

## THE IMPACT OF TREASURY SINGLE ACCOUNT (TSA) ON PUBLIC SECTOR PERFORMANCE IN NIGERIA

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### **Abstract**

*This study examined the impact of treasury single account (TSA) on public sector performance in Nigeria. Specifically, this study analyzed the effect of treasury single account on budget execution; accountability and cash management in Nigeria public sector. This study made use of primary data sourced from 300 randomly selected respondents from government parastatals, agencies and ministries across six southwest states in Nigeria. Data were collected with the use of structured questionnaire. Collated data were analyzed with the use of percentage/frequency count and ANOVA regression analysis. Result showed that TSA adoption exert significant positive effect of budget execution (0.794;  $p < 0.05$ ); level of accountability (0.750,  $p < 0.05$ ), and cash management (0.960,  $p < 0.05$ ) in Nigeria public. The study therefore concluded that treasury single account has substantial positive impact on performance of Nigeria public sector. Hence this study recommends the need for government to strengthen guidelines for the full implementation of the policy so as to ensure long term sustenance of the policy across the country. In addition there is need for government to engage in objective public enlightenment about the importance of the policy. Government should also overhaul the capacity of the Federal Ministry of Finance and the CBN to cope with challenges associated with enforcement of the provisions of the TSA so as to further harness the benefit of centralize control of funds across the country.*

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**Keywords:** *treasury single account; public sector; Nigeria; public sector performance.*

**JEL Classification:** H87

### 1.0 Introduction

Treasury single account is part of public management tools that ensures transparency and accountability in public sector through proper appropriation and application of public funds (Owie, Wilson and Onuora, 2018). Treasury single account allows the ministry of finance to have full control over budget allocations and strengthens the authority of the budget appropriation, improvement on operational controls during budget execution in an efficient, transparent and reliable manner. According to Nwaorgu, Ezenwaka and Onuorah (2017). treasury single account facilitates proper and regular monitoring of cash balances and efficient payment mechanism. Treasury Single Account eliminates idle funds of government from public sector entities kept in money deposit banks and enhance the reconciliation of revenue and expenditure (Adeolu, 2015). Prior to treasury single account, Nigerian public sector funds are kept in several accounts with various commercial banks accounts. Obinna (2015) noted that about 10,000 bank accounts were held in several banks which made it difficult for government to know the true state of their income and expenditure position. It has led to pockets of idle cash balances held in MDAs' accounts when the same MDAs were out borrowing from commercial banks (Opeyemi, Samuel, Faboyede and Peter, 2017). Such idle funds are being swept under the floor by officials of MDAs where idle funds are available or being spent on frivolous items whose benefits cannot be significantly identified. As a result, there were improper leakages, embezzlement of funds and inadequate budgetary and financial planning and these banks relied on deposits from government agencies and lent back to the government at high interest rates (Ndubuaku, Ohaegbu, Nina and Nsimoh, 2017). Helen, Amenawo and Basse (2017), Nigeria as a developing nation had over time struggled with the burgeoning rate of fund embezzlements in several quarters of the public sector, which ultimate was the sine-qua-non for the establishment of several control agencies: Conduct Bureau, Independent Corrupt Practices Commission (ICPC), and Economic and Financial Crimes Commission (EFCC) to mention but few. Observably, activities of these agencies over time had little or no effect on the rate

of financial crime in the country, with spiraling corrupt practices among public officers in recent times. In response to the perennial menace of poor public sector accountability and transparency in the country, it became necessary for government led by President Buhari to instigate the full adoption of treasury single account in the country, in an attempt to occasion substantial abatement of the inherent leakages in the mobilization process of public resources in the country.

The implementation of treasury single account is expected to allow complete and timely information on government cash resources. This will ensure proper accountability and transparency as well as reconciliation of public sector revenue and expenditure. As identified by Oyedele (2016) and Oyedokun (2016), treasury single account should bring about better budget performance, lower cost of public projects, prompt payment of project, transparency in unexpended funds allocated in the budget. Treasury single account gives ministry of finance 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. Also, it improves operational control during budget execution. When the treasury has full information about cash resources, it can plan and implement budget execution in an efficient, transparent, and reliable manner. The existence of uncertainty regarding whether the treasury will have sufficient funds to finance programmed expenditures may lead to sub-optimal behavior by budget entities, such as exaggerating their estimates for cash needs or channeling expenditures through off-budget arrangements. In addition, treasury single account 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. Many governments have achieved substantial reductions in their real cost of banking services by introducing a TSA. Furthermore, it enables efficient cash management by undertaken higher quality cash outturn analysis (e.g., identifying causal factors of variances and distinguishing causal factors from random variations in cash balances).

