Treasury Single Account (TSA) and Effective Public Sector Economic Management in Nigeria (2015-2020)

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Abstract
Over the years, Nigeria's public funds have not been properly accounted for. This has drastically increased the cost of governance. There is no gain saying the fact that, the cost of governance in Nigeria is too high and has in no small measure hindered the nation's development, both human and infrastructural. It is also one of the reasons why corruption has eaten deep into the fabrics of our society. To eliminate or minimize this menace, the Federal government of Nigeria implemented Treasury Single Account in 2015. The main trust of this paper among others is to examine the impact of TSA policy on public sector management in Nigeria. New Public Management theory was adopted as the theoretical framework of the study. The method adopted for eliciting data in this work was historical and descriptive. The study among others revealed that the TSA policy is a veritable tool for enhancing effective and efficient financial management in Nigeria. However, the successful implementation of the policy has been challenged by the unwillingness of some MDAs to comply with the TSA policy. The study recommends among others that governments should ensure strict compliance of the directive by the MDAs and proper monitoring of the TSA account to ensure due process in its management.

Keywords: Treasury, Single Account, Effective, Public Sector, Management, Nigeria.

Introduction

Nigeria is one of the most blessed nations on earth, bestowed with vast human and natural resources. These resources, if properly harnessed, would have ranked Nigeria among the top most developed nations of the world. Paradoxically, despite these abundant resources, Nigeria is still categorized among the comity of nations as underdeveloped. This is due to mismanagement of resources by the public officials that have been saddled with the responsibility of managing its resources. In Nigeria, costs associated with the running of the government have increased dramatically over the years such that an increasingly reduced proportion of public revenue is available to support and implement the primary functions of government. Consequently, the major purposes of government have been hindered.

The adoption and full implementation of Treasury Single Account (TSA) by the government, especially in a depleting economy like Nigeria cannot be over-emphasized. This is due to the fact that Treasury Single Account is primarily to ensure accountability of government revenue, enhance transparency and avoid misappropriation of public funds. The maintenance of a Treasury Single Account helps to ensure proper cash management by eliminating idle funds usually left with different deposit money banks and in a way, enhance reconciliation of revenue collection and payment. According to Pattanayak and Fainboim (2011), TSA is an essential tool for consolidating and managing governments' cash resources, thus minimizing borrowing cost. Treasury Single Account (TSA) is one of the proven practices in improving the payment and revenue collection systems, and carrying out consistent control of public expenditures by centralizing the free balances of government bank accounts. The TSA infrastructure is usually implemented as a part of the Financial Management Information System (FMIS) solutions.

For TSA to function effectively, there must be daily clearing of and consolidation of cash balances into the central account even where the MDA's accounts are already held at the CBN such as the FIRS. Some may argue that it is necessary to separate the cash transactions of each MDA for control and reporting purposes; however, this objective can be achieved through proper accounting rather than by holding cash in separate bank accounts. In any case, the various bank accounts held by MDAs in commercial banks do not necessarily have to be closed, but they must be operated as Zero-Balance Accounts where any closing balance must be swept to TSA at the Central Bank of Nigeria (CBN) on a daily basis to give government a consolidated cash position. TSA can therefore cover all funds earmarked by government. To make this work, accounting systems must be robust and capable of accurately distinguishing trust assets in the TSA. This is not different from what a private company operating in many states or even internationally will do to consolidate its funds rather than fragment them by divisions or sub-entities. Hence, a company will only borrow externally if and only if its overall cash position is negative rather than when a division has a deficit even though others may have surpluses (Pattanayak and Fainborn 2010).
The idea of Treasury Single Account came into being when some Agencies refused to declare and remit the 25% of the annual revenue they generated to the treasury as demanded by law. In 2012, about N120 billion was forcefully collected by government from MDAs (Ministries, Departments and Agencies) being 25% of their gross revenue to the treasury with another N34 billion collected in 2013. Prior to this, most of the MDAs were reluctant to remit the requested amounts by law to the treasury (Okerekeoti and Okoye, 2017).

