

Implication of Treasury Single Account (TSA) on the Cost of Governance in Nigeria: Buhari Civilian Administration in Perspectives

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Abstract

Over years, Nigeria's public funds have not been properly accounted-for. This has drastically increased the cost of governance. There is no gainsaying the fact that, the cost of governance in Nigeria is too high and has in no small way 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 TSA in 2015. The objective of this paper is to examine the implication of Treasury Single Account on cost of governance with specific reference to Buhari civilian administration in Nigeria. The paper is qualitative in nature, relying on secondary sources. It is anchored on Stakeholder Theory. The paper observes that increase in the cost of governance is not basically as a result of over-bloated bureaucracy rather corruption can be considered major cause of the increase. TSA therefore is primarily to ensure accountability of government revenue, enhance transparency and avoid misappropriation of public funds. The paper notes that with the TSA, government expects to block all loopholes and leakages of financial resources of the government and also ensure a robust financial management system. It observes further that TSA will 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. The paper concludes that TSA is a reliable means of public fund management that will govern the management, allocation and application of government funds to people oriented projects that will result in economic development and improve living standards of Nigerians. The paper recommends among others that successful implementation of TSA requires political will, honesty and determination on the part of government so as to overcome the various challenges identified in the paper in order to achieve the expected benefits of the system through reduction in the cost of governance in Nigeria and revolutionize our society for better.

Keywords: *Single Treasury Account, Governance, Cost of Governance, Corruption, Accountability*

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Background to the Study

Nigeria is one of the most blessed nations on earth, bestowed with vast human and natural resources. These resources, if properly harnessed, would have made Nigeria to be ranked 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 (Okey & Eduno, 2014). This is due to mismanagement of resources by the public officials that have been saddled with the responsibility of managing the 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 (Ejুবekpokpo, 2012; CBN, 2005).

The cost of governance in Nigeria recently attracted several comments from stakeholders in the nation's economy who expressed concerns as regards how best the prevalent wastage by government could be curtailed and translated into generally improved living standards for the citizenry (Okeke & Eme, 2015). There is no gainsaying the fact that, the cost of governance in Nigeria is too high and has in no small way 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 (Abdulrahman, 2016). Thus, there is a need for government at all levels to reduce the cost of governance and redirect the funds to socio-economic development.

In a bid to overcome the challenges of high cost of governance, successive governments in Nigeria, since the return to democratic rule in 1999, have talked about the need to reduce the country's high cost of governance as a strategy to make more funds available for development. The irony, however, is that rather than reducing it, every new government seems to increase it further than it inherited from its predecessor to the detriment of development and the people (Enwegbara, 2013).

The introduction of Treasury Single Account is as a result of numerous corrupt practices that exist in Nigeria, such as lack of transparency and accountability (Kanu, 2016). The policy was introduced to reduce the proliferation of bank accounts operated by Ministries, Departments and Agencies (MDAs) and also to promote transparency and accountability among all organs of the government. Treasury Single Account is a useful tool to establish centralized control over its revenue through effective cash management. It enhances accountability and enables government to know how much is accruing to its accounts on a daily basis. It is a financial tool that unifies all government accounts in a single pool for effective cash management (Odewole, 2016). TSA is believed to be an efficient and effective means of managing government revenue generation and system that provide and enforce sufficient self-control mechanism on revenue generation and budget implementation using a daily return from account balances of various MDAs into a central account (Adebisi & Okike, 2016). It is against this background that this paper is motivated to examine the implication of Treasury Single Account on the cost of governance in Nigeria.

Statement of the Problem

The expensive nature of the democratic system may have predisposed operators to have the pervading feeling that the quest for power is tantamount to political investment. This is evident in Nigeria's political landscape and public sector management, which has significantly affected the financial status of the nation. As once remarked by Famutimi (2012) "the cost of governance in Nigeria is disproportionately high relative to productivity" The cost of governance in the country was high and had left little resources for infrastructural development. Where a rising proportion of government budget, at whatever level, is used to support the administrative structure of government, poverty is bound to be pervasive as economic growth slows down or even stagnates. What this implies is that maintaining government administrative structures comes at gargantuan costs to the economy, as available funds are barely sufficient to finance projects in vital sectors of the economy. Enormous administrative expenditure is not only used to finance an unusually large, inefficient and corrupt civil service personnel, but also a larger than optimal executive cabinet, and an ineffective legislature (Adeolu & Osabuohien, 2007). This is aptly demonstrated in 2012 budget, for instance, where N2.472trillion is proposed for recurrent expenditure, a figure that accounts for the 72 per cent of the expenditure profile, N1.32 trillion, representing 28 per cent, is proposed for capital projects (Onyishi & Eme, 2013).