### **Statements of Problems**

The issue of efficient cash management, accountability and transparency in Nigeria public sector including all tiers and levels of government finances is a fundamental problem because it determines the sustainability of these sectors as

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well as the growth and development of the economy (Okwoli, 2014). According to Bashir (2016), a major problem associated with efficient cash management accountability and transparency is high corruption practices. About 500 billion were embezzled between 1960-2009 (Chukwuemeka, Ugwuanyi and Ewuim, 2012). The corruption perceptible index ranked Nigeria as 121 in 2008, 130 in 2009 and 134 among 178 in 2010 which later increased to 148 out of 180 in 2017 (Transparency International, 2018; Lodikero, Fagbayimu and Olateru, 2018). This situation has eaten deep into the fabrics of Nigerian economic system leaving her in a terrible precarious situation that pictures her as poor, despite the huge human and natural resources Nigeria is divinely blessed with. As a result, many of the government projects are financed through debts which have increased the cost of servicing both external and internal debt while the country's endowment are in personal pockets and idly kept in bank accounts. Also, government most often borrow from the pool of their own money in commercial banks since they are not properly accounted for (Oti, Igbeng and Obim, 2016)

In an attempt to sustain public sector activities and promote economic growth and development, government has established various anti-graft agencies to curb corruption practices in Nigeria which includes Economic Financial Crime Commission (EFCC), Independent Corrupt Practices Commission (ICPC) etc. However, some these agencies are seen as a simple tool in the hand of the government (Onuoha, 2010; Uwak and Udofia, 2016). This is because activities of these agencies over time had little or no effect on the rate of financial crime in the country, with spiraling corrupt practices among public officers in recent times. Therefore, President Buhari instigated the full adoption of treasury single account in the country in order to respond effectively to the perennial menace of poor public sector accountability and transparency in the country. As stated by Ahmed (2016) treasury single account is a vital tool for consolidation of cash resources of the governments, thus reducing the cost of borrowing. TSA is seen as one of the strategic and tactical measures instituted in the present administration to deter fraudulent practice and clamp down corruption (Yusuf, 2016). Larson (2007) explained that TSA is bound to improve transparency and accountability in public financial management (PFM). First, it will remove organization/MDAs secrecy around the management of public finances. The second is the revenue generating agencies that have been depriving the treasury of due revenue through a plethora of bank accounts under their purview unknown to the authorities will no longer be able to defraud government since all funds will be swept into the TSA.

Several empirical works have been carried out on treasury single account. These range from the policy impact of treasury single account in Nigeria (Oti, Igbeng and Obim, 2016; Chinedu and Emma, 2017, Badejo, Oluwaseyi and Taiwo, 2017); treasury single account and transparency in public sector financial management in Nigeria (Otemu, Rita and Otemu, 2018, Adeagbo and Olajide, 2019; Lodikero, Fagbayimu and Olateru, 2018); effect of adoption of treasury single account on tertiary institutions finances in Nigeria (Olurankinse Ajidagba and Olaniyi, 2010; Olaoye and Adebowale, 2017) effect of treasury single account on banks performance (Ighosewe and Ofor, 2016; Yohanna and Okwoli 2010, Olaoye and Talabi, 2019); effect of treasury single account on the performance of ministries, departments and agencies in Nigeria (Ofor, Omaliko and Okoli 2017); treasury single account on liquidity of banks (Ejike 2019, Oru and Odumusor 2019); perception of Nigerians towards the Treasury Single Account (TSA) Mboto, Offiong and Ibor (2017), impact of treasury single account on the failure of financial institutions in Nigeria (Okpala, Akinyede and Worimegbe, 2019), impact of treasury single account on government revenue and economic growth (Ofurum, Oyibo and Ahuche, 2018). While some discovered significant impact of treasury single account, other revealed insignificant impact of treasury single account. Hence this study examined the effect of treasury single account on performance of public sector with specific focus on the:

- (i) Effect of treasury single account on budget execution in Nigeria public sector
- (ii) Effect of treasury single account on accountability in the Nigeria public sector
- (iii) Effect of treasury single account on cash management in Nigeria public sector

## 2.0 Literature Review

### *Treasury Single Account*

Treasury single account (TSA) can be defined as an allied structure of government bank accounts ensuring a combination of government funds and the best use of government possessions. TSA possess three crucial fundamentals, first a combined arrangement of government bank accounts that permits total control of all cash reserves, secondly an option suitable for accessing and working with TSA based on institutional arrangement and payment settlement method and Thirdly, the combination of government receipts not lacking anything that it needs to be complete as it should include all receipts including budgetary and extra-budgetary (Pattanayak & Fainborn, 2010). This implies that every public receipts regardless

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of whether the matching cash flows are dependent on budgetary control or not (e.g. situations of earmarked funds, reserve funds and other off-budget or extra-budget funds) should be controlled by the TSA (Oguntodu, Alalade, Adekunle & Adegbile, 2016; Shah, 2007).