The TSA policy was first recommended by the Federal Government's Economic Reform and Governance (ERG) Programme in 2004 as a major component of the GIFMIS. Also, the TSA is a part of the Public Financial Management (PFM) reforms which falls under Pillar 3 of the National Strategy for Public Service Reforms towards Vision 20:20:20, to address impediments to effective and efficient cash management. The government embraced electronic payment (e-payment) system for all its financial transaction in 2008. Consequently, the AGF issued a treasury circular for its take-off on January, 1st 2009 in all MDAs.

As averred by Proskuryakova et al (2013), the TSA formally became operational on 2nd April, 2012 following the go-live Government Integrated Financial Management Information System (GIFMIS). This was after the Cash Management Policy including the TSA as a strategy, was approved for implementation by the Minister of Finance in 2011. The treasury circular for the take-off of TSA from January 2012 was issued by the Accountant General of the Federation (AGF) on 30th December 2011. In October 2012, President Goodluck Jonathan stated that by introducing the TSA and other reforms like e-government, the Integrated Payroll and Personnel Information System (IPPIS) and GIFMIS, his administration had greatly improved the nation's financial management system and accountability (Yusuf & Chiejina, 2015). At the end of 2012, 93 out of 837 MDAs (over10%) were already on TSA. This increased to 217 MDAs by 31st December, 2013. Moreover, the TSA implementation took the Federal Government from an overdraft of ₦102billion in 2011, to an average credit balance of ₦4.6billion in 2013 (Okogu,2014; FGN,2013).

Eme, Chukwurah and Emmanuel (2015) stated that 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. They further opined that it was a flagrant breach of the constitution that underscores the rot in the management of the country's finances. It was on this backdrop that President Muhammadu Buhari on 9th August, 2015 invoked Section 80 (1) of the 1999 constitution as amended which states 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 Consolidative Revenue Fund of the Federation.

This is part of Buhari's effort to sanitize the country and fight against financial leakages and corruption. Though, President Goodluck Jonathan had given the same directive in January with February 28th, 2015 as the deadline, the directive was ignored by the agencies (Eme, Chukwurah and Emmanuel 2015). The noncompliance was blamed on his lack of political will to ensure compliance. The TSA is seen as a solution to stalling leakages in revenue generation and making more funds available to the government which in turn increase government efficiency. The TSA has been identified by the Federal Government of Nigeria as an efficient tool for curbing revenue leakage, although it is not certain how this has played in Nigeria so far.

In line with his determination to ensure discipline and greater transparency in the management of the nation's finances, President Muhammadu Buhari directed all Ministries, Departments and Agencies (MDAs) of government to pay their earnings into a unified bank account known as Treasury Single Account (TSA) forthwith. 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 Nigerian Customs Service (NCS), Nigeria Immigration Service (NIS), Federal Inland Revenue Service (FIRS) among others. The MDAs are to pay all their revenues to a sub-account linked to the TSA at CBN. The account name and number of the TSA was designated as Accountant General (Federal sub-Treasury) and 3000002095 respectively.

Thus, Pattanayak and Fainboim (2011) assert that a government lacking effective control over its cash resources can pay for its institutional deficiencies in multiple ways. First, idle cash balances in bank accounts often fail to earn market-related remuneration. Second, the government, being unaware of these resources, incurs unnecessary borrowing costs on raising funds to cover a perceived cash shortage. Third, idle government cash balances in the commercial banking sector are not idle for the banks themselves, and can be used to extend credit. Draining this extra liquidity through open market operations also imposes costs on the central bank. Establishing a unified structure of government bank accounts via a treasury single account (TSA) will solve these problems, improving cash management and control. It should, therefore, receive priority in any public financial management (PFM) reform agenda. A TSA also facilitates better fiscal and monetary policy coordination as well as better reconciliation of fiscal and banking data, which in turn improves the quality of fiscal information. It is against this backdrop that this paper appraises the Treasury Single Account (TSA) policy and effective public sector management in Nigeria under Buhari's administration.

Conceptualizing Treasury Single Account (TSA)

A Treasury Single Account (TSA) is a unified structure of government bank accounts that gives a consolidated view of government cash resources. In this kind of financial management arrangement, all funds due to government are to be paid into a designated government account(s) to ensure effective management. TSA is a bank account or a set of linked accounts through which the government transacts all its receipts and payments. Thus, the cardinal characteristics of TSA revolve around a unified government account for easy oversight, absence of accounts operated by any government's agency outside the oversight of the treasury and the comprehensiveness of government cash resources.

