

Treasury Single Account (Tsa): Implementation Enigma In Public University Administration In Nigeria

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Abstract

This research is designed to examine Treasury Single Account (TSA) implementation enigma in Public University administration in Nigeria. In achieving this, questionnaire and personal interview were used while data were analyzed using the simple percentage and frequency distribution methods. The study revealed that, the allocation of budget in Nigeria affect the educational sector despite the delay in the allocation of funds to public universities; these allocated budget by federal government influences development in these public universities and it actualize the daily activities of these public universities in Nigeria in the implementation of TSA may have negative effect on the management administration of these public universities because of the non-release of budgeted funds or undue delay in release of approved funds.

Keywords: *Treasury Single Account, Implementation, Budget and Funds Allocation*

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I. Introduction

The difficult circumstances surrounding funding of public universities in Nigeria has been the misery of achieving the desired progress in educational development in the country. Significant as the educational sector is to the country, it is yet to find a proper standing in the developmental worklist of the nation as a result of the difficulties in funding. Consequently, the financial challenges which the educational sector in Nigeria face are multifaceted. The consecutive government in Nigeria have never been reluctant to place the educational sector in their top list for development because they believe that every other sector depends largely on it to achieve sectoral growth and development. However, for as much as the governments place educational sector on their top list, the end result is often a makeup service. In order to accomplish these facts, the government usually budgets sufficient funds to the educational sector, but such budgeted funds are sometimes not released. As Omole (2016) noted, the actual release of approved funds for these public universities are always below the amount budgeted over the years. He maintained that, where parts of such budgeted funds for public universities are released; they are often delayed. Ocheni (2016) observed, **TSA** is a standstill research that is employed to create a delay in the funding of public Nigerian Universities; therefore, public Nigerian Universities should be exempted from its implementation. He continued, international and corporate bodies send research grants to public universities in Nigeria; the monies are paid into the bank accounts of these universities but they get stored in a centralized **TSA** that is not easily obtained from the authorities (government) that operates and authorizes payment from the **TSA**. Howbeit, such grants come with schedules and the conferring bodies get disturbed and start to ask questions which cannot be answered or explained and this leads to the withdrawal of such grants. Thus, it is as a result of the cruel ways of funding the public universities in Nigeria.

Funding is one major problem which causes trouble to public universities in Nigeria over the years. It seems to have come to its climax in recent times as the Federal Government of Nigeria fully implemented the Treasury Single Account (**TSA**) policy in October, 2015. The Treasury Single Account (**TSA**) policy which is stated in section **80** sub section **1** of the Nigerian Constitution demanded all revenues of government to be gathered and directed to a single account of the Federation. Although, the above provision had been lying fallow in the 1999 Constitution of the Federal Republic of Nigeria because of non-implementation, it however stipulates that all revenue generating ministries, departments and agencies of government should direct such revenues (money) to a single account in the Central Bank of Nigeria in the same day such monies are received. Consequently, the policy seems to have multiple advantages to the Federal Government; it equally seems to have some disadvantages to certain departments and agencies that depend on internally generated revenues (IGR) as a means of completing the little funds received from the Federal Government in an irregular basis. With regard to the foregoing, this research is designed to ascertain the extent to which the formulation and implementation of **TSA** affects the management of public universities in Nigeria. The following research questions guided the conduct of this research.

- i. To what extent does the allocation of budget in Nigeria affect educational sector?
- ii. To what extent does implementation of treasury single account influence the prompt/timely payments for expenditures in public universities in Nigeria?

II. Literature Review

Theoretical Review/Foundation:

Pfeffer (1982) in Agwor (2011) noted, every emerging thought I social philosophy is rooted in some fundamental theories, these understanding of which enables their analysis, categorizations and understanding easier. With regard to the foregoing, the theoretical formulations which relates treasury single account (**TSA**) and the implementation enigma in public universities administration in Nigeria, could be to such baseline social/organizational theories such as: the theory of change.

Theory of Change

Anderson (2005) observed, theory of change is derived from the field of program theory and program evaluation in the mid 1990's as a new way of analyzing the theories motivating programs and initiatives working for social and political change. He added, a theory of change is a tool for developing solutions to complex social problems because it is a product that provides a comprehensive picture of early and intermediate term changes that are needed to achieve long-term goals; and that; it is a tool that explicitly provides understanding of the early and immediate steps required for long term changes to occur. Thus, it creates a picture of the steps required to reach a goal. More so, Brest (2010) noted that, theory of change is a specific type of methodology, for planning, participation and evaluation to promote social change. Brest's statement points directly to the fact that, theory of change defines long term goals and then maps backwards to identify necessary preconditions to achieve them. Nevertheless, the tool of theory of change is realized by first identifying the desired long-term goals and then work back from the goals to identify all conditions that must be in place for the identified long-term goals to be accomplished. Thus, it provides a clear link of activities that lead to a desired change.