Treasury single account was perceived by Nelson and Ogah (2015) as an account that collates the balances of all the ministries, departments and agencies of the government, but there is an intermediate account for every MDAs that holds the total of the expenditures and receipts. In this way, the complete amount will be transferred in the end to the treasury single account. The treasury single account can also be seen as a unified arrangement of government bank accounts enabling an combination of revenues from all MDAs and an advantageous use of government monetary resources (Onyekpere, 2015). As posited by Oguntodu *et al* (2016) treasury single account is a set of connected bank accounts that controls the receipts and payments of the government and ensures a consolidated view of government monetary worth at any point in time. The merits of this account are many. The collection of revenues into a single treasury account makes it possible for prompt capture and payment of all revenues received into the government's account without the multiple banking structures impeding a smooth-operation. This merit in this way limits revenue leakages that results into revenue loss and lack of accountability and transparency in public sectors (Oguntodu *et al*, 2016).

The broad objective of treasury single account is to enhance successful control of government monetary balances. Specifically, treasury single account fulfills the following objectives:

- i. reduces transaction expenses during budget execution;
- ii. limits the delay in dispense of revenue to the government;
- iii. enhances quick payments of government expenditures;
- iv. effective control and monitoring of the sharing of funds to different government agencies;
- v. enhances easy coordination with the monetary policy operation;

### *Public Finance Management Theory*

This theory assumed that all areas of financial resources, i.e mobilization and expenditure should be well utilized in government for the benefits of the citizens. It involves resource mobilization, prioritization of programs, the budgetary process, efficient management of resources and exercising control to guide against threats. The theory also stress that the government's revenue should be well mobilized to



disallow the looting of such into private pockets (Udo & Esara, 2016). These consist of resources prioritization, prioritization of programmes the budgetary process, efficient management of resources etc. (Bashir, 2016). This theory in relation to the study suggests that TSA is primarily to avoid misappropriation of public funds.

#### *Institutional Theory*

The theory was propounded by Meyer and Rowan (1977) and DiMaggio and Powell (1983) who assumes that organizations adopt structures and management practices that are considered legitimate by other organizations in their field, regardless of their actual usefulness. Legitimated structures or practices can be transmitted to organization in a field through tradition (organization imprinting or founding), through imitation, by coercion and through normative pressure. Other scholars such as Palmer, Jennings & Zhou (1993), Scott (1987) and Covalski and Dirsmith (1988) viewed Institutional theory base on the premise that organisations respond to pressures from their institutional environments and adopt structures and procedures that are socially acceptable as being appropriate organizational choice. Meyer and Rowan (1977) argue that institutional techniques are not based on efficiency but used to establish as appropriate, rational, and modern. They are said to be used to display responsibility and avoid claims of negligence.

#### *Empirical Review*

Otemu, Rita and Otemu (2018) examined treasury single account and transparency in public sector financial management in Nigeria. Specifically, the study analyzed the features, benefits, demerits and prospects of treasury single account. The study employed discursive method. The study discovered that TSA have caused so much problems that ranges from induced unemployment as a result of downsize of bank staffs, encourages bureaucracy because it is a single line operation that possess through various authorization before cash is released. Also, treasury single account might distort the effective functioning of the institutions since government allocations are hardly enough to carter for the needs of the institutions. However, the study revealed that treasury single account help government in efficient cash management, improves appropriation control, among others.

Badejo, Oluwaseyi and Taiwo (2017) assessed the nexus of treasury single account policy in Nigeria. Specifically, the study investigated the contextual relevance and benefits of TSA. The study employed discursive method. The study discovered that TSA is a desirable prerequisite for modern cash management and is

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an effective tool to establish oversight and centralized control over government's cash resources. The study concluded that that TSA enhances the overall effectiveness of a Public Financial Management (PFM) system.

Adeagbo and Olajide (2019) examined treasury single account: a tool for preventing leakages and enhancing accountability of public funds in Nigeria. Specifically, the study assessed the effectiveness of TSA system in preventing leakages of public funds and how TSA enhance accountability of public funds. The study employed primary data collected from 114 respondents in finance offices of federal MDAs and institutions in Ibadan. The study revealed the significance of TSA in preventing leakages and enhancing of proper accountability of public funds with (F value = 599.94,  $p = .000$ ) and (F value = 1000.13,  $p = .000$ ) respectively. Therefore, the study concluded that TSA serves as a tool for preventing leakages and enhance proper accountability of public funds in Nigeria.