It is common that audit reports in Nigeria at all levels, reveals flagrant disregard to rules and procedures, overthrow of financial discipline, accountability, probity and transparency, which the treasuries were set-up to establish and protect. These abuses/breaches ranges from duplication of contracts, over-valuation of contracts, fictitious payments of contracts, non certification of payment vouchers by the internal auditor among others. Other fraud in treasury activities include over payment to existing staff, payment of salaries and allowances to dead or retired staff and ghost workers. These are clear manifestations of the collapse of standard policy and practices in treasury departments, and hence the inability of most governments to achieve their objectives as a result of increase in cost of governance (Abdulrahman, 2016; Agu, 2013).

Though Section 80 (1) of the 1999 Constitution as amended states "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. This practice has been a veritable avenue for misappropriation, mismanagement and embezzlement of public funds, which has increase the cost of governance. This is one of the major reasons why Treasury Single Account was introduced to effectively manages the resources of the country.

The gap in knowledge that this paper tries to fill is that various scholars have written on Treasury Single Account and cost of governance in Nigeria. Some scholars like Yusuf, Abdulahi, Emmanuel & Emmanuel (2015); Adebisi & Okike (2016); Adeolu (2015). Eme & Chukwurah (2015) etc. have written extensively on Treasury Single Account in Nigeria. While Abdulrahman (2016); Adeolu & Osabuohien (2007). Adewole & Osabuohien (2007). Afolugbe (2004). Agu (2013). Ejuvbekpokpo (2012). Gberevbie & Iyoha (2007); Odewole (2016) etc have also written on cost of governance in Nigeria. It is important therefore to note that few scholars have written on Treasury Single Account and cost of governance in Nigeria. Most of these scholars have failed to link corruption to the increase in cost of governance in Nigeria. This is the gap that this paper tries to fill.

Objectives of the paper

The main objective of this paper is to examine the implication of Treasury Single Account on the cost of governance in Nigeria with specific reference to Buhari civilian administration. Other specific objective includes:

1. To examine the effect of corruption on cost of governance in Nigeria.
2. To evaluate how TSA can be used to curb corruption in Nigeria.
3. To recommend measures for successful implantation of TSA in Nigeria

Methodology

The paper adopts qualitative research design to gain an insight into the nature and character Treasury Single Account and Cost of governance in Nigeria. This article, which is theoretical in nature, basically draws its arguments from secondary data including existing legal frameworks and other related policies, textbooks, journals articles and other publications. However statistical data were also used where appropriate as empirical evidence.

Conceptual Framework

Treasury Single Account

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 (Onyekpere, 2015). IMF (2010) defined TSA as a " unified structure of government bank accounts that gives a consolidated view of government cash resources. Based on this principle and the unity of treasury, a TSA is a bank account or a set of linked accounts through which the government transacts all its receipts and payments".

To Yusuf & Chiejina (2015), a treasury single account is a unified structure of government bank account enabling consolidation and optimal utilisation of government cash resources. It is a bank account or a set of linked bank accounts through which the government transacts all its receipts and payments and gets a consolidated view of its cash position at any given time. In the views of Eme & Chukwurah (2015), TSA is a process and tool for effective management of government's finances, banking and cash position. In accordance with the name, it pools and unifies all government accounts through a single

treasury account. While Chukwu (2015), see it as 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. TSA shares three essential features:

1. First, the government banking arrangement should be unified, to enable the Ministry of Finance (or treasury) to have an oversight responsibility for, over government cash flows in and out of these bank accounts.
2. Second, no other government agency operates bank accounts outside the treasury single account arrangement.
3. Third, the consolidation of resources should be comprehensive, and encompass all funds both budgetary and extra-budgetary (IMF, 2010).

