TSA or designated accounts maintained and operated in the Central Bank of Nigeria (CBN), except otherwise expressly approved.

According to Onyekpere (2015) a TSA is a unified structure of government bank accounts enabling consolidation and optimal utilization of government cash resources. It is a bank account or a set of linked bank accounts through which the government transacts all its receipts and payments and gets a consolidated view of its cash position at any given time. This presidential directive would end the previous public accounting situation of several fragmented accounts for government revenues, incomes and receipts, which in the recent past has meant the loss or leakages of legitimate income meant for the federation account. The TSA is a process and tool for effective management of government’s finances, banking and cash position. In accordance with the name, it pools and unifies all government accounts through a single treasury account. The advantages and benefits of the TSA are legion. The consolidation into a TSA paves way for the timely capture and payment of all due revenues into government coffers without the intermediation of multiple banking arrangements. This prevents revenue leakages in terms of revenue loss and mismanagement by operators of all revenue-generating agencies.

With this comes better cash management practices since the Treasury can at all times have an overall view of government’s cash position, as against the fragmented positions of different Ministries, Department and Agencies (MDAs), which need to be laboriously pooled together to get the overall picture. This will reduce the cost of borrowing by government and its agencies, as the government will likely be in the surplus at most times of the year. Take the example of the practice before the TSA, MDA ‘A’, based on budgetary releases could have surplus cash (meaning cash that is not immediately required) in its bank accounts whilst, MDA ‘B’, which needs immediate cash for urgent transactions is cash starved and has little or nothing in its account. Although, MDA ‘B’ has approvals in the budget for transaction, it has no immediate cash. MDA ‘B’ is likely to borrow from a bank at an interest to carry out the urgent assignment, thereby incurring costs to Treasury, whilst treasury finances lie idle in MDA ‘A’. This would no longer happen.

For Chukwu(2015), A TREASURY Single Account (TSA) is 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. With the implementation of the Treasury Single Account, Ministries, Agencies and Departments (MDAs) will maintain their individual accounts with the commercial banks, but daily funding of their disbursements are made from the central or main account, which is resident with the Central Bank, just as their closing balances at the end of day are transferred to the main account.

The TSA is principally a cash management tool for efficient management of the Government’s cash position. Prior to the implementation of the TSA, government was incurring finance cost on debit balances in some MDA’s accounts while it was earning close to nothing on the credit balances of other MDAs. With the TSA, the net balances on all the MDA accounts will now reside with the Central Bank; hence, the government will avoid incurring interest costs when it has positive net position.

According to A Treasury Single Account is a unified structure of government bank account enabling consolidation and optimal utilisation of government cash resources. It is a bank account or a set of linked bank accounts through which the government transacts all its receipts and payments and gets a consolidated view of its cash position at any given time. A TSA therefore is considered a prerequisite for modern cash management and is an effective tool for the ministry of finance/treasury to establish oversight and centralized control over government’s cash resources. The TSA provides a number of other benefits and thereby enhances the overall effectiveness of a public financial management (PFM) system. The establishment of a TSA should, therefore, receive priority in any PFM reform agenda.

According to (Yusuf and Chiejina, 2015) a Treasury Single Account is a unified structure of government bank account enabling consolidation and optimal utilisation of government cash resources. It is a bank account or a set of linked bank accounts through which the government transacts all its receipts and payments and gets a consolidated view of its cash position at any given time. A TSA therefore is considered a prerequisite for modern cash management and is an effective tool for the ministry of finance/treasury to establish oversight and centralized control over government’s cash resources.

**Theoretical Framework of Analysis**

In public policy, incrementalism 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. This was the theoretical policy of rationality developed by Lindblom to be seen as a middle way between the rational actor model and bounded rationality, as both long term goal driven policy rationality and satisficing were not seen as adequate.

Put differently, incrementalism is a theory developed out of the realization that truly rational decision making is practically impossible given the complexity of the policy environment. That is not to say that policy actors do not have the intent to be rational: their decisions are goal orientated and there are processes followed to achieve those goals. But there are many factors that work against scientific rationalism (Heys,2009).

Herbet Simon, while discussing about rationality in administrative organizations, identified three reasons for departures from complete rationality in decision making. First, rationality requires that all alternatives are known beforehand; yet in reality, only a few alternatives can ever be specified. Second, rationality requires a complete knowledge of the consequences resulting from each alternative; yet the complexity of most policy problems make this impossibility. Third, imagining future consequences implies some level of value judgment in the decision; yet values can never be anticipated or completely defined (Simon, 1997:93).