Abdullahi, Canice and Yahaya (2019) investigated treasury single account, fraud detection and prevention in the Nigerian public sector. Basically, the study focused on the empirical review of treasury single account, fraud detection and prevention in the Nigerian public sector. The study used descriptive method of social inquiry. The study discovered that Treasury Single Account as a central revenue pooling system has been lauded in different quarters since implementation in 2015 as cure all syndrome for public sector fraud. Therefore, the study concluded that while the TSA may deter fraud in the public sector but have no control over appropriation of revenue.

Osagioduwa (2019) assessed treasury single account effectiveness on corruption and public organization. The study specifically analyzed the effect of treasury single account policy on corruption control. The study employed primary data collected through questionnaire from 264 respondents among government accountants and auditors in southeast Nigeria. the study analyzed data using percentages, correlation and chi-square. The study reported that there is a statistically significant positive relationship between Treasury Single Account and corruption reduction in the public sector of Nigeria while TSA has insignificant effect on administration of public sector. Therefore, the study concluded that TSA reduces financial crime in public sector but is ineffective in the administration of public sector.

Lodikero, Fagbayimu and Olateru (2018) examined treasury single account: a tool for accountability and transparency in Ondo State Nigeria. The study specifically analyzed the effect of exposure of financial loophole, increase in revenue generation, ease revenue collection and proper cash management on



accountability and transparency in government revenue management. The study employed primary data collected through questionnaire from 100 respondents in MDAs. The study analyzed data using ordinary least square regression. The study showed that exposure of financial loophole, increase in revenue generation, ease revenue collection and proper cash management have significant positive effect on accountability and transparency in government revenue management. Therefore, the study concluded that Treasury Single Account is catalyst for enhancing efficient of revenue generation in Nigeria, transparency and fight against corruption.

Ekubiat and Ime (2016) investigated the adoption of treasury single account by state government of Nigeria. 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. The finding revealed 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. It was concluded in this study that, State Governments of Nigeria should adopt and fully implement TSA for successful control and accountability of public funds so as to avoid bailout funds always from any source.

Ajala Adesanya and Oyewale (2017) examined the nature, origin and challenges of the treasury single account in Nigeia public financial management. The study noted that with introduction of the TSA, government expects to block all loopholes and leakages of financial resources and also ensure a robust financial management system. TSA will also help 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. Recommendation was made among others that government should ensure that TSA does not create unnecessary bottleneck and clog in the wheel of progress of the concerned ministries and the nation at large.

Ofor, Omaliko and Okoli (2017) studied the effect of treasury single account on the performance of ministries, departments and agencies in Nigeria. The study relied basically on primary data which was obtained through questionnaire designed and administered to 75 respondents drawn from the federal government ministries, departments, agencies and parastatals (MDA) within Anambra

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metropolis in the eastern part of Nigeria. Analysis was based on the Wilcoxon sign test. It was revealed based on the analysis conducted that the institutionalization of TSA has significantly affected and improved the performance of federal government MDAs at 5% level of significance which goes further to confirm that treasury single account is capable of blocking financial loopholes in revenue generation and promoting transparency and accountability. It was concluded that since the adoption of treasury single account has significantly improved the performance of federal government ministries, departments and agencies in Nigeria, government should enforce the adoption of TSA and ensure that it is mandatory for all MDAs and parastatals in the country.

Oti, Igbeng and Obim. (2016) focused on the appraisal of policy impact of treasury single account in Nigeria. The study made use of primary data through the use of questionnaire which were administered to gathered views of individuals and institutions. Data were equally gathered and analyzed using survey and exploratory research design. The study concluded by drawing attention to the shock being experienced by the deposit money banks, which has led to downsizing of its personnel, and adopting other cost minimization measures. The adverse effects on lending capacity with resultant effect on operations of the banks and companies which would ultimately result in lower profits and companies' income tax to the federal government gave the basis for recommending adequate education to elicit buy-in of all stakeholders and building into the policy a transitional window.

Olurankinse Ajidagba and Olaniyi (2010) examined the effect of adoption of treasury single account on tertiary institutions finances in Nigeria. The study use survey research design and data were collected from primary source through the administration of questionnaire to respondents. Data collected were analyzed using descriptive statistics and kolmogorow smirnov non parametric statistic tool. The findings reveal that adoption of TSA impact negatively on human capital development, and also place some challenges on the smooth running of tertiary institutions mostly in the area of project implementation, Budget implementation and payment of conference or workshop allowance to attendee. The study concluded that TSA adoption inhibits the development of tertiary institutions in Nigeria.