Cost of Governance

The cost of governance as any expenditure in maintaining government administrative structures (Fluvian, 2006). As noted by Adewole & Osabuohien (2007), the cost of governance can be divided into two: recurrent administrative expenses and capital administrative expenses. They defined cost of governance as costs associated with the running of government. In other words, these are costs incurred by the government is running governmental affairs. In the same vein, Drucker (2007), see cost of governance as government budget allocated to both capital and recurrent expenditures on maintaining government administrative structures, which appears to be very enormous in Africa the question of efficiency in governance is, therefore, to ensure that public funds are spent judiciously, while public goods and services are sufficiently provided. Cost of governance is the cost incurred in running the government. It is the cost of performing political duties, and rendering social services to the public (Afolugbo, 2004).

Theoretical Framework

This paper is anchored on stakeholder theory. The approach came up in 1984. Richard Edward Freeman is generally credited with popularizing the stakeholder concept. The main idea behind Freeman's Stakeholder Approach, was to try to build a framework that was responsive to the concerns of managers who were being confronted with unprecedented levels of environmental turbulence and change. Freeman chose the word Stakeholder on the basis of the traditional term - stockholder which takes only a look at the economic point of view. Where the stakeholders are defined as any group of individual who is affected by or can affect the achievement of an organization's objectives (Freeman, 1984). Further Freeman (1984) states that stakeholder approach suggests that managers must formulate and implement processes which satisfy all and only those groups who have a stake in the business. A stakeholder approach is very much concerned about active management of the business environment, relationships and the promotion of shared interests in order to develop business strategies.

The theory assumed that adoption of Treasury Single Account by the federal government is as a result of the pressure from stakeholders/citizens majorly against corruption. It suggested that the government will responds to the concerns and expectations of powerful stakeholders/citizens and some of the responses will be in the form of strategic

opinions. Stakeholders' theory provides rich insights into the factors that motivate government in relation to the adoption and implementation of Treasury Single Account (Ekubiat & Ime, 2016).

Causes of increase in Cost of Governance

There are specific factors responsible for the rising cost of governance in Nigeria. First, there is the issue of inflation. Public project costs are unduly inflated by corrupt politicians. The misuse of public funds cause rising cost of governance in Nigeria. Political leaders inflate the costs of public projects to embellish themselves (Warimen, 2007). Adewole & Osabuohien (2007) noted that the rising cost of governance in Nigeria is a price we have to pay for undue consideration for equity.

The issue of the size of the Nigerian bureaucracy vis-à-vis the benefits accruable and the cost of maintenance has occupied the attention of successive administrations in the country. For instance, at the beginning of the fourth republic Obasanjo initiated series of reforms in the civil service, like monetization policy aimed at cutting the cost of governance. Realizing that it was dangerous for the government to be spending over 60 per cent of its annual budget on recurrent expenditure. The effects of over-bloated political bureaucracies involving the big federal government, 36 state governments and 774 local governments are alarming. There is disquiet among experts who believe that, when recurrent expenditure is high, it may impact negatively on implementation of capital projects.

Concerned about the very high cost of governance, the federal government in 2012 set up an Expenditure Review Committee, headed by Professor Anya O. Anya. While submitting its report to the Minister of Finance, the committee described the current size of the federal bureaucracy as unsustainable. It advocated a constitutional review to enable government cut down on its spending. The committee examined Nigeria's situation in which "more than 80 per cent of the financial resources of the nation were devoted to recurrent expenditure", and noted that "without oil, Nigeria would have had a mere 15 per cent of its expenditure covered." The Nigerian situation is in contrast to that of the United States, "whose economy is \$13 trillion but has less than 20 ministers". The Nigerian economy, which is \$0.3trillion, has series of bureaucracies, ministries, parastatals and a whole lot more. It has also been estimated that with the emoluments and other allowances and benefits paid to state legislators in each of the 36 states as well as the 7,888 councilors who make byelaws in the 774 local government areas, the annual cost of sustaining the over 17,000 political office holders in the three tiers of government would amount to about N1.3tn.