Adeolu (2015), defines Treasury Single Account as a public accounting system under which all government revenue, receipts and income are collected into one single account, usually maintained by the country's Central Bank and all payments done through this account as well. The purpose is primarily to ensure accountability of government revenue, enhance transparency and avoid misapplication of public funds. Isa (2016), is of the opinion that Treasury Single Account is an account that all ministries and government departments' account balances are collated by the Central Bank, whereas there is an intermediate account for every ministry and department that shows the total of all debt and credit transactions. Thus, the total amount will be reflected eventually on the treasury single account at the end of the day. Onyekpere (2015) states that the Treasury Single Account 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. Chukwu (2015) adds that a Treasury Single Account 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.

The Treasury Single Account (TSA) initiative is the operation of a unified structure of Government Bank Accounts, in a single account or a set of linked accounts for all government payments and receipts. TSA is primarily designed to bring all government funds in bank accounts within the effective control and operational oversight of the treasury, in order to: enthrone centralized, transparent and accountable revenue management; facilitate effective cash management; ensure cash availability; promote efficient management of domestic borrowing at minimal cost; allow optimal investment of idle cash; block loopholes in revenue management; establish an efficient disbursement and collection mechanism for government funds; improve liquidity reserve; and eliminate operational inefficiency and costs associated with maintaining multiple accounts across multiple financial institutions (CBN, 2015).

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. NAN (2015) reports that the Treasury Single Account is a unified structure of government bank accounts that allows consolidation and best use of government cash resources. Enterprise Solution (2015) holds that Treasury Single Account is a unified structure of government bank account that gives a consolidated view of government cash resources. It is also known as a bank account or set of linked accounts through which the government transacts all its receipts and payments. It is a unified government banking arrangement that enables the Ministry of Finance or Treasury to monitor government cash flows in and out of the banks accounts on a real-time basis and the non-operation of bank accounts by government agencies beyond the view of the Treasury. It gives detailed consolidation of all government cash resources, both budgetary and extra-budgetary.

CBN Guideline and Requirements for the Operation of TSA

According to CBN (2015), the Treasury Single Account (TSA) initiative is the operation of a unified structure of Government Bank Accounts, in a single account or a set of linked accounts for all Government payments and receipts. TSA is primarily designed to bring all Government funds in bank accounts within the effective control and operational oversight of the Treasury, in order to: enthrone centralized, transparent and accountable revenue management; facilitate effective cash management; ensure cash availability; promote efficient management of domestic borrowing at minimal cost; allow optimal investment of idle cash; Block loopholes in revenue management; establish an efficient disbursement and collection mechanism for government funds; Improve liquidity reserve; and eliminate operational inefficiency and costs associated with maintaining multiple accounts across multiple financial institutions (CBN, 2015).

In order to ensure the immediate implementation of the directive of the President of Nigeria, the CBN (2015) issued a guideline with essential and general requirements as follows:

TSA Essential Requirements are:

I. Government agencies are not to operate ANY bank account under any guise, outside the purview and oversight of the Treasury.
II. The consolidation of government cash resources should be comprehensive and encompass all government cash resources, both budgetary and extra-budgetary. This means that all

public monies, irrespective of whether the corresponding cash flows are subject to budgetary control or not, should be brought under the direct control of Government.

III. Government banking arrangement should be unified, to enable the relevant Government stakeholders such as the Ministry of Finance (MoF) and the Accountant General (AG) have full oversight of Government cash flows across bank accounts.

IV. There are two TSA models: (a) The main TSA and associated ledger sub-accounts (where they exist) are to be maintained in a single banking institution OR (b) The main TSA is maintained in a single banking institution and associated zero balance ledger sub-accounts (ZBAs) (where they exist) are maintained in other institutions from where balances are swept daily to the main TSA in CBN or the appointed main TSA hosting financial institution.