Simon introduced the idea of “bounded rationality” in decision making: humans desire true rationality, but due to cognitive limitations and the incompleteness of knowledge
our decision making behavior is “satisficing” rather than maximizing benefits over costs. Charles Lindblom adopted Simon’s ideas about decision making and applied them to the policy process. He claimed that policy makers “muddle through” by making incremental adjustments to policies rather than engaging in a comprehensive and rational process and articulating clearly defined policy goals. Instead, successive comparisons are made to already existing policies and policy makers seek agreement where they can or where they have specific knowledge. Political agreement is emphasized as a strategy, rather than clearly defining policy goals, policy instruments and criteria to measure success. Incrementalism is a result of several issues (Lindblom & Woodhouse, 1993). Incrementalism is commonly employed in politics, engineering, software design, planning and industry. Whereas it is often criticized as “fire fighting”, the progressive improvement of product designs characteristic, e.g., of Japanese engineering can create steadily improving product performance, which in certain circumstances outperforms more orthodox planning systems (Wikipedia, 2015). The advantages of incrementalism over other formal systems is that no time is wasted planning for outcomes which may not occur.

First, while democratic political systems provide much opportunity for political exchange, ensure significant liberty and wide participation in policy-making, they are cumbersome and troublesome in a number of respects: elections are inefficient and lack dynamic feedback for real-time public input; the public vote on superficial characteristics; political leaders have little accountability; partisan concerns result “safe” policy areas that maximize re-election possibilities; and the system allows more opportunity to delay policy rather than advance it. These issues reduce policy responsiveness, that is, the ability of a political system to translate citizen need into policy action.

Second, human cognitive ability cannot fathom the very large number of variables and interrelationships that constitute policy decisions: Cause and effect relationships are not apparent; consequences of actions are not predictable; irrational preferences, selfishness, fears, desires and values are not apt to ‘modelling’ or analysis; regardless of analytical power, conflicting beliefs negate the possibility of a single solution (one person’s problem is another person’s solution); expertise and absolute truth are subjective and value orientated; and while analytical methods are possible (supercomputer social simulations) they lack responsiveness and require high level agreement in problem definition.

Third, many policy tasks are essentially delegated to administrative agencies, interest groups, and businesses, especially in technically complex policy areas. Certain interest groups and businesses bring significant organizing ability, financial resources and technical expertise, thus exerting significant influence over policy making as decision makers in the executive and legislative branches rely heavily upon the advice of these experts. On the other hand, bureaucrats may bring technical expertise, but tend to favor continuation of existing practice, stability and policies that favor the organization. From a theoretical perspective, there are several issues with incrementalism as a policy theory. Disadvantages are that time may be wasted dealing with the immediate problems and no overall strategy is developed.

Heys (2009) identified them as follows: First, while it predicts the type of policy change based on certain assumptions about the system and the individual, it falls short of the policy theory criteria specified by Blomquist (2007): incrementalism lacks a detailed description of collective action, institutions, and the boundaries and scope of the theory. In fact, there is justification for labeling incrementalism as more descriptive metaphor rather than scientific theory. The idea seems conceptually intuitive, yet it cannot predict the degree of incrementalism in any policy area (Smith & Larimer, 2009), and there is little agreement over how to operationalize the “increment” other than by examining budget change.
Assuming that an increment can be operationalized, there is no objective standard to determine a value for what counts as an increment and what does not. (See Howlett and Ramesh page 147 on policy change types).

Second, incrementalism relies upon a relatively stable policy landscape, rather than situations where significant new information, problem redefinition or crisis is introduced (Howlett & Ramesh, 2003). Therefore, it cannot account for agenda change as agendas exhibit sharp discontinuous changes in crises, elections, and when new technologies emerge (Kingdon, 1995). In the same sense, incrementalism cannot predict the end of policies.

Third, empirical evidence suggests that policies are subject to relatively frequent punctuations, as expressed in the punctuated equilibrium model developed by Baumgartner and Jones (1993). Finally, as Lindblom advanced the idea of incrementalism as a normative solution, there are several normative critiques identified. Incrementalism does not incorporate ambitious policy goals, but instead encourages “aiming low.” It promotes short-sighted decision making that may have adverse long term consequences (Howlett & Ramesh, 2003), for example, Scott (2010) uses incremental policy making to explain the unfortunate decisions made in Vietnam, Afghanistan and Iraq, which prolonged both exit and victory.

A good example would be in small changes that make way for a bigger overall change to get past unnoticed. A series of small steps toward an agenda would be less likely to be questioned than a large and swift change. An example could be the new TSA policy. Muhammad Sanusi, Emir of Kano and other accounting experts have called on President Muhammadu Buhari to, as a matter of urgency, review the entire budget process and deploy strategic approach to block revenue leakages in the country if he hopes to deliver on his election promises within the given period.