History of Treasury Single Account in Nigeria

The TSA policy was first recommended by the Federal Government's Economic Reform and Governance (ERG) Programme in 2004. 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 Accountant General of the Federation issued a treasury circular for its take-off on January, 1st 2009 in all MDAs (Odia & Odia, 2016).

Treasury Single Account in Nigeria became operational in 2012 under President Goodluck Jonathan. But not much was known about it until 2015 when President Muhammadu Buhari took over the reins of governance and the full-fledged implementation of TSA took effect with all the Federal Government Ministries, Department and Agencies. Prior to the full-fledged introduction and implementation of TSA, Nigeria paraded fragmented multiple banking systems for her inflows and outflows (Odewole, 2016). The TSA, a single pool for harvesting revenue inflows of MDAs was not Buhari's idea. It was conceived by the immediate administration of President Goodluck Jonathan, but it remained a mere policy on paper due to lack of political will on the part of past administration to enforce it (Eme & Chukwurah, 2015). TSA was in line with a series of treasury reforms, which began in 2012, aimed at ensuring transparency and accountability in the management of the nation's finances.

Corruption and Cost of Governance

Corruption is a cankerworm that has eaten deep into the fabrics of our system and kept us in a terribly precarious situation that made our great country, Nigeria, to look poor, despite the huge human and natural resources we are divinely blessed with. The Nigerian State is a victim of high-level corruption, bad governance and a cyclical legitimacy crisis. Consequently, national development is retarded, and the political environment uncertain. While the political gladiators constantly manipulated the people and the political processes to advance their own selfish agenda, the society remained pauperized, and the people wallowed in abject poverty (Fagbadebo, 2007). As noted by Bello (2001, cited in Yusuf, Abdulahi, Emmanuel & Emmanuel, 2015), huge amount of Naira is lost through one financial malpractice or the other in Nigeria, which to say the least, drains the nation's meager resources through fraudulent means with far-reaching and attendant consequences on the development or even socioeconomic or political programmes of the nation. Billions of Naira is lost in the public sector every year through fraudulent means. This represents only the amount that is ferreted out and made public. Indeed much more substantial or huge sums are lost in undetected frauds or those that are for one reason or the hushed up.

Nigeria presents a veritable case for understanding the connection between corruption and increase in the cost of governance. Nigeria has constantly faced the challenge of corruption and high cost of governance, which has hindered her developmental drive (Aliyu, 2003). Cost of governance in Nigeria is not a direct effect of positive policies of government for the enhancement of the living standard of the people, but basically as a result of inflated contracts and other vices by government officials for their personal enrichment.

In Nigeria like any other country facing the challenge of corrupt practices in governance, access to political office becomes a 'do or die affair.' The Nigerian nation-state serves as a source of acquiring personal wealth by public office holders (Gberevbie & Iyoha, 2007). Where a contract sum is inflated by corrupt public officials; the result is that funds that would have gone into other areas for developmental purposes is diverted into personal accounts. And this leads to high cost of governance in the country because of bloated expenditure of government (Amadasu, 2003). Cost of governance becomes very high in a country where corrupt practices become the order of the day. The effect of rising cost of governance without corresponding development in the society arising from corrupt practices of public officials includes deprivation of basic needs of life, poverty and unemployment (Gberevbie & Iyoha, 2007). Cost of governance in Nigeria has become a challenge to development.

Fates (2002) added that if people can resist the temptation to steal, or extract rent for selfish reasons, there will be prosperity in the state. However, this is unlike the Nigerian situation. Most politicians are corrupt, selfish and passive. They specialize in looting public treasury. Consequently, pronounced poverty is a key feature of this kind of the rising cost of governance in Nigeria represents more than a means of providing common good, as it can be related to the government capacity to help the ability to achieve individual satisfaction and material prosperity.