Akinleye, Fajuyagbe and Owoniya (2018) examined treasury single account, as a nudge towards public sector accountability in Nigeria. Specifically, the study analyzed the influence of adoption of treasury single account on the effectiveness of cash management, reduction of fraudulent activities and improvement in the level of accountability in the Nigerian public sector. The study made use of primary

data collected through the use of a questionnaire, based on a sample of 400 respondents randomly selected from government parastatals, departments, institutions and ministries, across the six southwest states in Nigeria. Data collected were analyzed with frequency and percentage response analysis. Findings of the analysis showed that the adoption of treasury single account provoked effective management of cash, sustained a considerable reduction in the level of fraudulent activities and aided improved level of accountability in the Nigerian public sector. Thus, there is no doubt that treasury single account is a nudge towards public sector accountability in Nigeria.

Olaoye and Adebowale (2017) evaluated the effectiveness of the policy of treasury single account in federal institutions in Nigeria. The study made use on survey research design of the cross sectional type, evaluating treasury single account in the context of selected federal institutions in Ekiti state. Purposive sampling technique were used to select federal institutions including Federal University of Technology Akure (FUTA), Federal Polytechnic Ado Ekiti, Federal University Oye, and Federal Medical Centre, Ido, while random sampling was used to select representatives from each of the institution 30 respondents were sampled from each of the institutions with focus on staffs working out of Audit and Bursary Departments, thus making a total number of 120 respondents sampled for the study. Data were collected using self-structured questionnaire and responses were analyzed using frequency count and percentage analysis. Result showed that implementation of treasury single account is considerably effective among federal institutions, fostering better financial management, accountability and transparency, elimination of operational inefficiencies and consistency over time.

Nwaorgu, Ezenwaka and Onuorah (2017) assessed treasury single account and public sector accountability in Nigeria. Basically, the study analyzed the effect of treasury single account on the performance of public sectors in Nigeria. the study employed primary data collected from 250 respondents in account department of federal government health institutions. The study analyzed data using regression analysis. The study discovered that regular monitoring of government cash balances affect accountability in the public sector to a great extent while unexpected fiscal volatility affect accountability in the public sector to a moderate extent. Therefore, the study concluded that government treasury single account affects accountability of public sectors.

Inienger, Orban and Emem (2018) examined treasury single account and the performance of the Federal Ministry of Education, Abuja. The study specifically

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analyzed the impact Treasury Single Account (TSA) and the performance of the Federal Ministry of Education, Abuja. The study employed data primary data collected through questionnaire. The study analyzed data using simple percentages and frequencies. He study showed that Treasury Single Account has improved expenditure management in the federal Ministry of Education, Abuja. The study also revealed the challenges affecting the implementation of Treasury Single Account (TSA) in the ministry to include: inadequate guidelines on the implementation procedure, no provision for the ministry to maintain impress among others. Therefore, the study concluded that Treasury Single Account (TSA) is a good policy aimed at improving funds available to government.

Igbekoyi, and Agbaje (2017) assessed the implication of treasury single account adoption on public sector accountability and transparency. The study specifically examined the effect of Treasury Single Account on financial leakages in revenue collection, transparency and financial misappropriation in Nigeria. The study employed primary data collected through questionnaire from 100 respondents in 10MDAs in Ondo state. The study analyzed data using ANOVA and regression analysis. The study revealed that TSA significant positive impact on financial leakages, transparency and curb financial misappropriation.

Ajibade, Oyedokun and Doumu (2018) assessed treasury single account and public fund management. Specifically, the study examined the impact of Treasury Single Account on leakages, Accountability and Transparency of public funds. The study employed primary data collected from 121 respondents. The study analyzed data using regression analysis. The study found that TSA has significant effect on leakages, Accountability and Transparency of public funds. Therefore, the study concluded that Treasury Single Account expectedly improve accountability and transparency and as well reduce leakages in the financial system.

### 3.0 Research Method

This study made use of primary data sourced from 300 randomly selected respondents from government parastatals, agencies and ministries across six southwest states in Nigeria. The study made use of structured questionnaire designed in two sections, which captures respondent's details, and responses to questions related to the effect of treasury single account (TSA) adoption on effective budget execution, level of accountability, and efficient cash management in Nigeria public sector in selected parastatals, agencies and ministries. Data collected for the study were analyzed with the use of percentage and frequency

count and ANOVA regression analysis. Model used in this study represents an adaptation of the model used by Agbo, Jugu and Okwoli (2017) to investigate the effects of treasury single account on performance and survival of deposit money banks in Nigeria, where performance measured in terms of return on asset (ROA) and net interest margin (NIM) was specified as a function of adoption of treasury single account (TSA). Thus model for this study is specified in compacted functional and linear forms below representing three models:

$$PSP=f(TSAA)$$

$$PSP = \alpha_0 + \alpha_1 TSAA + \varepsilon_t \text{ --- (1)}$$

*Where:* PSP represent public sector performance measured in terms of public sector budget execution (PBE), public sector accountability (PAC) and public sector cash management (PCM), while TSAA represents Treasury Single Account Adoption.