In line with his determination to ensure discipline and greater transparency in the management of the nation’s finances, President Muhammadu Buhari has directed all Ministries, Departments and Agencies (MDAs) of government to henceforth pay their earnings into a unified bank account known as Treasury Single Account (TSA). The directive applies to the MDAs that are funded from the Federation Account such as Nigerian National Petroleum Corporation (NNPC), the Central Bank of Nigeria (CBN), the Securities and Exchange Commission (SEC), the Nigerian Ports Authority (NPA), The Customs Service (NCS), Nigeria Immigration Service (NIS), Federal Inland Revenue Service (FIRS) and a host of others. The MDAs are to pay all their revenues to a sub-account linked to the TSA at CBN. To promote quick compliance with this directive, the Head of Service of the Federation, Danladi Kifasi, has given the name and number of the TSA as Accountant General (Federal sub-Treasury) Account No. 3000002095. The order on TSA, which came into effect on August 11, marks the beginning of MDAs’ retirement of revenues due to the Federal Government into a unified account maintained by the Central Bank of Nigeria (CBN).

The payment of government revenue into multiple bank accounts operated by MDAs in commercial banks, as obtained under the old order, was clearly against the Nigerian Constitution which, in Sections 80 and 162, directed that all federally-collected revenues should be paid into the Federation Account. It was a flagrant breach of the constitution that underscores the rot in the management of the country’s finances. It is heartening that this will now be history, going by the efforts of the new administration to implement the TSA policy that was reportedly first recommended by the Federal Government’s Economic Reform and Governance Programme in 2004, but dumped in 2005, following intense pressure from the banking industry. The former President Goodluck Jonathan administration had also set a February 2015 deadline for the implementation of the initiative, but did not go ahead with it.
Sanusi observed that the issue of review of budgetary process was something that had been talked about in the last five years without any feasible approach to tackle it. The Emir of Kano, in his remark as special guest of honour at the post budget symposium organised by the governing council of Institute of Chartered Accountants of Nigeria (ICAN), said the Federal Government needed to work on its revenue generation process. According to him, No matter how good your budget is, if you cannot do simple things like track your oil revenue, you can’t meet the basic government obligation to the citizens. Before the government goes borrowing, they need to find out why revenue is so low given that our GDP is supposed to be so high. On his part, Samuel Olufemi Deru, president, ICAN, said the nation’s economy need surgical and drastic reforms beyond cosmetic privatisation of government companies, urging the government to plug all revenue leakages, revisit and redefine her priorities as a nation (Sun Editorial, 2015:17).

Benefits and Problems of TSA

The TSA provides a number of other benefits and thereby enhances the overall effectiveness of a public financial management (PFM) system. The establishment of a TSA should, therefore, receive priority in any PFM reform agenda. According to the directive, this measure is specifically to promote transparency and facilitate compliance with sections 80 and 162 of the 1999 Constitution.

In a statement by Laolu Akande (2015), the Senior Special Assistant to the Vice President on Media and Publicity, all receipts due to the Federal Government or any of its agencies must be paid into TSA or designated accounts maintained and operated in the Central Bank of Nigeria (CBN), except otherwise expressly approved. The presidential directive, in the view of analysts, would end the previous public accounting situation of several fragmented accounts for government revenues, incomes and receipts, which in the recent past has meant the loss or leakages of legitimate income meant for the federation account. President Buhari had earlier promised state governors at the inaugural meeting of the National Economic Council (NEC), in June, that all revenues prescribed for lodgement into the federation account will be treated as such under his watch and that he will ensure strict compliance with all relevant laws on accounting, allocation and disbursement.

Since then the presidency has worked with relevant agencies of the federal government to evolve this policy directive. This directive applies to fully funded organs of government like the Ministries, Departments, Agencies and Foreign Missions, as well as the partially funded ones, like Teaching Hospitals, Medical Centres, Federal Tertiary Institutions, etc. Agencies like the Central Bank of Nigeria, Securities and Exchange Commission, Corporate Affairs Commission, Nigeria Ports Authority, Nigeria Communications Commission, Federal Airports Authority of Nigeria, Nigeria Civil Aviation Authority, Nigerian Maritime Administration and Safety Agency, Nigeria Deposit Insurance Corporation, Nigeria Shippers Council, Nigeria National Petroleum Corporation, Federal Inland Revenue Service, Nigeria Customs Service, Mining, Minerals and Sustainable Development, Department of Petroleum Resources are also affected. For any agency that is fully or partially self-funding, Sub-Accounts linked to TSA are to be maintained at CBN and the accounting system will be configured to allow them access to funds based on their approved budgetary provisions.

In November 2013, The Central Bank of Nigeria (CBN) called for an urgent implementation of the Treasury Single Account (TSA) in order to properly manage the country’s revenue. The CBN stated this in a communiqué at the end of its 235th Monetary
Policy Committee (MPC) meeting where it noted that “a TSA is an essential tool for consolidating and managing governments’ cash resources. In countries with fragmented government banking arrangement, the establishment of a TSA receives priority in the public financial management reform agenda”.

