AN ASSESSMENT OF THE IMPLICATION OF TREASURY SINGLE ACCOUNT ADOPTION ON PUBLIC SECTOR ACCOUNTABILITY AND TRANSPARENCY

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ABSTRACT: *Government is saddled with the responsibility of being accountable to its citizenry through effective and efficient service delivery. In order to achieve this goal, government enacted the treasury single account (TSA) policy for mobilization of government revenue. The objective of this study is to assess the implication of adoption of TSA on accountability and transparency in the Nigerian public sector; with a view to find out if the policy is capable of promoting government accountability function. The study consist of all ministries, departments and agencies (MDAs) in the public service with sample size of ten (10) MDAs involved in revenue generation selected using purposive sampling technique. The hypotheses were tested using regression analysis (ANOVA). The finding of the study showed that, TSA significant positive impact on financial leakages, transparency and curb financial misappropriation. Hence, considering the findings of this study, it is recommended that government should continue to sustain the adoption of the policy and enact laws that will extend it to state and local governments.*

KEYWORDS: Treasury Single Account (TSA), Accountability, Transparency, Public Sector

INTRODUCTION

The challenge facing most parts of the world and particularly the developing countries like Nigeria is how to achieve efficient allocation of resources as well as stabilization of the business cycles (Meyer 2007). An important factor for efficient management and control of government's cash resources is a unified structure of government banking (Iroegbu 2015); such unified banking arrangements should be designed to minimize the cost of government borrowing and maximize the opportunity cost of cash resources which requires that cash received must be available for carrying out government's expenditure programmes and making payments in a timely manner (Enweagbara, 2015).

Many emerging markets and low-income countries have fragmented systems for handling government receipts and payments (Akande 2015); in these countries, the ministry of finance/treasury lacks a unified view and centralized control over government's cash resources. As a result, this cash lies idle for extended periods in numerous bank accounts held by spending agencies while the government continues to borrow to execute its budget. It is based on these reasons that the current global revolution in government accounting became paramount following which Nigeria has initiated and implemented the Treasury Single Account (TSA) and other series of economic policies to assist in the better management of her economy.

Kaufman (2005) argues that an emphasis on accountability by citizens is one aspect of the growing emphasis on eliminating corruption and promoting transparency in government. Okwoli (2014) stated that the issue of accountability in Nigeria is a fundamental problem because of the high level corruption in all levels of government in the country which is evident

from the Transparency International global Corruption Perception Index survey in October 2010 where Nigeria ranked Nigeria 134 from its initial position of 130 in 2009 and 121 in 2008. The 2010 CPI, drawn on a scale from 10 (highly clean) to 0 (highly corrupt), showed that Nigeria scored 2.4, and is ranked 134 amongst the 178 countries surveyed (Schmitz, Stefan & Geoffrey, 2006).

Treasury Single Account is a public accounting system under which all government revenue, receipts and income are collected into one single account, usually maintained by the country's Central Bank and all payments done through this account as well (Sailendra & Israel 2011). The purpose is primarily to ensure accountability of government revenue, enhance transparency and avoid misapplication of public funds. The maintenance of a Treasury Single Account will help to ensure proper cash management by eliminating idle funds usually left with different commercial banks and in a way enhance reconciliation of revenue collection and payment (Adeolu 2015).

Section 80 (1) of the 1999 Constitution as amended state that All revenues, or other moneys raised or received by the Federation (not being revenues or other moneys payable under this Constitution or any Act of the National Assembly into any other public fund of the Federation established for a specific purpose) shall be paid into and form one Consolidated Revenue Fund of the Federation. Successive governments have continued to operate multiple accounts for the collection and spending of government revenue in flagrant disregard to the provision of the constitution which requires that all government revenues be remitted into a single account (Udoma 2015). Appah and Appiah (2010) argues that cases of fraud is prevalent in the Nigerian public sector that every segment of the public service could seem to be involved in one way or the other in some of these acts.

To this end, this research work examined the implication of Treasury Single Account on the delivery of government Accountability function in the Nigerian Public Sector. This is an attempt to lend a voice to existing series of arguments, debates and controversies among elites, academics, government officials and financial analyst and the society in general on the issue of Treasury Single Account policy adopted by the federal government and its ability to promote accountability and transparency on the public sector (Okechuwu & Chukwura 2015). The study was conducted to give answers to the following questions: What is the effect of Treasury Single Account on financial leakages in revenue collection in Nigeria? What is the impact of Treasury Single Account in promoting transparency in the administration of public funds? What is the effect of Treasury Single Account on financial misappropriation in the Public Sector in Nigeria? The hypothesis formulated is that treasury single account (TSA) does not have effect on any of the variables stated.