TSA General Requirements are:

I. Each State Government shall select any TSA model of its choice. The choice of a TSA model shall be informed and guided by the availability of clear operational processes and basic technology infrastructure that supports the implementation of the model of choice.
II. Each State Government shall inform the Governor of the Central Bank of Nigeria of its decision to introduce the TSA scheme, detailing the State's preferred TSA model (banking structure) and level of preparedness to commence, operate & support the scheme, which shall include, but not limited to project organization and resourcing, operational process workflow, available technology infrastructure, etc.
III. Each State Government shall ensure that all legal framework, extant laws, cash management processes and policies, financial regulations, Treasury Circulars, etc. are put in place to guide the TSA operation, as well as ensure that, clear information is regularly issued to relevant internal and external stakeholders before, during and after the commencement of the TSA scheme
IV. Each State Government shall maintain contractual Agreement(s) with parties involved in the design, delivery and ongoing support of its TSA scheme. Such Agreement shall clearly define the terms and the roles and responsibilities of the State Government and the relevant parties. Such stakeholders may include, but not limited to the CBN, Deposit Money Banks, Payment Technology Solution Providers, etc.
V. Each State Government shall have a clear and unambiguous position of ALL outstanding debts owed Deposit Money Banks (inclusive of debts incurred by its MDAs) before the commencement of the TSA scheme. Where a State is unable to fully liquidate its debts with DMBs before the commencement of the TSA, it shall put in place a firm repayment schedule, before commencing the TSA scheme, with the CBN.
VI. Each State Government shall establish a TSA Project Team to be led by an official not below the position of a Director in the public service, to coordinate the implementation of the State's TSA initiative. The Team shall have primary responsibility for coordinating all pre-implementation, implementation and post-implementation programmes required for the successful implementation of the State Government's TSA scheme. This shall include but not limited to organizing sensitization workshops, system specifications gathering, project documentation, user training, change management, risk management, project reporting, etc.
VII. Each State Government shall undertake a comprehensive review, harmonization and update of its financial and treasury management processes, procedures and system, as may be necessary, to support the successful implementation and operation of the TSA initiative. This shall include but not limited to the establishment of a State Cash Management Unit

(CMU), which shall be guided by the State's cash management provisions, processes, procedures, etc.

VIII. Each State Government shall be responsible for the provision of adequate sustainable capacity and resources at different levels across all MDAs. This is required to ensure the long-term success of the State's TSA initiative.

Theoretical Framework

The theoretical framework adopted in this work is the New Public Management theory (NPM) and the Keynesian approach. New Public Management has become convenient shorthand for a set of broadly similar administrative doctrines which dominated the public administration reform agenda of most OECD countries from the late 1970s (Hood, 1991; Pollitt, 2007). It captures most of the structural, organizational and managerial changes taking place in the public services of these countries. To quote Pollitt, NPM has variously been defined as a vision, an ideology or (more prosaically) a bundle of particular management approaches and techniques (many of them borrowed from the private for-profit sector). NPM is thus seen as a body of managerial thought or as an ideological thought system based on ideas generated in the private sector and imported into the public sector (Hood, 1991).

As Hood (1991) has noted, the two broad orientations of NPM are explained by the marriage of two different streams of ideas. The first stresses business-type managerialism in the public sector and freedom to manage, and comes from the tradition of the scientific management movement (Hood, 1991).

No one can claim monopoly on the New Public Management theory ideas and no single work seems to capture them all. Osborne and Gaebler (1992) focus on reform and innovation in the public sector. It was Hood (1991) who came up with this term listing its seven main points. Hood had the UK experience as his reference although many of these principles were adhered to in the old style of public administration and procurement practices. Pollitt (2004) summarized these elements by adding the market orientation and the idea of a value shift from concerns of equity and security to efficiency and individualism.

NPM reform has covered a wide range of subjects; common agenda for all authors has been to make government effective and responsive to citizens' demands. Basically, it involves disaggregation of large bureaucratic organizations into smaller compact organizations, focus on outputs rather than inputs, value for taxpayers' money, authority devolved at the point of service delivery, flexibility, customer responsiveness, introduction of competition in public service, and strengthened accountability and transparency.

According to Hood (1991), NPM has seven interrelated elements such as hands-on professional management, explicit standards and measure of performance, output controls, a shift to disaggregation, a shift to greater competition, a stress on private sector styles of management practice, and discipline and parsimony in resource use. According to Dunleavy (1997:17) “new public management is the domesticated, depoliticalized and incentivized version of 'new right' or 'market liberal' policy analysis made somewhat technical, consensual and generic” with its emphasis on competition and disaggregation. Competition means an effort to establish multiple competing sources of supply. Disaggregation implies the creation of a deconcentrated or decentralized public service bureaucracy. Incentivization introduces quasi-pecuniary motivations at an individual level, or revenue-maximization incentives at an organizational level, to supplement or to replace a previous 'public service' ethic focused on professional or organizational/bureaucratic motivations.