The CBN lamented that the “erosion of the fiscal buffers through the depletion of the Excess Crude Account (ECA) has further exposed the economy to vulnerabilities while the fall in oil revenue has left capital inflows as the only source of external reserves accretions” (CBN, 2014:20). It also expressed concern that the federal government’s debt had also risen phenomenally along with its deposits at the deposit money banks. This, it said, showed the federal government as a net creditor to the system. “This underscores the urgent need for the immediate implementation of the Treasury Single Account. The continued delay in returning government accounts to the Central Bank is adding to the huge cost of government debt due to poor cash flow management” (CBN, 2014:21) the MPC statement added.

Recently, the Office of the Accountant-General of the Federation (OAGF) directed all Ministries, Departments and Agencies (MDAs) of the Federal Government yet to comply with the Treasury Single Account (TSA) regime domiciled at the Central Bank of Nigeria (CBN) to embrace the policy not later than 28th February, 2015. By implication, the MDAs were directed to close all the revenue accounts they maintain in different Banks in the country and transfer the proceeds to the TSA.

This no doubt was a move to actualise the promise by the then federal government through the Coordinating Minister of the Economy and Minister of Finance, Dr. Okonjo-Iweala in December, 2014 to block avenues of revenue leakages to shore up government revenue in the face of dwindling earnings due to falling oil prices.

History of TSA in Nigeria

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 collect revenue (such as Value Added Tax (VAT), Withholding Tax (WHT), fees, fines and interest) are expected to remit same into the Consolidated Revenue Fund (CRF).

In line with Section 16 of the Finance (Control and Management) Act, LFN, 1990 and the Financial Regulation No. 413 (i), 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 CBN by issuing mandate in favour of “Sub-Treasure of the Federation”, Federal Sub-Treasury, Ladoke Akintola Boulevard, Garki II, Abuja latest by the close of work on the last Friday of every December. It should be noted that all MDAs, including Universities, Polytechnics, Federal Medical Centres, Teaching Hospitals, Research Institutes 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 (S. 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 on – line 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, we have enhanced the predictability of public expenditures. Our Integrated Payroll and Personnel Information System (IPPIS), Government Integrated Financial Management Information System (GIFMIS), improvement in Cash Management System through Treasury Single Account (TSA), and other non-financial Reforms, have greatly improved the Nation’s Financial Management System and accountability (Yusuf & Chiejina, 2015:10).

However, in 2013, the federal government began the mop up of funds released under the 2013 budget that were yet to be spent by Ministries, 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, our 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. So we will wait for them to come. Usually issues like personnel costs are not always mopped up. Then also government has decided that constituency projects because of their special interests will not be mopped up too (Yusuf & Chiejina, 2015:10).

He said for agencies that are on the Treasury Single Account, officials of the OAGF do not need to leave the office to go and mop up the fund as this is done electronically since the fund is in the Consolidated Revenue Fund. He then disclosed that from 2014, all agencies that are funded by government would be on the TSA adding that this would simplify the process of mopping up unspent funds. The policy on TSA he explained was intended to curb the financial excesses of some MDAs that have been refusing to remit their earnings deposited in commercial banks to the federal government which is constrained to go a-borrowing from banks at very high interest rates.

Otunla wondered if it was reasonable that the federal government’s money be kept with banks by MDAs while the federal government goes to borrow money to finance budget deficit from banks and other sources. “This is quite absurd” (Vanguard Editorial, 2015:18), he said. In October 2013, former minister of finance Ngozi Okonjo-Iweala explained that the introduction of TSA had helped to reduce how government account was being overdrawn. She said, “93 MDAs had hooked on to the TSA platform while government’s overdrawn position has dropped from N102 billion in 2011 to N19 billion in 2012” (Vanguard Editorial, 2015:18).
The then Nigerian Minister of Finance, Dr Ngozi Okonjo-Iweala, had tasked the office of the Accountant-General of the Federation on seeking effective inter agency interaction to bring all government revenue and expenditure under its safety net and cut wastages. The minister stressed that the office of the Accountant-General would play a central and strategic role in reforming the public financial management currently plagued with problems of corruption, high cost of governance, inadequate legislation, non-compliance with due process mechanism, poor motivation and emerging public performance reporting system.

Represented by her permanent secretary, Mrs Anastacia Nwobia, at the opening of a two-day retreat held in Kaduna on Saturday, organised for directors of finance and accounts and heads of internal audit in Federal Ministries, Departments and Agencies, (MDAs), she said the event was held to remind them of the importance of their roles in the government’s transformation agenda. She said, you are to tackle the challenges of leakages in government revenue and wastages in expenditure patterns in MDAs. The essence of this gathering is to address some of the challenges facing the Nigerian treasury management (Vanguard Editorial,2015:18).