#### 4.0 Results and Discussion

##### *Analysis of treasury single account and effective budget execution in Nigeria Public*

Frequency and percentage analysis presented in table 1 showed response to questions raise in the study in the quest to ascertain the effect of treasury single account adoption on budget execution in Nigeria public sector. As reported in the table about 78.7% of the respondents are of the opinion that adoption of treasury single account has significantly improved operational control during budget execution in Nigeria public sector as against only 17% of the respondents that submitted to the contrary. Also 77.3% of the respondents sampled in the study affirmed that adoption of treasury single account position Nigeria public sector for better budget implementation performance while only 11.3% of the respondents argued otherwise. About 79.3%, 74%, 65.4%, of sampled respondents affirmed respectively that adoption of Treasury Single Account (TSA) has significantly reduce misappropriation and diversion of public funds during budget execution; adoption of Treasury Single Account (TSA) has substantially reduce the liquidity reserve need for efficient budget implementation in Nigeria publics sector; and adoption of Treasury Single Account (TSA) has significantly reduce transaction cost during project execution in Nigeria public sector, while only 11.3% 12.7% and 14.4% disagreed respectively. Overview of responses presented in table 1 showed

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that without controversy adoption of treasury single account has notable effect on the level of budget execution in Nigeria public sector. The observed effect of treasury single account adoption on budget execution is further substantiated with the ANOVA regression result presented in table 2.

**Table 1. Response Analysis**

| S/N | ITEMS   | SA         | A          | UD        | D         | SD       |
|-----|---|------------|------------|-----------|-----------|----------|
| 1   | Adoption of Treasury Single Account (TSA) has significantly improved operational control during budget execution in Nigeria public sector                   | 134(44.7%) | 102(34.0%) | 13(4.3%)  | 38(12.7%) | 13(4.3%) |
| 2   | Adoption of Treasury Single Account (TSA) position Nigeria public sector for better budget implementation performance                                       | 111(37.0%) | 121(40.3%) | 34(11.3%) | 19(6.3%)  | 15(5.0%) |
| 3   | Adoption of Treasury Single Account (TSA) has significantly reduce misappropriation and diversion of public funds during budget execution                   | 115(38.3%) | 123(41.0%) | 28(9.3%)  | 24(8.0%)  | 10(3.3%) |
| 4   | Adoption of Treasury Single Account (TSA) has substantially reduce the liquidity reserve need for efficient budget implementation in Nigeria publics sector | 92(30.7%)  | 130(43.3%) | 40(13.3%) | 23(7.7%)  | 15(5.0%) |
| 5   | Adoption of Treasury Single Account (TSA) has significantly reduce transaction cost during project execution in Nigeria public sector                       | 74(24.7%)  | 122(40.7%) | 61(20.3%) | 29(9.7%)  | 14(4.7%) |

Source: Field Survey (2020)



**Table 2. Regression Analysis**

## ANOVA REGRESSION RESULT

| Model        | Unstandardized Coefficients |            | Standardized Coefficients | t     | Sig.  |
|--------------|-----------------------------|------------|---------------------------|-------|-------|
|              | B                           | Std. Error | Beta                      |       |       |
| 1 (Constant) | 12.366                      | 9.067      |                           | 1.364 | 0.186 |
| TSA ADOPTION | 0.794                       | 0.120      | 0.810                     | 6.635 | 0.000 |

*R-square=0.657; F-stat= 44.026; prob(f-stat)=0.000; DW: 2.510; Dependent Variable: PUBLIC BUDGET EXECUTION*

Estimation result presented in table 2 revealed that TSA adoption exert significant positive effect of budget execution with reported coefficient estimate of 0.794 ( $p < 0.05$ ), which connote that budget execution in Nigeria public sector tends to improve following the adoption of treasury single account. Reported R-square statistics stood at 0.657 which implies that about 65.7% of the systematic variation in budget execution can be explained by adoption of treasury single account.

#### **Analysis of treasury single account and accountability in the Nigeria public sector**

Frequency and percentage analysis presented in table 3 showed response to questions raise in the study in the quest to ascertain the effect of treasury single account adoption on the level of accountability in Nigerian public sector. As reported in the table about 72.3% of the respondents agreed that Treasury Single Account (TSA) is a potent tool for reducing excessive spending in Nigeria public sector, while only 14% of the respondent disagreed. In the same vein, 68% of the respondents affirmed that Introduction of Treasury Single Account (TSA) has significantly help in checking institutional leakages in Nigerian public sector as against the 9.2% that argued otherwise. Notably also about 56%, 62%, 73%, of sampled respondents affirmed respectively that adoption of Treasury Single Account (TSA) contribute significantly to smooth accounting practices in Nigeria public sector; adoption of treasury Single Account (TSA) has hither-to foster resourceful utilization of government fund; the level of accountability and

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transparency had significantly increased in Nigeria public sector since the adoption of Treasury Single Account (TSA), while only 20.3% 16% and 15% disagreed respectively. Overview of the responses presented in table 3 revealed without mincing words that adoption of treasury single account has substantial effect on the level accountability in Nigeria public. Estimation result presented in table 4 also corroborated the overviewed responses on the effect of treasury single account adoption on the level of accountability.