As observed by Fluvian (2006), one of the major factors responsible for the rising cost of governance in Africa is because public project costs are unduly inflated by corrupt politicians. In other words, the excess money spent by government on particular set goods affects development, since resources are scarce and should be optimally utilized. Furthermore, there is population increase. For instance, the KPMG audit of NNPC in 2011 revealed subsidy payment on petroleum products not consumed by end users due to losses from oil theft and those not supplied for use in Nigeria amounted to NGN11.8 billion or USD76.13 million between 2007 and 2009 (Agbor, 2012). The Senate in 2012 discovered that the Federal Government of Nigeria spent 5 billion naira as month pension instead of N1 billion (Onwukwe, 2012). \$16 billion was invested on national integrated power project just between 2006 and 2007 without any improvement, two BWM Armoured cars was purchased for N255million by former aviation minister, Faruok Lawan's gate and over N3trillion oil subsidy scandal, the misuse of over \$2.1 billion for the purchase of arms to fight the BokoHaram in the North-east by Colonel Dasuki (Odia & Odia, 2016). The EFCC report of 2012 shows that embezzlement through diversion of public funds between 1999 and 2012 amounted to N1.4 trillion.

As stated by Mohammed (2016), the interim report specifying the recovered cash and assets between May 29, 2015 and May 25, 2016, including recoveries under interim forfeiture (cash and assets), totalled over N3.4 trillion. It said about N115 billion was being awaited from the Switzerland, United Kingdom, United Arab Emirates, and the United States. Cash recovery within the period included N78,325,354,631.82 (Seventy eight billion, three hundred and twenty-five million, three hundred and fifty-four thousand, six hundred and thirty one Naira and eighty two kobo) and varying sums in other currencies,

namely, \$185,119,584.61 (One hundred and eight five million, one hundred and nineteen thousand, five hundred and eighty four US dollars, sixty one cents); 3,508,355.46 Pounds Sterling (Three million, five hundred and eight thousand, three hundred and fifty-five Pounds and 46 Pence), and 11, 250 Euros (Eleven thousand, two hundred and fifty Euros) from 29 May 2015 to 25 May 2016. These total about N144.9 billion.

Recoveries under interim forfeiture (cash and assets) during the period included N126,563,481,095.43 (One hundred and twenty six billion, five hundred and sixty three million, four hundred and eighty one thousand, and ninety five Naira, forty three Kobo) and the following amounts in other currencies: \$9,090,243,920.15 (Nine billion, ninety million, two hundred and forty three thousand, nine hundred and twenty Dollars, fifteen cents); 2,484,447.55 Pounds Sterling (Two million, four hundred and eighty four thousand, four hundred and forty seven Pounds, fifty five Pence), and 303,399.17 Euros (Three hundred and three thousand, three hundred and ninety-nine Euros, 17 cents). These come to about N3.3 trillion. Funds awaiting return from foreign jurisdictions included \$321,316,726.1 (Three hundred and twenty one million, three hundred and sixteen thousand, seven hundred and twenty six Dollars, one cent); 6,900,000 Pounds (Six million, nine hundred thousand Pounds), and 11,826.11 Euros (Eleven thousand, eight hundred and twenty six Euros, 11 cents) (Premuim Times, February 20, 2017). The details of the recovered loot are shown below.

Table I: Cash Recoveries

Serial	Items	Naira	US Dollar	B Pounds	Euro
1	EFCC Cash at hand	39,169,911,023.00	128,494,076.66	2,355	11,250
2	Royalty / tax / payment to FG account in JP Morgan account, New York	4,642,958,711.48	40,727,253.65		
3	ONSA Funds recovery account in CBN	5,665,305,527.41	8,000,000.00		
4	VAT recovered from companies by ONSA	529,588,293.47			
5	EFCC recovered funds account in CBN	19,267,730,359..36	455,253.80		
6	ICPC revenue collections recovered in CBN	869,957,444.89			
7	Office of the Attorney General	5,500,000,000	5,500,000		
8	DSS Recoveries	47,707,000.5	1,943,000.5	3,506,000.46	
9	ICPC Cash Asset Recovery	2,632,196,271.71			
	Total	78,325,354,631.82	185,119,584.61	3,508,355.46	11,250