At the gathering of financial experts and the who is who in the accounts management of all Federal Government MDAs, Okonjo-Iweala explained that the reforms expected in public financial management would cover the Government Integrated Financial Management Information System, (GIFMIS), Treasury Single Account (TSA) and the Integrated Payroll and Personal Information System (IPPIS). The Accountant-General of the Federation, Jonah Otunla, said that 36 MDAs out of the 394 had been trained on the new policy, and that the remaining 358 would be trained in batches.

As expected, the implementation of TSA has elicited divergent responses. For instance, the Committee of Vice Chancellors of Federal Universities urged the government to exclude universities from TSA policy. A delegation of the Committee led by Professor Michael Faborode, during a courtesy visit to the Accountant General of the Federation, Alhaji Idris Ahmed, said that the universities by means of their operations and services should be regarded as peculiar establishments, which should not be treated as purely public service in function or categorised as revenue generating agencies.

Consequently, they called for a review of the inclusion of the universities in the TSA circular. Faborode, who spoke on behalf of his colleagues during the visit, noted that the implementation of the TSA in the university system might distort the effective functioning of the institutions since government allocations are hardly enough to cater for the needs of the institutions. He also told the AGF that universities collect third party funds for provision of services, praying that this function should not be disrupted on account of the TSA implementation.

But the AGF, in his response allayed the fears being expressed by the universities and some of other government agencies that the directive of the President on the establishment and operation of TSA for the e-collection of government receipts for all the MDAs, would negatively affect the operations of some of the specialised agencies. He explained that the reform would rather improve their efficiency and increase the rating of the nation’s economy. However, members of the House of Representatives described Buhari’s directive to MDAs to lodge all monies into a TSA as a step in the right direction to check financial leakages. The lawmakers were unanimous in their reactions, saying that the president’s directive to all MDAs of government to lodge all incomes into one account would go a long way in checkmating corruption. Hon. Philip Shuaibu, representing Edo State, said, “It is a welcome development and a step in the right direction to plug all financial leakages” (New Telegraph Editorial,2015:17).
He explained, “Multiple accounts made it possible for the MDAs to conceal some accounts they have ulterior interests and only show Nigerians the ones they want to show” (New Telegraph Editorial, 2015:17).

Financial analysts are of the view that the policy may also constrain banks’ full year results for 2015, as the MDAs withdrawal of their accounts from the banks would lead to more than N60billion leaving their vaults at a go. Many Nigerians have argued that given the level of abundant resources and the wealth deposit in the country, the prevailing poverty is more of self-inflicted from mismanagement of resources aided by abundant leaks in finances. With the determination of President Buhari administration to give preference to execution of capital budget in 2016 as against recurrent, there is compelling need to block all identifiable sources of revenue leakages.

Former Governor of the Central Bank of Nigeria (CBN) and Emir of Kano, Mallam Muhammad Sanusi, aligned himself in this direction recently. Sanusi spoke in Lagos at the Federal Government budget symposium organised by the Institute of Chartered Accountants of Nigeria (ICAN). At the conference entitled “Come Nigeria – The nation’s fiscal challenges and way forward for the new administration”, the Emir urged President Buhari to plug revenue leakages in the country if he must make headway in its anti-corruption crusade. The former CBN boss maintained that the NNPC had been a drainpipe to the Nigerian economy for a long time. “Before the government goes borrowing, they need to find out why revenue is so low, given that our Gross Domestic Product (GDP) is supposed to be high,” he said. Sanusi faulted the NNPC’s swap of crude oil, saying that the country had always been on the losing side in the deal. He said: “Nobody does SWAP unless country likes Iran when it is under economic sanctions and can’t sell its oil at the international market, or may be your crude is of very low quality” (New Telegraph Editorial, 2015:17).

The Lagos Chamber of Commerce and Industry (LCCI) posited that the introduction of the Treasury Single Account (TSA) scheme by the Federal Government will check leakages, create transparency and improve free flow of revenue to government. Its Director-General, Mr. Muda Yusuf, also said the regime will check the recklessness of some ministries and departments (MDAs) and make available more revenue for the government to run its operations. He decried a situation where agencies collect revenues and spend same at will without recourse to the budget or government. He warned that if not managed properly, the policy, as good as it looks, may cripple the operations of the agencies of government and ministries. According to him,

The implementation of the policy has the capacity of crippling ministries and agencies as a result of bureaucracy in assessing needed fund for the smooth running of MDAs when the need arises. To address the challenge therefore, while implementing TSA, cash releases to MDAs should not run into bureaucracy but the free flow of cash should be encouraged to avoid non commitment to the programme (Obinna, 2015:52).