**Table 3. Response Analysis**

| S/N | ITEMS   | SA        | A          | UD        | D         | SD       |
|-----|---|-----------|------------|-----------|-----------|----------|
| 1   | Treasury Single Account (TSA) is a potent tool for reducing excessive spending in Nigeria public sector   | 96(32.0%) | 121(40.3%) | 41(13.7%) | 25(8.3%)  | 17(5.7%) |
| 2   | Introduction of Treasury Single Account (TSA) has significantly help in checking institutional leakages in Nigerian public sector                     | 83(27.7%) | 121(40.3%) | 67(22.3%) | 23(7.7%)  | 6(2.0%)  |
| 3   | Adoption of Treasury Single Account (TSA) contribute significantly to smooth accounting practices in Nigeria public sector                            | 71(23.7%) | 97(32.3%)  | 71(23.7%) | 49(16.3%) | 12(4.0%) |
| 4   | Adoption of treasury Single Account(TSA) has hither-to foster resourceful utilization of government fund  | 78(26.0%) | 108(36.0%) | 66(22.0%) | 42(14.0%) | 6(2.0%)  |
| 5   | The level of accountability and transparency had significantly increased in Nigeria public sector since the adoption of Treasury Single Account (TSA) | 60(20.0%) | 159(53.0%) | 36(12.0%) | 18(6.0%)  | 27(9.0%) |

Source: Field Survey (2020)

**Table 4. Regression Analysis**

ANOVA REGRESSION RESULT

| Model        | Unstandardized Coefficients |            | Standardized Coefficients | T     | Sig.  |
|--------------|-----------------------------|------------|---------------------------|-------|-------|
|              | B                           | Std. Error | Beta                      |       |       |
| 1 (Constant) | 15.000                      | 9.386      |                           | 1.598 | 0.124 |
| TSA ADOPTION | 0.750                       | 0.124      | 0.784                     | 6.055 | 0.000 |

*R-square*=0.615; *F-stat*= 36.669; *prob(f-stat)*=0.000; *DW*: 2.026. Dependent Variable: PUBLIC SECTOR ACCOUNTABILITY

Estimation result presented in table 4 revealed that TSA adoption exert significant positive effect on the level of accountability in Nigeria public sector with reported coefficient estimate of 0.750 ( $p < 0.05$ ), which connote that the level of accountability in Nigeria public sector improved significantly following the adoption of treasury single account. Reported R-square statistics stood at 0.615 which implies that about 61.5% of the systematic variation in public sector accountability can be explained by adoption of treasury single account.

***Analysis of treasury single account and cash management in Nigeria public sector***

Analysis presented in table 5 showed response to questions raise in the study to track the effect of treasury single account adoption on cash management in Nigeria public sector. As reported in the table about 90.7% of the respondents affirmed that Treasury Single Account (TSA) is an effective strategy for sustaining efficient cash management in Nigeria public sector, as against only 6.3% of the respondents that submitted to the contrary. About 84% of the respondents sampled in the study also agreed that Treasury Single Account (TSA) is useful for reducing cash management competition in Nigeria Public sector, while 8% declined such a claim. In addition about 85.4%, 69.7%, 63.4%, of sampled respondents affirmed respectively that receipt and disbursement of government resources has been effective since the adoption of Treasury Single Account (TSA); there is high level of efficiency in fund mobilization in public sector since the adoption of Treasury Single Account (TSA); adoption of Treasury Single Account (TSA) has significantly reduce bank's fees and transaction cost in Nigeria public sector. While

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only 12.3% 12.6% and 16.6% disagreed respectively. Overview of the responses as presented in table 5 showed that without controversy adoption of treasury single account has notable effect on the quality of cash management in Nigerian public sector. To substantiate the observed responses the study also presented regression estimation result of the effect of TSA adoption on public sector cash management in table 6.