According to Pollitt (2004) NPM is made up of eight main elements of New Public Management:

a. Cost cutting; capping budgets and greater transparency in resource allocation;
b. Disaggregating traditional bureaucratic organizations into separate agencies;
c. Decentralized management within public agencies;
d. Separating the function of providing for public services from their purchase;
e. Establishing market and quasi-market mechanisms;
f. Emphasizing performance management targets, indicators and output objectives;
g. Introducing term contracts, performance-related pay and local determination of pay and conditions; and
h. Increasing emphasis on service quality, standard setting and customer responsiveness.

Although the NPM had been used to explain this work, it was only able to address the work from the perspective of administration but did not go far in the areas of economic management. Therefore for further explanation of the economic management, the analysis was underpinned on the thought and works of John Maynard Keynes (1883-1946) who was emphatic in explaining the correlation between savings and investment. The Keynesian economic thought is based on issues bordering broad national aggregates such as national income savings, consumption, investment, full employment etc., which are known to have a strong effect on the prosperity of any nation.

According to Caporaso and Levin (1992), the Keynesian approach is focused on the lack of stability in the process of reproduction and growth in the capitalist economies. They opined that capitalist economies introduce processes in their reproduction that brings instability and eventually leads to uncertainties. This process cast aspersions on the suitability of the price mechanism through the self-regulating market as the modus operandi through which the society should organize the production and distribution of goods in the economy.

Keynes held that mal-administration in a country's economic system could lead certain disasters in the economy. The disaster could be as a result of ravaging trade cycles leading to distortions and adjustments. He therefor advocated that for the smooth and uninterrupted running and functioning of the economy, there must be "a policy of state intervention" to guide the state and manage the economy (Jhingan, Girija and Sasikala, 2003).

Keynes firmly believed that government and its institutions must be able to play a major role in guiding and directing the international as well as the domestic activities within its domain. (Ziring, Ricks and Plana, 2000). Keynes therefore argued and was convinced that depressions (which can be caused by lack of money in the economy) can be avoided by regulating the economy. This can specifically be done by using public expenditure through money that has been saved, being injected into the weak economy to provide investments and soak up excess unemployment. The consequences of this is that prosperity for all with no serious fluctuations through the so called "boom and bust cycle" could have virtually been guaranteed to everyone. (Sargent, 2009).

On how the Theory is relevant to the work, it must be noted that accountability, efficiency, transparency and service delivery are some of the cardinal features of NPM. The theme, ensuring accountability and transparency in the public sector, is important to all countries. Accountability means the possibility to identify and hold public officials to account for their actions. Transparency means that reliable, relevant and timely information about the activities of government is available to the public. Transparency is a mechanism to make government accountable.

The dwindling economy of Nigeria which eventually ushered in economic recession was mostly caused by financial mismanagement, diversion of public funds by public officials, proliferation of public funds in commercial banks (some unknown to the government), inefficiency, poor service delivery, among others, necessitated a drastic policy by the government to boost the economy, improve efficiency and ensure accountability. Thus, the full adoption of TSA policy by Buhari's administration was seen as an interaction on the part of government to save money, to increase efficiency and ensure that all funds accruable to the federal government are sent directly to the Central Bank of Nigeria (CBN) via remitter platform or via the Deposit Money Banks. The closure of all commercial bank accounts by Ministries, Departments and Agencies (MDAs) and the order to transfer all funds to the federation account is was commendable tool meant to check leakages, fight corruption and financial mismanagement. The insistence of service delivery by governments' agencies was another major objective of the NPM theory. The use of remitta and online/prompt transaction services has brought about an improved service delivery.