Table II: Recoveries under Interim Forfeiture

Seria l	Items	Naira	US Dollar	GB Pounds	Euro
1	Cash in bank under interim forfeiture	8,281,577,243.2	1,819,866,364.73	3,800.00	113,399.17
2	Amount frozen in bank	48,159,179,518.90	7,131,369,498.49	605,647.55	
3	Properties under interim forfeiture	41,159,179,518.90	77,844,6000.00	1,875,000.00	190,000.00
4	Value of cars under interim forfeiture	52,500,000.00			
5	ONSA funds under interim forfeiture	27,001,464,125.20	43,771.433.73		
6	Value of assets recovered by ONSA	512,000,000.00			
7	ONSA assets under interim forfeiture	260,000,000.00			
8	DSS recoveries frozen in banks	658,929,000.00	226,476.20		
9	EFCC cash in bank under final forfeiture	103,225,209.41	17,165,547.00		
	Total	126,563,481,095.43	9,090,243,920.15	2,484,447.55	303,399.17
	Grand Total (A&B)	204,888,835,727.25	9,275,363,504.76	5,992,803.01	314,649.17

Source: The Sun Newspaper, 4th June 2016

The high cost of governance is caused by the running of bogus Ministries, Departments and Agencies that perform overlapping functions, wasteful spending by government officials and jumbo pay for some elected officials. The Economist once reported that Nigerian lawmakers received the highest basic salary of about US\$189,500, amounting to 166 times the GDP per capita, while British lawmakers receive basic salaries amounting to about 2.7 times the country's GDP per capita. With dwindling economic fortune, the Buhari administration needs to take drastic measures to cut down the huge cost of governance in order to conserve resources to pursue development programmes that could lift millions of people out of poverty.

hallenges of Treasury Single Account in Nigeria

Despite the fact that TSA enhances the overall effectiveness of a financial management system, there are some challenges facing the implementation of TSA in Nigeria. As observed by Odia & Odia (2016), some of these challenges include; 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 would certainly limit the effectiveness of the TSA. Again, the National Assembly has also exempted itself from TSA compliance. Secondly, 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 restless spending. Thirdly, the negative attitude and complete lack of support by the MDAs for the TSA policy through instilling fiscal discipline, clearing and prudent spending. Fourthly, there are fears by some MDAs resisted to key-in adducing reasons of their peculiarities.

Academic Staff Union of Universities (ASUU) has criticized Treasury Single Account (TSA) policy, that it constitute bottlenecks in the smooth running of the Nigerian University System if hurriedly implemented. ASSU believed that financial autonomy that the TSA takes away is very crucial for effective functioning of university system. It has also been observed that commercial banks stand to lose immensely from the implementation of TSA. This is because of the fact that public sector funds constitute a large chunk of commercial banks deposit. Indeed, it is estimated that commercial banks hold about N2.2 trillion public sector funds at the first quarter of 2015 (Utsu, Muhammed & Obukeni, 2016) . As a result, most banks will have to downsize to cut their recurrent expenditures. Banks will continue to device means of mobilizing funds from the private sector. We see a return of the era when women are employed by banks specifically for deposit mobilization and tacitly encouraged to use any means necessary to get funds. We see increase in deposit interest rates as a major means of inducing customers and most importantly we see a drop in lending and in the profitability of banks, at least, in the short to medium term until they fully come to terms with the impact of the policy and begin to properly position themselves for true banking business.

Prospects of Treasury Single Account

The adoption and full implementation of Treasury Single Account (TSA) by any government, especially in a dwindling economy cannot be over-emphasized. This is due to the fact that a Treasury Single Account is primarily to ensure accountability of government revenue, enhance transparency and avoid misappropriation of public funds (Ekubiat & Ime, 2016).

With the adoption of TSA, government will borrow less and therefore the debt servicing cost should reduce drastically to probably less than half of the current level. It is also likely that a lot of funds previously unaccounted for will be uncovered. One major issue in the past was that many banks delayed the remittance of revenue collected on behalf of government in order to temporarily trade with the money at the expense of government (Yusuf, Abdulahi, Emmanuel & Emmanuel, 2015). They noted further that TSA should also provide some transparency around unspent budgetary allocation which can be carried forward to another year. I have always wondered why we have low budget executions (sometime 60% or less) and yet we begin every budget year on the basis of zero revenue. TSA would facilitate transparent reporting of tax revenue and pave the way for tax offsetting and faster payment of refunds.