**Table 5. Response Analysis**

| S/N | ITEMS  | SA         | A          | UD        | D         | SD       |
|-----|--|------------|------------|-----------|-----------|----------|
| 1   | Treasury Single Account (TSA) is an effective strategy for sustaining efficient cash management in Nigeria public sector     | 159(53.0%) | 113(37.7%) | 9(3.0%)   | 7(2.3%)   | 12(4.0%) |
| 2   | Treasury Single Account (TSA) is useful for reducing cash management competition in Nigeria Public sector                    | 113(37.7%) | 139(46.3%) | 24(8.0%)  | 17(5.7%)  | 7(2.3%)  |
| 3   | Receipt and disbursement of government resources has been effective since the adoption of Treasury Single Account (TSA)      | 119(39.7%) | 137(45.7%) | 7(2.3%)   | 31(10.3%) | 6(2.0%)  |
| 4   | There is high level of efficiency in fund mobilization in public sector since the adoption of Treasury Single Account (TSA)  | 72(24.0%)  | 137(45.7%) | 53(17.7%) | 25(8.3%)  | 13(4.3%) |
| 5   | Adoption of Treasury Single Account (TSA) has significantly reduce bank's fees and transaction cost in Nigeria public sector | 79(23.7%)  | 119(39.7%) | 60(20.0%) | 37(12.3%) | 13(4.3%) |

Estimation result presented in table 6 revealed that TSA adoption exert significant positive effect of public sector cash management with reported coefficient estimate of 0.960 ( $p < 0.05$ ), which connote that cash management in

Nigeria public sector has improved in quality as a result of the adoption of treasury single account. Reported R-square statistics stood at 0.603 which implies that about 60.3% of the systematic variation in the quality of cash management in Nigeria public sector can be explained by adoption of treasury single account.

**Table 6. Regression Analysis**

ANOVA REGRESSION RESULT

| Model        | Unstandardized Coefficients |            | Standardized Coefficients | T     | Sig.  |
|--------------|-----------------------------|------------|---------------------------|-------|-------|
|              | B                           | Std. Error | Beta                      |       |       |
| 1 (Constant) | 2.419                       | 12.313     |                           | 0.196 | 0.846 |
| TSA ADOPTION | 0.960                       | 0.162      | 0.776                     | 5.906 | 0.000 |

*R-square=0.603; F-stat= 34.883; prob(f-stat)=0.000; DW: 2.190; Dependent Variable: PUBLIC SECTOR CASH MANAGEMENT*

**Discussion**

This study revealed that adoption of treasury single account (TSA) has over time improved operational control during budget execution, and it has also positioned public sector for better budget performance, with reduce level of misappropriation and diversion of public funds, as well as reduced liquidity reserve need for efficient budget implementation. In clear terms performance of Nigeria public sector has be significantly and positively affected by the adoption of treasury single account. This study also reflect that treasury single account is no doubt a potent tool for reducing excessive spending, checking of institutional leakages, and also stimulate smooth accounting practices that needed to sustain improved level of accountability and transparency through resourceful utilization of funds across the public sector. In essence adoption of treasury single account has engendered improved level of accountability in Nigeria public sector. In addition this established that treasury single account has been effective in sustaining efficient cash management, fund mobilization, receipt and disbursement of resources in Nigeria public sector over time. Thus its overall impact on cash management cannot be undermined. In a nutshell adoption of treasury single account has contributed positively to improved performance in Nigeria public sector. Discoveries made in this study resonate with the findings and submissions

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of previous studies including Ajibade, Oyedokun and Doumu (2018); Igbekoyi, and Agbaje (2017); Inienger, Orban and Emem (2018); Nwaorgu, Ezenwaka and Onuorah (2017); Akinleye, Fajuyagbe and Owoniya (2018); As established by Ajibade, Oyedokun and Doumu (2018), Treasury Single Account over time improve accountability and transparency and as well reduce leakages of public fund. Study by Igbekoyi, and Agbaje (2017) revealed that TSA significant positive impact on financial leakages, transparency and curb financial misappropriation. Inienger, Orban and Emem (2018) also found that Treasury Single Account (TSA) is a good policy aimed at improving funds available to government. Nwaorgu, Ezenwaka and Onuorah (2017) established that treasury single account significantly affect the level of accountability of public sectors. In addition Akinleye, Fajuyagbe and Owoniya (2018) submitted that there is no doubt that treasury single account is a nudge towards public sector accountability in Nigeria.

### 5.0 Conclusion and Recommendation

Premise on series of analyses conducted in this study established that adoption of treasury single account significantly influence performance of Nigeria public sector in terms of budget execution, level of accountability, and cash management. As such this study concluded that treasury single account has substantial positive impact of performance of public sector in Nigeria. Hence this study recommends that there is need for government to strengthen guidelines for the full implementation of the policy so as to ensure long terms sustenance of the policy across the country. in addition there is need for government to engage in objective public enlightenment about the importance of the policy. Government should overhaul the capacity of the Federal Ministry of Finance and the CBN to cope with challenges associated with enforcement of the provisions of the TSA so as to further harness the benefit of centralize control of funds across the country.

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