Advocates of this policy say it will encourage integrity in the management of public funds by government and her agencies. The immediate past Accountant-General of the Federation, Jonah Otunla, also backed the implementation of TSA stressing that it would bring about transparency, efficiently and accountability. This is because TSA is bound to improve transparency and accountability in public finance management. First, it will remove that organisational/MDA secrecy around the management of public finances. The discretionary aspect of accounting officers and politicians collaborating to do all manner of business with government finances before executing projects thereby causing delays or negotiating interest rates with banks for private gains will be over. The second is that revenue generating agencies that have been depriving the Treasury of due revenue through a plethora
of bank accounts under their purview and which is not known to the authorities will no longer be able to defraud the revenue since all funds will be swept into the TSA. Thus, beyond transparency and accountability, the TSA will introduce economy and efficiency into overall management of public finances and this will in the long run lead to effectiveness of government spending since it places government in a better position to realise overall policy goals.

TSA is a unified structure of government bank accounts that gives a consolidated view of government cash. He explained that TSA would encompass all receipts and payments of the government handled by MDAs, partially funded by the Federal Government and all government controlled Trust Funds and Social Security Funds. According to him, prior to TSA, Nigeria had fragmented banking arrangements for revenue and payment transactions. For him,

“There were more than 10,000 bank accounts in multiple banks, which made it impossible to establish government consolidated cash position at any point in time. It led to pockets of idle cash balances held in MDAs’ accounts when government was out borrowing money,” (Obinna, 2015:52).

For Otunla, fragmented banking affected the government’s ability to undertake efficient cash planning and management as required by the Fiscal Responsibility Act. He said the government was also unable to track its expenditure in a timely manner and that the N70 billion lost in failed banks could be blamed on this. He maintained that the TSA resolution would also allow flexibility, “currently everyone is a slave to the system, and people need to be at their desk to effect transaction” (Okwe, et al., 2015:58). Otunla explained further that TSA was online and in real time, meaning that it could be done from anywhere in the world. Once fully operational, transactions can be completed within 30 minutes, even if the individuals responsible are scattered across the globe. He said:

The cardinal objective of 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. He said it would control aggregate cash flow, improve the management of government domestic borrowing programme, enhance efficiency and enable investment of idle or excess cash. (Obinna, 2015:52)

Otunla said so far the reform had instilled fiscal discipline and prudence as well as closed over 1,000 dormant or idle accounts; he however acknowledged that TSA was not without challenges. He said,

MDAs and commercial banks are resisting, some due to ignorance, others because previously they have been able to manipulate the system to their benefit which will not work under TSA. Some fear it will threaten the autonomy of certain agencies and give the accountant general power over them, this is not true. Other challenges include inadequate capacity in the form of access and ability to use the internet to do transactions (Okwe, et al., 2015:58).

The CBN Director, Corporate Communications, Ibrahim Muazu, had described the TSA as a government policy, which is part of the national payment initiative aimed at modernising the country’s payment system. He added,

Many MDAs have complied and it is going to have positive impact on the economy.” On their part, analysts at Afrinvest West Africa Limited
argued that “in light of the TSA policy, we expect the CBN to unleash the strings on public sector deposits from the current 75 per cent as we anticipate less public funds will be available to the banks. (Okwe, et al., 2015:58).

Also, the CBN had advised all banks in the country to put in place necessary systems in their branches and to also sensitize their staff members on the federal government’s electronic revenue collection scheme (e-collection) because of the commencement of the TSA. Speaking to THISDAY, the Head of Research at Sterling Capital Limited, Mr. Sewa Wusu, explained that the policy will affect the flow of liquidity in the banking system. He however, supported the decision by the federal government to fully implement the TSA, saying it would bring about transparency and effective revenue management. According to Onyekpere (2015),

The first challenge will be the political will to push the reforms through the entire system. Once the political will is secured, the chances of successful implementation will be great. The second is that the enforcement of the TSA on the big cows of the Nigerian economy such the Nigerian National Petroleum Corporation (NNPC) may be difficult and problematic. The NNPC for instance, is a big corporation with big tickets and challenges and issues that need responses on a day-to-day basis. It may be imperative to work out special rules and conditions to guarantee that they comply with the TSA ((Okwe, et al., 2015:58).

Raising a poser, Mr. Abdulwaheed Usman, a policy analyst asked: “How do we explain for instance, why the head of a big earning MDA in the maritime sector recently appealed to the federal government at the launch of one of its projects, that it should be exempted from remitting revenue to the government because it is embarking on big projects? The federal government must be wary of waivers in implementation of the TSA that could be exploited as a conduit for embezzlement of public funds.