The consolidation into a TSA paves way for the timely capture and payment of all due revenues into government coffers without the intermediation of multiple banking arrangements. This prevents revenue leakages in terms of revenue loss and mismanagement by operators of all revenue-generating agencies (Onyekpere, 2015). If TSA is properly implemented, agencies of government will 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 primary benefit of a Treasury Single Account is to provide for proper monitoring of government receipts and expenditure. In the Nigerian case, it will help to block most, if not all, the leakages that have been the bane of the economy. We have a situation where some Ministries, Departments, and Agencies manage their finances like independent empires and remit limited revenue to government treasury. Under a properly run Treasury Single Account, it cannot be possible, an agencies of government are meant to spend in line with duly approved budget provisions (Kanu, 2016; Tayo, 2015).

In Nigeria, it is expected that the implementation of TSA will help tame the tide of corruption of financial leakages and embezzlement. The implementation of Single Treasury Account (TSA) is expected to block revenue leakages within the government parastatals as the Ministry of Finance will be able to monitor the inflows and outflows, hence, augment the reduction in oil revenue due to falling oil prices. TSA will help to block most if not all the leakages that have been the bane of the growth of the economy.

Treasury Single Account and Cost of Governance

The growing interest in combating corrupt practice in Nigeria by the present administration in the recent time has made government and international community, investors, financial analysts and other stakeholders to rely more on accounting information of MDAs to carry out fundamental analysis in predicting the future economy of the country ever before (Yusuf, Abdulahi, Emmanuel & Emmanuel, 2015). The failure of previous administrations on accountability of government funds and proper accounting information to provide necessary signal that could have aided the previous administration in their decision has raised questions about the Accountability of public funds and the need for treasury single account (TSA) by the present administration in 2015.

Treasury Single Account is the unveiling of President Muhammadu Buhari of Nigeria's economic blueprint to be marshaled by a minister to be called to order, tighter laws running alongside stricter regulations and a more discipline fiscal and monetary regime in its attempt to address corruption (Uhembe, 2015). The adoption and implementation of TSA is a strategic move by the Federal Government of Nigeria to improve efficiency, transparency and accountability in the management of the nation's financial resources (Odia & Odia, 2016). The implementation of TSA policy can help to eliminate leakages and wastages, instill fiscal discipline and prudence, enhance accountability, transparency and effective budget execution and reduce corruption in the Nigerian public sector (Odia & Odia, 2016). Onyekpere (2015) noted that TSA is a process and tool for effective management of government's finances, banking and cash position. In accordance with the name, it pools and unifies all government accounts through a single treasury account. The advantages and benefits of the TSA are legion. The consolidation into a TSA paves way for the timely capture and payment of all due revenues into government coffers without the intermediation of multiple banking arrangements.

The underlying purpose of the TSA is to enable the government to consolidate all its cash into one account, or a set of linked accounts instead of holding multiple disconnected bank balances across its Ministries, Departments and Agencies (MDAs). This enables Treasury

to operate efficient cash management and controls, by taking custody of all revenue as soon as it is received and controlling the payment of all approved expenditure claims. This in turn will reduce waste (Kanu, 2016). TSA is to ensure accountability of government revenue, enhance transparency and avoid misapplication of public funds. It is to ensure that transparency on unspent budgetary allocations is carried forward automatically to another year. Adeolu (2015) observed that “the maintenance of 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”.

While the recent efforts to fight corruption in Nigeria through the TSA have been applauded considering the present exchange-rate volatility and falling global oil prices that has critically impacted public-sector spending, TSA is a part of the on-going economic reforms of the FGN aimed at fostering transparency and accountability in the revenues and expenditures of MDAs. It is seen as one of the very good measures adopted by the current administration in its fight against corruption in Nigeria. It is expected that with the TSA the leakages would be blocked and openness and accountability enhanced in the running of government businesses.