LITERATURE REVIEW

Conceptual Clarification

Concept of Treasury Single Account (TSA)

According to Onyekpere (2015), 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. The TSA is

a process and tool for effective management of government's finances, banking and cash position (Eme, Okechukwu, Innocent, Chukwurah, & Daniel, 2015). With the implementation of the Treasury Single Account, Ministries, Departments and Agencies (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 Chukwu (2015).

As a public accounting system, the primary aim of TSA is to ensure accountability of government revenue, enhance transparency and avoid misapplication of public funds (Clementina, 2016). It is to ensure that transparency on unspent budgetary allocations is carried forward automatically to another year. In year 2012, government ran a pilot scheme for a single account using 217 ministries, department and agencies as a test case; the exercise saved Nigeria about N500 billion in frivolous spending. The success of the pilot motivated the government to implement fully TSA, leading to the directives to banks to provide the technology platform that will help to accommodate the TSA (Clementina, 2016).

Reasons for the Adoption of Treasury Single Account in Public Sector

Until the introduction of the TSA, the country faced numerous challenges with management of Public Finances that affect government efficiency and effectiveness in service delivery, transparency and accountability. Some of these challenges were:

Loss of Control on the Number of government Bank Accounts: MDAs are required under FR 701 to get the approval of the Accountant-General of the Federation (AGF) for all their banking relationship. In addition, each MDA is required by regulation to maintain four bank accounts, one each for revenue, personnel costs, overhead costs and capital. However, many MDAs failed to comply, hence the number of bank accounts became over bloated and monitoring the accounts became a herculean task for the OAGF. A survey of the number of such accounts with both the Central Bank of Nigeria (CBN) and Deposit Money Banks (DMBs) carried out by the OAGF in 2010 puts the number of accounts at over 10,000 With such a large number, government could not have timely consolidated information of cash position necessary for efficient cash management in the country.

Idle Cash in MDAs' Accounts While the CRF Account is perpetually overdrawn: Prior to the reforms, government financed its personnel and overhead costs monthly in advance while capital projects were funded quarterly in advance but often the funds remained underutilized for the periods. This leaves the Consolidated Revenue Fund (CRF) Account from which MDAs Accounts were funded perpetually overdrawn as Ways and Means Advance granted by CBN in line with S.38 (2) of their Act. Accordingly, government incurs cost of borrowing on the overdrawn balance while the DMBs that are keeping the MDAs' idle funds do not remunerate them but buy government treasury bills and bonds to earn interest income. The level of ways and means granted by CBN to meet cash flow shortfalls has grown over the years reaching N342 billion in 2014.

Maintenance of Several Extra Budgetary Funds: There exist a number of funds (dedicated accounts) outside the Consolidated Revenue Fund (CRF) with huge balances while government suffers charges on the CRF overdrawn balance with the CBN. If the extra budgetary funds were linked to the CRF, it would have eliminated the ways and means charges, as the net position would have been positive. Besides, the extra budgetary funds would have been an easy source for short-term borrowing instead of treasury bills/certificates.

Non-Remittance of Independent Revenues by MDAs: A number of MDAs fail to remit their revenues into the CRF in line with S.80 of the Constitution and spend the funds without appropriation.

Treasury Single Account System in the Public Sector

Issues related to cash management should not be confused with issues related to the distribution of responsibilities for accounting control and administration of the payment system. A TSA can operate with both centralized and decentralized (or deconcentrated) transaction processing and accounting control systems (Lienert & Ian, 2009); however, the feasibility of implementation depends on the level of technological development of the banking sector and the government, including an IFMIS and a reliable communications network. Poor banking and technological infrastructure in some developing countries and LICs is sometimes an obstacle to combining consolidation of cash balances with decentralization of payment processing. In countries with an underdeveloped banking infrastructure, daily clearing of accounts with various banks could be more difficult than daily settlement within a set of accounts at the central bank. Maintaining a large number of accounts at commercial banks could also hinder the implementation of appropriate clearing and consolidation procedures. The TSA system adopts two transaction models:

Centralized Transaction Processing: This implies a concentration of authority at the treasury to process transactions, and access and operates the TSA (Sailendra & Israel 2011). In this case, the treasury provides payment services for spending agencies and has the exclusive authority to operate the TSA, including its regional treasury subaccounts. The budget institutions submit their payment requests to the centralized authority/treasury before making payments. Under this model, requests for payments are prepared by individual budget agencies and sent to a central treasury payment unit for control and execution. The central payment unit manages the float of outstanding invoices. This model may create a useful synergy between cash management on the one hand, and expenditure control and transaction accounting on the other hand. However, the centralization of expenditure transaction processing can also lead to inefficiencies, including high transaction costs, and potential for corruption in countries where the control systems are inadequate. Another issue that needs to be considered is whether the authorization of commitments is centralized or decentralized to individual spending agencies. In the latter case, if the commitment control and payment systems are not well integrated, payment arrears may occur. Although in this model the payment and accounting functions are centralized, individual spending agencies are treated as distinct accounting entities through a treasury ledger system. Therefore, information on the individual ledger accounts of the spending agencies (including information on their respective transactions) is maintained and controlled internally by the treasury and thus not visible to the banking system. Under this model, only the treasury central unit deals with the commercial banks, making payments from the TSA and receiving collected revenues into the TSA.

Decentralized Payment and Accounting System

In this case, each budget institution processes its own transactions during budget execution and directly operates the respective bank account under a TSA system. Such a transaction processing model could be associated with either the centralized or the distributed TSA structure. Combining the options of the decentralized TSA structure and the decentralized transaction processing model would, however, require an efficient and reliable communication

network and interbank settlement system for netting of balances of several transaction accounts with the TSA main account.

Under this model, individual budget agencies process and make payments directly to suppliers and account for these transactions through a TSA system. Modern technology allows electronic links between spending agencies, the central bank, the commercial banks, and the treasury. The treasury sets the cash limits monthly or quarterly for the total. An amount of disbursements to be made by a particular budget agency, but does not control individual transactions. The authority to make commitments is granted to the budget agencies on a periodic basis (generally each quarter) by the budget office, and cash limits are set by the treasury, often on a monthly basis. This is a model of centralized cash control, but decentralized responsibility for commitments, payments, and accounting. This model makes the spending agency responsible for internal control and management, while keeping central control of cash through the TSA.

An example of a decentralized model is one that combines TSA sub-accounts for line ministries and zero-balance accounts for individual spending agencies within each line ministry. Under this variant, the ministries/departments maintain sub-accounts of the TSA at the central bank. Various sub-accounts may be set up for different institutional types and each may have different operating rules. Cash limits should be set for each spending entity. On the other hand, individual spending agencies within a parent ministry/department have zero-balance transaction accounts authorized by the treasury, generally in commercial banks, which are automatically swept at the end of each day (if the banking sector is able to do this). Cash is transferred as specific payments are approved (or daily credit limits negotiated). At the end of the day, the central bank records the cash to the appropriate major institution subaccount in the central bank so that a balance of all government accounts incorporating the TSA can be seen.

Accountability and Transparency in the Nigerian Public Sector

Adegite (2010) define accountability as the obligation to demonstrate that work has been conducted in accordance with agreed rules and standards and the officer reports fairly and accurately on performance results vis-à-vis mandated roles and or/plans. It means doing things transparently in line with due process and the provision of feedback. Johnson (2004) stated that public accountability is an essential component for the functioning of our political system, as accountability means that those who are charged with drafting and/or carrying out policy should be obliged to give an explanation of their actions to their electorate. Okoh and Ohwoyibo (2010) opine that accountability reflects the need for government and its agencies to serve the public effectively in accordance with the laws of the land. Appah (2010) point out that the number and monetary value of public sector activities has increased substantially. This increase in activities has brought with it an increased demand for accountability of public officers who manage these activities of the public.

Transparency is however defined as an inclusive concept that requires loyalty, faithfulness, allegiance and dependability (Hope & Chikhulo, 2000; Olowu, 1993). In this vein, operators in the Private, Public and financial institutions should be faithful and dependable. Transparency has also been used in various disciplines and subject areas. Relative to political leadership, Kopis (1998) defines it as an altitude of openness towards the public at large, about government structure and functions, policy intentions, public sector account and projections ready access to reliable, comprehensive, timely understandable information on government activities so that the electorate and financial market can actually access government financial position and the true cost and benefits of government activities (Kopis, 1998). With this perspective in mind, it

is clear that accountability and transparency is a true democracy unequivocally represents a universal, equivalent concept of shared responsibility, trustworthiness, and open communication between the government and the governed. The two participating sides - government and the governed mutually needs each other. The government in order to justify its democratic legitimacy needs the trust of the public to be voted and kept in power.