But how much money does the federal government expects to save by keeping all MDA’s earnings with the CBN? We doubt that it would be that much compared to the huge revenue it needs to bridge the huge deficit in the 2015 and 2016 federal budgets. The federal government, Usman said,

Should look beyond the TSA policy and ensure that the targets for non-oil revenue in the 2015 and subsequent budgets like custom duties, and taxes from the Federal Inland Revenue Service (FIRS) are met and possibly exceeded. All traces of corruption in the system must be identified and eliminated (Okwe, et al., 2015:58).

Besides, the federal government must decisively combat oil theft and pipeline vandalism both of which accounts for the loss of $7 billion revenue and brace up for a further crash in the international price of crude oil. The nation’s huge prospects in agriculture, solid minerals and tourism should also be adequately explored to boost the nation’s income on a sustainable basis giving the fall in the value of the Naira and the threat to global financial stability occasioned by the devaluation of the Chinese Yuan. Bank treasurers had confided in The Nation at the weekend that the implementation would adversely affect liquidity in the banking system and end up putting pressure on interest rates and availability of credit to the economy.
In a statement issued at the weekend, Afrinvest Group, a Lagos-based financial investment house, said: “Whilst the directive issued came as the first official statement by the Presidency on the TSA, the Nigerian National Petroleum Corporation, NNPC, had earlier began withdrawing its funds from banks for retirement into CBN. According to the Group, this had an impact on liquidity level in the banking system, resulting in a surge in money market rates during the period as banks scrambled for funds to cover their liquidity positions. With the TSA implementation now extended to all federal MDAs, the Nigerian banking industry, on an aggregate basis, would be affected in terms of deposits and funding cost structure (Okwe et al., 2015:58).

In a related development, FBN Capital, an investment arm of First Bank of Nigeria Plc, stated in its money market reports last weekend that the NNPC withdrew about N400 billion from the banks last month pushing Open Buy Back (OBB), and overnight interest rates to a record high of 50 per cent. It, however, stated that this pressure was corrected when FACC inflow came to the banks within the same period. In the implementation of the TSA there will be no FACC inflow to correct or compensate for the outflows. As Chukwu (2015) posits:

I do not envisage any major challenge in the full implementation of the TSA, given that the test run has been on for more than two years and the IT platform on which it rides on has been tested and found to be robust. The challenge would have come from those who were benefiting from the previous suboptimal system, but with the new sheriff — President Muhammadu Buhari, on the saddle and his no nonsense approach to corruption, I cannot imagine any civil servant trying to sabotage the implementation of the TSA (Okwe et al., 2015:58).

Supporting this thesis, Wusu adds,

The liquidity in the banking system will definitely be affected. This is because once the banks collect government’s funds, it will be sent directly to the TSA. The free funds some banks used to enjoy will no longer be there.” Nonetheless, he stressed that the decision to fully enforce the policy would help to ensure the consolidation of government’s revenue. He argued that prior to the initiative, government funds in banks were fragmented, a system that gave room for corruption. But now that the TSA is to be fully implemented, it will help to block leakages and uncover idle cash. It will also allow complete and timely information of government cash (Okwe et al., 2015:58).

Reacting to the development, a development economist, Mr. Odilim Enwegbara, commended the efforts of Buhari. According to Enwegbara,

with TSA leading to the closure of about 10,000 multiple bank accounts operated by MDAs in commercial banks, banks will have to wake up from their slumber. This is because the era when government’s money is either lent back to government or invested in forex speculations is over. It also means that no longer at Bankers’ Committee meetings should member banks demand that the CBN pursues their self-serving high interest rates to their benefits and those of heads of MDAs who placed public money in their high-interest-yielding fixed deposit accounts. With TSA, government can easily quarantine its revenues, 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 per cent. TSA is
forcing banks to leave their comfort zone caused by dependence on government money to now become as creative and inventive as it is the case in modern economies around the world, which is to seek private deposits through investing in the real sector of the economy. In fact, with economic financialisation soon over, banks will discover that their survival is dependent on their embracement of fractional reserve banking, which is leaving a fraction of private depositors’ funds in reserve while using the main deposits to chase high profit-yielding investments. This means that the era of economic diversification through industrialisation will soon begin. What this also means is that at the next Bankers’ Committee meeting, banks will insist that the CBN revisits its current cash reserve ratio (CRR) on private deposits from 31 per cent to possibly 0 per cent so that they can begin to attract more private deposits (Okwe et al., 2015:58).

But on the other hand, Onyekpere (2015) argues the opposite as follows: I do not see the full implementation of the TSA hurting banks, properly so-called. It will only hurt establishments that purport and pretend to be banks but have failed, refused and neglected to understand banking and do what bankers do elsewhere. It is an opportunity for banks to refocus on the original purposes for which they were set up – to collect depositors’ funds (not necessarily government funds), keep them safe; engage in intermediation to create wealth and jobs for the economy and in the process earn profit for themselves. Yes, the idea of sitting idly and expecting rents and unearned income should be gone and gone for good. Good and well-managed banks will have no problem with this measure (Okwe et al., 2015:58).