Auditor-General for the Federation (AuGF) engaged Price water house Cooper (PwC) to investigate crude oil revenues generated by the Nigerian National Petroleum Corporation (“NNPC”) that was withheld or unremitted between 1 January 2012 and 31 July 2013... as noted by Sanusi (2015) NNPC had lifted \$65bn worth of crude on behalf of the FGN but remitted only \$15.2bn into the Federation Accounts, with \$49.8bn...outstanding. Also the Revenue Mobilization and Fiscal Commission (RMAFC) said in addition to the N3.235 trillion the AuGF said the NNPC owed the Federation Account in 2014 from domestic crude sale, the Commission's records further revealed another debt of N1.99 trillion for the same year for the same purpose. It was observed that between 2012 and November 2015, \$1.615 billion was transferred to the various accounts.

As the Federal Government intensifies efforts to recover unremitted operating surpluses by Agencies and increase Independent Revenue, an additional sum of N793 million has been recovered from three Federal Government Agencies by the Recovery Committee. The revelation by a Federal Government audit report that 33 revenue generating agencies failed to remit N450 billion to the Federation Account is a clear indication of lack of accountability and transparency in the indicted agencies. It is troubling that such financial malfeasance has been going on for a long time. The amount represents operating surpluses that were not returned by the agencies from 2010 to 2015.

Conclusion

TSA policy is a desirable one in Nigeria especially in this era of executive lawlessness, misappropriation and wastages of public funds. The policy will go a long way to curb corruption in high places and enshrine transparency to ranks and files of public officials. TSA is a reliable means of public fund management that will govern the management, allocation and application of government funds to people oriented projects that will result

in economic development and improve living standards of Nigerians. It will also serve as a means of reducing government overhead cost, idle funds and make more funds available to meet immediate needs of the government (Adebis & Okike, 2016).

The paper has shown that increase in cost of governance indicates that there is high level of corruption, which makes available funds barely sufficient to finance projects. TSA is aimed at ensuring accountability and proper control of government revenue, enhance transparency and avoid misapplication of public funds. Adoption of effective implementation of TSA will help to ensure proper cash management by eliminating idle funds usually left with different commercial banks and in a way to enhance reconciliation of revenue collection and payment. Implementation of TSA is, therefore, a critical step in curbing corruption in public finance. This is in line with the with the commitment of the current administration to combat corrupt practices, eliminate indiscipline in public finance and ensure adequate fund flow that will be channeled to critical sectors of the economy to catalyze development.

This paper has shown that while TSA has the potentials to eliminate leakages, wastages, instill fiscal discipline, enhances accountability, transparency, effective budget execution and reduce corruption in the Nigerian public sector. However, to ensure the success of the TSA policy, the federal government must demonstrate the political will to ensure the sustainability of the TSA policy and also tenaciously pursue the implementation of TSA by state and local governments. The paper concludes that TSA is a critical step towards curbing corruption and reducing cost of governance in Nigeria. This is in line with the commitment of the current administration to combat corrupt practices, eliminate financial indiscipline and ensure adequate fund flow that will be channeled to critical sectors of the economy in order to catalyze development.

Recommendations

1. Successful implementation of a TSA requires sound treasury systems and processes. Also, there should be a complete inventory of existing bank accounts, political support for reform of government banking arrangements, flexible banking network and technology including the existence of an interbank settlement system, a small payments clearing system and a real time gross settlements system at the CBN, and review of legal/regulatory framework on TSA to make it a stable feature of treasury management and fundamental feature a country's public financial management system (Pattanayak & Fainboim 2011).
2. TSA requires political will, honesty and determination on the part of government so as to overcome the various challenges identified in the paper in order to achieve the expected benefits of the system through reduction in the cost of governance in Nigeria and revolutionize our society for better.
3. TSA policy will go a long way in blocking the identified financial leakages in revenue generation and promote transparency and accountability in the public financial system if it is fully implemented.
4. Fiscal discipline should be watchword of Government and also ensure that TSA does not create unnecessary bottleneck and clog in the wheel of progress of the concern Ministries, MDAs.

5. There should appropriate sanctions where money is spent without recourse to the approved budget or spent outside a purpose it is appropriated for.
6. In order to reduce cost of governance, there is the need to place institutional constraints on public office holders and technocrats in a way that minimizes the extraction of rent from the state. This is the better path to follow if the cost of governance is to be drastically reduced in Nigeria.

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