Treasury Single Account (TSA) and Accountability and Transparency in the Public Sector

The primary objective of a TSA is to ensure effective aggregate control over government cash balances. The consolidation of cash resources through a TSA arrangement facilitates government cash management by minimizing borrowing costs. In the absence of a TSA, idle balances are maintained in several bank accounts. Effective aggregate control of cash is also a key element in monetary and budget management. The adoption of TSA in the public sector minimizes transaction costs during budget execution, notably by controlling the delay in the remittance of government revenues (both tax and non-tax) by collecting banks, and making rapid payments of government expenses; facilitating reconciliation between banking and accounting data; efficient control and monitoring of funds allocated to various government agencies; and facilitating better coordination with the monetary policy implementation. Others area where adoption of TSA promotes accountability and transparency as enumerated in literature are stated as follows:

Complete and Timely Information on Government Cash Resources: In countries with advanced payment and settlement systems and an Integrated Financial Management Information System (IFMIS) with adequate interfaces with the banking system, this information will be available in real time. As a minimum, complete updated balances should be available daily.

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

Improve Operational Control During Budget Execution: When the treasury has full information about cash resources it can plan and implement budget execution in an efficient, transparent, and reliable manner. The existence of uncertainty regarding whether the treasury will have sufficient funds to finance programmed expenditures may lead to sub-optimal behavior by budget entities, such as exaggerating their estimates for cash needs or channeling expenditures through off-budget arrangements.

Enable Efficient Cash Management: TSA facilitates regular monitoring of government cash balances. It also enables higher quality cash outturn analysis to be undertaken (e.g., identifying causal factors of variances and distinguishing causal factors from random variations in cash balances).

Reduces Bank Fees and Transaction Costs: Reducing the number of bank accounts results in lower administrative cost for the government for maintaining these accounts, including the cost associated with bank reconciliation, and reduced banking fees.

Facilitate Efficient Payment Mechanisms: TSA ensures that there is no ambiguity regarding the volume or the location of the government funds, and makes it possible to monitor payment mechanisms precisely. It can result in substantially lower transaction costs because of economies of scale in processing payments. The establishment of a TSA is usually combined with elimination of the "float" in the banking and the payment systems, and the introduction of transparent fee and penalty structures for payment services. Many governments have achieved substantial reductions in their real cost of banking services by introducing a TSA.

Improve Bank Reconciliation and Quality of Fiscal Data: TSA allows for effective reconciliation between the government accounting systems and cash flow statements from the banking system. This reduces the risk of errors in reconciliation processes, and improves the timeliness and quality of the fiscal accounts.

Lower Liquidity Reserve Needs: TSA reduces the volatility of cash flows through the treasury, thus allowing it to maintain a lower cash reserve/buffer to meet unexpected fiscal volatility.

Empirical Review

Yusuf (2016) carried out a study on the effects of Treasury Single Account on public finance management in Nigeria. The main objective of the study was to examine the extent to which Treasury Single Account can block financial leakages, promotes transparency and accountability in the public financial management. Both primary and secondary data had been employed in the study. The populations of the study are Ministries, Department and Agencies (MDAs) within Bauchi metropolis using a sample of 72 respondents through judgment sampling. The data were analyzed using the Pearson Correlation techniques. The result of the study showed that adoption of a Treasury Single Account (TSA) is capable of plugging financial loopholes, promoting transparency and accountability in the public Financial System.

Ekubiat & Edet (2016) studied the Adoption of Treasury Single Account by State Governments of Nigeria: Benefit, challenges and Prospects. The study examined the benefits, challenges and prospects of adoption of Treasury Single Account (TSA) by State Governments of Nigeria. The study made use of both primary and secondary data. Descriptive cross-sectional survey design was adopted for the study. The population for the study consisted of 200 Professional Accountants in Akwa Ibom State. Taro Yamane's statistical formula was used to select sample size of 133. Purposive sampling technique was used to select the 133 respondents/samples. The data obtained from questionnaire administration were analyzed using descriptive statistics and t-test statistics. It was found that TSA adoption and full implementation by the state governments will be of greatest benefit as showed in the weighted means scores of 4.20 and tcal of 24.87; there will be challenges in a short-run but the benefits at a long-run will definitely out-weight the challenges.

Mutalib, Bulkachuwa, Uarame & Chijioke (2015), also studied the Impact of Treasury Single Account (TSA) on Ministries, Departments and Agencies (MDA's) Accounting Information and Accountability: A conceptual Review. The study examined the effect of TSA on MDAs accounting information and accountability of public funds in Nigeria. The study employed both primary and secondary data for the purpose of the study. The result shows that there is no doubt that with the introduction of TSA on MDAs Accounting information, the issue of corruption, mismanagement of public funds and government capital base will improve drastically thereby boosting the Nigeria Economy for good governance and for potential investment.