Relevance of Change Theory to TSA Implementation in the Present Dispensation

Applying the theory of change in Nigeria case, the present government has as their major goal "change" of society for the better. The slogan "Change" has been its major objectives. In order to achieve the needed change both politically and economically, the government spelt out modalities and activities that must be performed as pre conditions. One of such activities is the full and immediate implementation of the Treasury Single Account. Having the belief that the previous government of Nigeria allowed leakages and loss of revenue for not having the political will to implement the treasury single account policy, the present government quickly jumped on the opportunity with a directive for the full implementation aid compliance to **TSA** policy as a pre-requisite to achieving the needed economic change. In other words, the government will not be able to bring economic change to bear in Nigeria if the status quo of non-implementation of **TSA** is allowed to continue.

Conceptual Review:

This research conceptual review is discussed under the following heading (i) The meaning of treasury single account (**TSA**) (ii) Benefits of **TSA** Implementation in Public Universities in Nigeria (iii) Challenges of **TSA** Implementation in Public Universities in Nigeria.

i) The Meaning of Treasury Single Account (TSA)

A Treasury Single Account is a public accounting system under which all government revenue, receipts and income are collected into one account usually maintained by the country's Central Bank. As well, all payments are affected through this same account (Sailendra and Israel, 2011). They defined Treasury Single Account as "a unified structure of government bank accounts enabling consolidation and optimum utilization of government payments and gets a consolidated view of its cash position at the end of each day". In their words, the **TSA** is a banking arrangement for government transactions which is based on the principle of fungibility of all cash irrespective of its end use.

Ocheni (2016) observed Treasury Single Account (**TSA**) is a unified arrangement which enhances the fungibility of all the government cash resources and implies that no other government agency should be allowed to operate bank accounts without the oversight of the treasury. Ocheni's statement points directly to the fact that, the **TSA** is comprehensive and encompassing all government cash. He maintained that, **TSA** does not have a single model or design.

In the guidelines for the operation of treasury single account (**TSA**) by state governments in Nigeria issued by the Central Bank of Nigeria (2015), **TSA** is defined as "the operation of a unified structure of government banks accounts, in a single account or a set of linked accounts for government payments and

receipts". It requires that government agencies are not to operate any bank account outside the purview and oversight of the treasury, the consolidation of government cash resources should be comprehensive and encompass all government cash resources, both budgetary and extra-budgetary, which means all public monies, irrespective of whether the corresponding cash flows are subject to budgetary control or not, should be brought under the direct control of government. Government banking should be unified to give room for control by the Accountant-general of the Federation and Ministry of Finance.

ii) Benefits of TSA Implementation in Public Universities in Nigeria.

The implementation of Treasury Single Account (TSA), is anticipated to heighten the entire effectiveness of Public Financial Management (PFM) system in public universities in Nigeria because the full implementation puts to an end the hitherto different accounts held by these public universities which provided room for several lapses such as difficulty in reconciliation of accounts, lack of accountability and many other fraudulent practices that fizzle away government funds entrusted to these public universities.

The TSA implementation in public universities in Nigeria is expected to block all channels of revenue leakages, so as to push up government revenue in the face of declining earnings due to downfall of oil prices (Emmanuel and Chukwumah, 2015). Thus, TSA allows complete and timely information on government cash resources. Howbeit, with effective Integrated Financial Management Information System (IFMIS) and adequate interfaces in banking system, information on bank balances will be available in real time to the government.

Nevertheless, TSA enables efficient cash management since its implementation calls for regular monitoring of government cash balances. Casual factors of balance variances can easily be identified. It equally reduces bank fees and cost on the part of government and this resultantly reduces the administrative costs of these public universities in Nigeria. It is expected that TSA facilitates efficient payments mechanisms and reduces or eliminates ambiguity of budgets in public universities.

iii) Challenges of TSA Implementation in Public Universities in Nigeria

Remarkably, as TSA policy seems to be, there are many challenges that its full implementation tends to pose.

First is the liquidity squeeze in the Deposit Money Banks (DBM) sector which will be losing so much cash to the CBN. This is possible because the Deposit Money Banks (who are the collectors of receipts/earnings) for the government are expected to maintain daily zero balances in their accounts because of the daily remittances of collections to the one central account in Central Bank of Nigeria. As Yusuf (2015) observed, the Deposit Money Bank could lose as much as 2.2 trillion in liquidity in one quarter. This could result to surge in money market rates while banks scramble for any available funds. The lack of liquidity in deposit money banks in Nigeria would certainly affect their performances and profitability which could eventually lead to sacking of workers in the sector in the nearest future. That has already begun (Ibrahim, 2015).