And for Chukwu, I do not envisage any major challenge in the full implementation of the TSA, given that the test run has been on for more than two years and the IT platform on which it rides on has been tested and found to be robust. The challenge would have come from those who were benefiting from the previous suboptimal system, but with the new sheriff — President Muhammadu Buhari, on the saddle and his no nonsense approach to corruption, I cannot imagine any civil servant trying to sabotage the implementation of the TSA. The impact of the policy is many and varied. First, when the centre has hands that are not clean, they don’t have the moral authority to give instructions to other people. However, there has to be a strong political will to curb the excesses of these powerful individuals. There were powerful individuals who held the presidency to ransom in the past. There were such people under former President Obasanjo and the immediate past President Jonathan. They could not be touched and were benefitting from the illegality and loopholes in the system. So much money was being filtered from the system. We had a situation where the cost of running Nigerian National Petroleum Corporation (NNPC) was more than that of running the National Assembly for instance. That is why the presidency is putting things in place for the Single Treasury Account. A lot of money was left unaccounted for and it would have been more beneficial if these monies were reinvested back into the system. The money was leaving the shores of the country. A lot of the money coming through oil, gas and mining are in Dollars. With the way our economy was running, it was not felt when these monies come in. Now we have a policy that discourages Dollar lodgments in banks. Before, people can easily get this money into their
accounts in raw Dollars and wire it abroad. First, it was not coming in through unified accounts. A lot of inflows were unaccounted for. In fact, paying money into unauthorized account not resident with the CBN should be made a felony. If monies come in as it did before, plenty of it was going out of the country; it was laundered. In fact, government only realised only 50 per cent of what it was supposed to get as revenue. We had a situation whereby government was using earnings from natural resources for recurrent expenditure. It is not done in any advanced country (Okwe, et. al., 2015:58).

According to Balogun (2015),

Earnings from natural resources are supposed to be meant for capital expenditure. Taxation should be used to run government; it is what obtains in South Africa, Kenya, The United Kingdom (UK) and Germany. Tax earnings, including excise tax and import duties, are used to pay salaries and run government; pay members of the National Assembly. Earnings from natural resources are supposed to be used for building roads, hospitals, parks, expanding schools, and other infrastructural development options. These are called reproducible resources that should enhance the capacity of the people such that the ordinary farmer has access to good road, water and electricity. He pays minimal dues on all of this and is able to be more productive. We are not even able to implement budgets faithfully because an aspect of our earnings was pilfered away and went down to such depths that it can hardly run the recurrent expenditure (Okwe, et. al., 2015:58).

**Recommendations**

In view of the benefits, we call for strict compliance with the directive on TSA by the relevant government organisations. The implementation of the order will, however, require the cooperation of the National Assembly with the Executive arm to ensure strict compliance by the MDAs to make enforcement possible. Again, The MDAs, in collaboration with the Executive, will also need to be diligent in drawing up their budgets and presenting them for consideration and passage by the legislature. The financial regulators, including the CBN, should also be proactive and institute measures to correct any lapses or negative impact of the policy, as no law or measure is foolproof. The fear that it will negatively affect commercial banks, and possibly lead to massive job losses, should be addressed.

Furthermore, total commitment and sincerity of purpose are required of those who are to implement this policy. The agencies of government that are affected by the measure are thus enjoined to ensure that it succeeds. They must subsume their personal interests under the greater need of the country. Altogether, what Nigeria requires at this time is the political will to push this reform measure through. We suggest that all stakeholders play the roles expected of them to ensure a successful implementation of the new policy.

**Conclusion**

We hope that the policy will greatly improve the management of government revenue. If it is implemented, it will pave way for the timely payment and capturing of all revenues going into the government treasury, without the intermediation of multiple banking arrangements. Besides, the system will likely reduce the mismanagement of public funds by revenue-generating agencies. It is also expected to help check excess liquidity, inflation, high interest rates, round-tripping of government deposits, and the sliding value of the naira. In view of these benefits, we call for strict compliance with the directive on TSA by the
relevant government organisations. The implementation of the order will, however, require the cooperation of the National Assembly with the Executive arm to ensure strict compliance by the MDAs. The fears that have been raised about the implications of the new measure are hardly necessary. The benefits of the TSA for the economy and good governance far outweigh its seeming disadvantages. The consolidation of federal revenues in a single account will allow for easier and better tracking of funds, thereby enthroning a better regime of accountability, in line with global best practice.

For an administration that has unwritten social contract signed with Nigerians in terms of service delivery, it has the obligation to aggregating states’ resources to provide services and amenities promised to the people. Any step taking in the direction aimed at plugging leakages in revenue generating agencies should be seen as a step in the right direction.

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