Clementina (2016) conducted a study on the Effect of Treasury Single Account on the Liquidity of Base and Performance of the Banking Sector. The main objective of the study was to find out the influence of TSA on the liquidity base and performance of the banking sector in Nigeria. The study made use of mainly Primary data from ten (10) randomly selected banks'. Questionnaire were administered to the Management staff of the ten (10) banks selected for the study. We employed Chi-square as a statistical tool for analysis of the data. The results obtained confirmed that the implementation of Treasury Single Account in the public accounting system impacted negatively on the liquidity base and the performance of banking sector in Nigeria.

Omodero & Okafor (2016) conducted a research on the Efficiency and Accountability of Public Sector Revenue and Expenditure in Nigeria (1970-2014). The study was carried out to examine the accountability of public officers in the management of the financial resources of the country and means of achieving efficient, accountable and transparent society. The study made use of secondary data to examine the total federal government revenue and expenditure, state governments' revenue and expenditure were collected from Statistical bulletin from the Central Bank of Nigeria from 1970-2014. The results were analysed using descriptive and inferential statistics; t – test statistical tools and regression were equally used to test the hypotheses formulated in the study. The findings reveals that efficiency of public sector expenditure do effectively have implications on accountability in Nigeria in spite of the absence of other the efficiency of public sector expenditure variables because the EPSE has significant effect of 2.930 (t-value) on recurrent expenditure and as well significant effect of 3.939 (t-value) on capital expenditure. The research concluded that there is significant relationship between efficiency of public sector expenditure, recurrent expenditure and capital expenditure in Nigeria from 1970-2014.

Akhidime, (2015) researched on Accountability and Financial Reporting in Nigeria Public Financial Management: An Empirical Exploration. The study analyzed government financial reporting and accountability system, and carried out an empirical examination of the various aspects of accountability within the context of the role of government financial reporting in public accountability in Nigeria. The study was conducted using primary data; personal interviews and Accountability Evaluation Questionnaires were used as research instruments. Likert scale was employed in analyzing the data. The findings of the study reveals that the effective implementation of development policies and programs is anchored on purity of action, honesty of purpose, probity and integrity, which are important hallmarks of accountability and transparency.

Aminatu (2016) studied the Impact of Integrated Financial Management System on Economic Development: The Case of Ghana. The study assessed the impact of Integrated Financial System by making use of both qualitative and quantitative data. Regression analysis was used as a statistical tool to analyze data accumulated over the last ten (10) years by the Ministry of Finance and Economic Planning. This study looks at the impact of GIFMIS on Ghana's economic development by looking at gross domestic product (GDP), economic growth, and resource allocation to major sectors of the economy. It is noted from the analysis that some sectors of the economy contribute immensely to GDP growth whereas other sectors have an adverse effect. Analysis results also showed that GDP growth does not have a direct impact on economic growth.

Ahmed (2016) carried out research on Treasury Single Account (TSA) as an Instrument of Financial Prudence and Management: Prospects and Problems. The objective of the study was to examine the prospects for financial prudence and effective and efficient management of

resources available. The paper therefore provides the conceptual meaning of the TSA and also gives its expected benefits to the economy of Nigeria such as enhance system of financial management and control, unification of various Accounts of government, reduction of the costs of government borrowing and ensuring of optimum utilization of government financial resources. The paper also analyses the objectives of the TSA systems and its various Accounts such as TSA main account, Subsidiary Account, ZBAs, Transit and Imprest Account among others. The paper finally discusses the prospects of the TSA system and its challenges. It was concluded that the system requires political will, honesty and determination so as to overcome the various challenges identified in the paper in order to achieve the expected benefits of the system.

Tari, Myatafadi & Kibikiwa (2016) considered Treasury Single Account (TSA) Policy in Nigeria: Reviving Jonathan's 'Dead' Policy Directives. The main study attempts to look at the contributions of reviving the Treasury Single Account. The paper relied on secondary methodology to effectively examine the fiscal impact of reviving the TSA policy and anchored on incremental model as a framework of analysis. The paper suggests better ways of making the policy effective amidst the dwindling oil price and the superiority of Dollar against the Naira. Hence, the research concluded that except proper monitoring of government account is carried out, in all government institutions and strong punitive measure applied against defaulters and corrupt officers, that TSA will be a failure in Nigeria.