Impacts of TSA on Public Sector Management in Nigeria

The benefits of the implementation of TSA are mainly financial as the nonexistence of several banking arrangements will reinforce the monitoring and transparency of MDAs operations and prevent funds from being easily diverted from their original purpose. The Treasury will at all times have an accurate view of the Government's cash position as against the present system where the positions of different agencies have to be pooled together to get an overall picture. It will also curb financial excesses on MDA's and the Federal Government. Prior to the directive, some MDA's deposited their earnings in commercial banks who ironically lent same to the Federal Government at a high interest rate. Therefore, by introducing economy and efficiency in the management of scarce public resources, the Government was in a better position to realize its policy goals.

It was expected that TSA with economic financialisation soon over, banks would discover that their survival was 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.. If properly managed, TSA was to encourage agencies of government to spend in line with duly approved budget provisions. The maintenance of a single account for government was to enable the Ministry of Finance monitor fund flow as no agency of government was to be allowed to maintain any operational bank account outside the oversight of the ministry of finance.

TSA allows complete and timely information on government cash resources: In countries with advanced payment and settlement systems and an Integrated Financial Management Information System (IFMIS), with adequate interfaces with the banking system, this information will be available in real time. As a minimum, complete updated balances should be available daily. The TSA ensures that the Ministry of Finance has full control over budget allocations, and strengthens the authority of 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.

It is also assumed that when the treasury has full information about cash resources, it can plan and implement budget execution in an efficient, transparent, and reliable manner. The existence of uncertainty regarding whether the treasury will have sufficient funds to finance programmed expenditures may lead to sub-optimal behaviour by budget entities, such as exaggerating their estimates for cash needs or channelling expenditures through off-budget arrangements. A TSA facilitates regular monitoring of government cash balances. It also enables higher quality cash outturn analysis to be undertaken (e.g., identifying causal factors of variances and distinguishing causal factors from random variations in cash balances). TSA reduces the number of bank accounts operated by governments. This enhances lower administrative cost for the government for maintaining these accounts, including the cost associated with bank reconciliation, and reduced banking fees. A TSA ensures that there is no ambiguity regarding the volume or the location of 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. TSA also improves bank reconciliation and quality of fiscal data, just as it 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 account.

Challenges of TSA Implementation in Nigeria

Some of the challenges that have plagued the TSA include: First, the skepticism by States and opposition party to TSA: The TSA coverage is still limited and has not yet been extended to most States and local governments. This certainly limits the effectiveness of the TSA. Even the National Assembly has also exempted itself from TSA compliance.

Second, the ailing economy and hard times owing to the dwindling revenues available for public spending by the various tiers of government present a daunting challenge. Most of the State governments are beginning to realize the need to cut down on waste and reckless spending.

Third, the negative attitude and complete lack of support by some of the MDAs for the TSA policy through instilling fiscal discipline, clearing and prudent spending impedes the proper implementation of the policy.

Conclusion

From the foregoing, it is obvious that the primary objective of a TSA is to ensure effective aggregate control over government cash balances. It avoids borrowing and paying additional interest charges to finance the expenditures of some agencies while other agencies keep idle balances in their bank accounts. There were situations where some MDA's managed their finances like independent empires and remit limited revenue to government treasuries. Under a properly run TSA, this is not possible as agencies of government are meant to spend in line with duly approved budget provisions.

The maintenance of a single account for government will enable the Ministry of Finance monitor fund flow as no agency of government is allowed to maintain any operational bank account outside the oversight of the ministry of finance.

The full implementation of this programme therefore is a critical step towards eradicating corruption and other financial irregularities as well as enhance effective public sector management.

Recommendations

The following recommendations are made:

That there should be strict compliance with the directive on TSA by the relevant government organizations. 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.

1. The financial regulators, including the CBN, should be proactive and institute measures to correct any lapses or negative impact of the policy, as no law or measure is fool proof.
2. The Government should address the fears that the introduction of TSA will negatively affect commercial banks and possibly lead to massive job losses.
3. Fiscal discipline should be the watchword of Government and the creation of unnecessary bottlenecks and cog in the wheal of progress of concerned MDAs. There should be appropriate sanctions where money is being expended without recourse to approved budget or spent outside the purpose it was appropriated for. It is not enough for funds to be pulled on daily basis into the TSA. Such funds should be monitored and properly managed and disbursed within the ambits of the law. Strict compliance to the approved budget is recommended.
4. Government should ensure monthly or quarterly publication of the funds accruable to the Consolidated Federation Account.

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