Oguntode, Adekunle and Adegie (2016) analysed Treasury Single Account and Nigeria's Economy Between 1999 and 2015. The study was conducted to determine whether the establishment of a unified structure of government bank accounts via a Treasury Single Account (TSA) will solve the problem of frivolous and unscrupulous spending of Government fund and hence eradicate loss and enhance cash management and control. Secondary data was employed for the research work, CBN statistical bulletin (1999-2015) was analyzed using the OLS estimator. The result shows that the Treasury Single Account has a positive significant impact on the country's economic growth but this impact is limited by various factors, one of them being the recent implementation of the policy in Nigeria which made the discovery of historical data difficult. It was concluded that the federal government of Nigeria should initiate policies and various means to make sure that there are proper accoutings of the funds entering into the Treasury Single Account, and that such fund should follows due process. Also that any subsequent foul play by any agencies, or even the CBN is duly prosecuted.

Studies conducted have been able to establish the significance of TSA to public sector and its ability to curb government spending and revenue generation in the MDAs in Nigeria. Although most studies conducted covers all the MDAs; this study was conducted to purposively assess MDAs that are mainly revenue generating agencies to assess the implication of adoption of TSA on accountability and transparency in these ministries, departments and agencies.

METHODOLOGY

Research Design

The study used the survey research design to obtain information on the assessment of the implication of TSA adoption on accountability and transparency in the public sector. Data were collected from primary sources through the use of a structured questionnaire distributed to the target respondents. The study was conducted to purposively select ministries, departments and

agencies (MDAs) that have high level of revenue generation in the public sector. MDA's covered in this study will range from fully funded and partially funded Government Enterprise. The study was however be limited to MDAs that are located in Ondo State in the south-west region of Nigeria. These MDAs were selected because they contribute a bulk of government generated funds and the impact of the adoption of the revenue collection process will be largely felt in these areas. The questionnaire was distributed to the officers that are in charge of cash collection in the selected MDAs during work hours.

Population, Sample Size and Sampling Technique

The population of the study consists of all the 570 Ministries, Department and Agencies (MDAs) operating within Nigeria as at 2015. The study focused on the MDAs that are solely involved in revenue generation (cash collection) out of the population and are located in Ondo State. A sample of ten (10) MDAs was selected from the population using Purposive Sampling Technique. A total of one hundred (100) respondents were covered in the study where ten (10) copies of questionnaire was administered to respondents in each of the MDAs selected.

Research Instrument

In order to have a comprehensive and reliable source of information, strictly structured questionnaires were administered to respondents in the selected MDAs to obtain information about the Implication of Treasury Single Account on accountability and transparency on the Nigeria Public Sector. The questionnaire is divided into two parts, the Section A covered background information about the academic qualification and work experience of the respondents; while Section B contained questions relating to the relevance of Treasury Single Account policy and operation, and whether it has promoted accountability and transparency in the administration of public funds. The questions were structured based on the five likert scale of strongly agree, agree undecided, disagree and strongly disagree.

Data Analysis Technique

Data obtained were analyzed using statistical tools in order to test hypothesis, achieve objective and provide answers to research questions. In doing this, the descriptive and inferential statistical tools were adopted and this was achieved using Statistical Packages for Social Science (SPSS) 20.0 version.

RESULTS/FINDINGS

Effect of Treasury Single Account on Financial Leakages in Revenue Collection in Nigeria

The result in tables 1a and 1b revealed that exposure of financial loopholes, increase in revenue generation, ease in revenue collection and proper cash management are joint indicators of the effect of Treasury Single Account on financial leakages in revenue collection in Nigeria. This was evidenced in the result which was interpreted using various statistical parameters where R^2 0.674; $(F 4, 85) = 89$ greater than F tabulated; $P < 0.005$ of which the result shows a statistical significance level of 0.000. The result obtained therefore implies that treasury single account have a significant effect on the eradicating of financial leakages in revenue collection in Nigeria. This is in consonance with the study of Eme, Chukwurah and Emmanuel (2015) who examined the analysis of the Pros and Cons of Treasury Single Account Policy in Nigeria. They found out that multiple bank account operated by MDAs for the collection of government

revenues, income and receipt in the recent past has result to the loss or leakages of legitimate income meant for the federation account and they recommended that government should ensure strict compliance of the directive of Treasury Single Account to the relevant Government Enterprise.

The individual beta co-efficient, t-statistics and significance of each variables revealed that exposure of financial loopholes (0.263; 2.710; 0.008) increase in revenue generation (0.302; 3.100; 0.003); ease in revenue collection (0.210; 2.097; 0.039); and proper cash management (0.273; 2.662; 0.009) have being significantly affected by treasury single account. The findings of the study have therefore shown that Treasury Single Account is an effective tool in combating financial leakages in the Nigerian public sector. This is in line with the study of Yusuf (2016) who examined the effect of Treasury Single Account on Public Financial Management in Nigeria. The findings of the study further showed that as much as the Treasury Single Account affects other variables, it has a greater effect on the increase in the level of revenue generation (0.090; 1.999; 0.047). This is based on the high level of revenue generated as a result of eradicating the use of multiple accounts in the public sector.

Table 1a

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.824[a]	.674	.440	.985

ANOVA[a]

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	31.178	4	7.794	8.038	.000[b]
	Residual	82.422	85	.970		
	Total	113.600	89			

Model Summary

Source: Regression result SPSS 21.0 (2017).

Table 1b

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.344	.439		5.344	.000
	Do you agree that introduction of Treasury Single Account expose financial loopholes in MDAs	.260	.096	.263	2.710	.008
	Do you agree that since the adoption of the policy of Treasury Single Account is MDAs revenue generation has increased	.335	.108	.302	3.100	.003

Treasury Single Account has minimized the task or stress of revenue collection by government	.219	.104	.210	2.097	.039
Treasury Single Account ensures proper cash management for collection of government revenue	.254	.095	.273	2.662	.009

Effect of Treasury single account on financial leakages in revenue Collection in Nigeria

Source: Regression result SPSS 21.0 (2017).

Impact of Treasury Single Account in Promoting Transparency in the Administration of Public Fund

The result shown in Table 2 revealed that centralized revenue management, enhancing consolidated government revenue and effective monitoring of public sector receipts and expenditure are joint predictors of treasury single account on financial transparency in the administration of public fund. This was evidenced in the result which was interpreted using the individual mean square, F-Statistics and Significance. The result obtained showed that centralized revenue management (8.867; 6.805; 0.000), enhancing consolidated government revenue (8.867; 6.805; 0.000), and effective monitoring of public sector receipts and expenditure (7.152; 5.249; 0.001); have being significantly affected by Treasury Single Account. This therefore implies that with the introduction of a Treasury Single Account, Accountability and Transparency can be better achieved via consolidation of revenue received as well as having a centralized revenue pool. This is line with the study of Ahmed (2016) who observed that Treasury Single Account is an instrument of financial prudence and probity in the management of financial resources. The findings further revealed that TSA have greater significant effect on ensuring a centralized revenue management (1.365; 1.073; 0.375). Akhidime (2016) also revealed that the effective implementation of development policies and programs is anchored on purity of action, honesty of purpose, probity and integrity, which are important hallmarks of accountability and transparency.

Table 2

ANOVA		Sum of Squares	Df	Mean Square	F	Sig.
Treasury Single Account has ensured centralized and revenue management	Between Groups	25.084	4	6.271	4.421	.003
	Within Groups	120.571	85	1.418		
	Total	145.656	89			
Has the consolidated view of government revenue been enhanced through the adoption of Treasury Single Account	Between Groups	10.466	4	2.616	3.089	.020
	Within Groups	71.990	85	.847		
	Total	82.456	89			
Do you agree that Treasury Single Account enhanced effective monitoring of receipt and expenditure of public fund	Between Groups	12.106	4	3.026	2.694	.036
	Within Groups	95.494	85	1.123		
	Total	107.600	89			

Impact of Treasury Single Account in Promoting Transparency in the Administration of Public Fund

Source: ANOVA result SPSS 21.0 (2017).

Effect of Treasury Single Account on Financial Misappropriation of Public Sector in Nigeria

The result in Table 3 showed that budget appropriation and efficient allocation of funds are joint indicators of treasury single account on financial misappropriation in the Nigerian public sector. This was evidenced in the result which was interpreted using the individual mean square, F-Statistics and Significance. The result obtained clearly shows that budget appropriation (8.867; 6.805; 0.000), and efficient allocation of funds (7.152; 5.249; 0.001); have being significantly affected by treasury single account. This therefore implies that with the introduction of a treasury single account, there has being an effective appropriation of budget and funds have being efficiently allocated as funds available can be easily determined and apportioned with certainty. This is supported by Mutalib, Bulkachuwa, Uarame & Chijioke (2015) who revealed out that the introduction of TSA on MDAs Accounting information, the issue of corruption, mismanagement of funds and government capital base will improve drastically, thereby boosting the Nigeria economy for good governance and for political investment. It was discovered that treasury single account does not have any effect on budget control (1.365; 1.073; 0.375).

Based on the overall findings of this study within the context of this study, it was discovered that TSA has significant effect on financial leakages in revenue collection; transparency in administration of public funds; and financial misappropriation in the public sector, therefore the null hypothesis is rejected.

Table 3:

ANOVA		Sum of Squares	Df	Mean Square	F	Sig.
Has the Treasury Single Account influenced the operational control of budget execution in Nigeria	Between Groups	5.460	4	1.365	1.073	.375
	Within Groups	108.140	85	1.272		
	Total	113.600	89			
Do you agree that Treasury Single Account affect budgetary appropriation in MDAs	Between Groups	35.466	4	8.867	6.805	.000
	Within Groups	110.756	85	1.303		
	Total	146.222	89			
Efficient allocation of public funds was enhanced through the adoption of Treasury Single Account	Between Groups	28.608	4	7.152	5.249	.001
	Within Groups	114.448	84	1.362		
	Total	143.056	88			

Effect of Treasury Single Account on Financial Misappropriation of Public Sector in Nigeria

Source: ANOVA result SPSS 21.0 (2017).

DISCUSSIONS

The study aim was to assess the implication of the adoption of TSA on accountability and transparency in the public sector. The study focused on the MDAs in Ondo state that are fully or partially funded by government and are involved solely in income generation. The findings of this study showed that there exists a significant effect between Treasury Single Account and eradicating of financial leakages on revenue collection in Nigeria. Treasury Single Account contributes to the reduction in financial loopholes and this therefore implies that Treasury Single Account is an effective tool in combating financial leakages in Nigeria public sector as it serves as a mechanism for ease collection of public funds, proper cash management and increase in revenue generation.

Centralized revenue management, enhancing consolidated government revenue and effective monitoring of public sector receipts and expenditure are joint predictors of Treasury Single Account on financial transparency in the administration of public funds. This therefore implies that Treasury Single Account have a significant effect on mitigating financial misappropriation in the public sector and TSA, accountability and transparency can be better achieved via consolidation of revenue received as well as having a centralized revenue pool.

Budget appropriation and efficient allocation of funds are joint indicators of Treasury Single Account on financial misappropriation in the Nigeria public sector. This implies that the introduction of TSA has been an effective appropriation of budget and funds have been efficiently allocated as funds available can be easily determined and apportioned with certainty.

Implication to Research and Practice

Accountability and Transparency in the administration of public funds has always been a major issue facing the government of Nigeria. This study will go a long way in enlighten the general public on the benefit of Treasury Single Account in curbing corruption and misappropriation of government revenue. It will also serve as an input to policy makers in decision making concerning management of public finance. This project work will serve as a resource base to other scholars and researchers interested in carrying out further research in this field.

CONCLUSION AND RECOMMENDATIONS

The objective of this study is to examine the implication of adoption of TSA on the execution of the accountability function in the Nigerian public sector. Results of the inferential statistics show that TSA has a significant effect on financial leakages in revenue collection; promote transparency in administration of public funds; and financial misappropriation in the public sector. The individual estimation however showed that TSA significantly affect revenue collection, centralized revenue management, but does not affect budgetary control. It is therefore concluded, that the adoption of TSA in the public sector is justifiable and has ability to achieve the main objective of implementing the existing law of maintaining a single account as opposed to the multiple accounts system adopted by government in the past.

Based on the findings of the study, the followings recommendations are made:

Considering the benefit of maintaining single account, the federal government should secure as soon as possible the appropriate legislative support to facilitate the relevant regulatory environment which will drive the effective implementation of the TSA in the states and local governments in order to promote accountability and transparency at all levels of government.

Government should make effort to develop a sustainable budgetary control mechanism considering the fact that it has been established within the scope of this study that maintenance of TSA does not affect budgetary control and this is a core area that is used as a yardstick for performance measurement in the public sector.

To cushion the liquidity impact on the financial system, an orderly migration of cash balances from the commercial bank accounts to the TSA should be considered, and complemented with monetary policy measures.

Future Research

Despite the positive margin in the value of income generated in the public sector compared to the era of multiple accounts, there still exist some levels of misappropriations that have been reported. It so therefore that there are still some loopholes that need to the block. Further research can be conducted to identify the loopholes and recommend action that can be taken by government to curb them.

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