Secondly, another major challenge is the electronic platform that is required to make TSA efficient and effective. The plethora of problems bedeviling the ICT sector of the Nigeria nation calls for questioning the likely effectiveness of TSA as a means for government revenue generation and disbursements. The problem of low power supply and capability of operational personnel are unresolved factors that can hinder its intended objectives (Eme, et al., 2015).

There is equally the problem of disparaging laws that conflict with each other. Pattanayak and Fainboin (2010) observed, establishing a TSA requires a legal basis to ensure its robustfulness and stability. While the FRA of 2007 authorizes revenue generating MDAs to remit 80% of their operating surplus to the federation account, the TSA policy directs all revenue generating MDAs to remit all revenue to the single account of the federation of Central Bank of Nigeria.

Empirical Review:

Ocheni (2016) in his work on "TSA, A catalyst for Public Financial Management in Nigeria, workshop by Association of National Accountants of Nigeria" sees TSA as a unified arrangement that enhances the fungibility of the government cash resources. He affirms that the adoption of TSA policy affects banks liquidity and employment negatively. He noted that, TSA will help to tame the tide of corruption and enhances transparency, as there is no single TSA model or design. He continued that, the model to be implemented in each country depends on the stage of development of the quality of public institutions, financial management systems, its technological development and communications, infrastructure and degree of maturity of its banking system.

In view of the above, the works of Ocheni (2016) emphasized on the adoption of TSA policy as it affects banks liquidity and employment negatively. He maintained that, the model to be implemented depends on the stage of development of the quality of public institutions. These institutions cut across all government public sectors. With regard to the foregoing, the works of Ocheni (2016) is different from this research (work)

because this research is designed to ascertain the extent to which the formulation and implementation of **TSA** affect the management of public universities in Nigeria.

III. Methodology

In carrying out this study, 400 structured questionnaires were designed and administered on the top-level administrators and staff of the Federal Universities in Nigeria. Out of the 400 distributed, 357 were returned and used for data analysis. The descriptive statistic tool of frequency distribution, average and percentage were employed for data analysis. However, the key below is a guide for clarity and understanding of the symbols used in the option column of the frequency tables in the result section.

KEY

GE= Great Extent

CE= Considerable Extent

ME= Moderate Extent

SE= Slight Extent

NU= Neutral/Unsure

IV. Data Analysis and Results

Influence of Budget Implementation and Allocation in Public Universities in Nigeria.

A major purpose of budgeting is to plan for the sustainable development of a given sector. How well the policies of **TSA** are implemented determines the effectiveness and efficiency of the budget allocation as it influence the management administration of the public universities in Nigeria. In making this assessment, questions in our questionnaire were used. The results are presented in table 1, 2 and 3

Table 1: Budget Allocation

Question	Option	Frequency	Percentage
To what extent does the allocation of budget in Nigeria affect educational sector?	GE	-	-
	CE	-	-
	ME	189	52.9
	SE	110	30.8
	NU	58	16.2
Total		357	100

Source: Survey Data, 2020.

From table 1, 189 (52.9 percent) responses and 110 (30.8 percent) responses in each case said “moderate extent” and “slight extent” respectively that, allocation of budget in Nigeria affect the educational sector. While 58 (16.2 percent) of the respondents were unsure of the question asked. As a result of their inability to answer the question, they remained neutral. With respect to the responses of the 58 (16.2 percent) respondents, the researchers carried out a “one to one” talk with them as a way of personal interview. Their response to the researchers was that “Do Federal Government actually make budget for the educational sector in Nigeria?” Also, some of them said “If the Federal Government actually make budget for the education sector in Nigeria, why is there consistent strike of the public universities in Nigeria?”. While others said “There is actually a budget allocated to the educational sector in Nigeria but some cabal (group of persons) are misappropriating the funds; thereby, frustrating the sector”. With regard to the foregoing, it is obvious that the Federal Government of Nigeria do allocate funds to the public universities in Nigeria because these funds are already budgeted for the educational sector. The results from table 1 has made it clear because 189 persons of the total respondents representing (52.9 percent) and 110 persons representing (30.8 percent) in each case said “moderate extent” and “slight extent” respectively. Therefore, one is bound to believe that the allocation of budget in Nigeria affects educational sector.

Table 2: Allocation of Funds

Question	Option	Frequency	Percentage
To what extent does the Federal Government allocate funds to your university?	GE	-	-
	CE	180	50.4
	ME	100	28.0
	SE	77	21.6
	NU	-	-
Total		357	100

Source: Survey Data, 2020.

Table 2 shows that 180 (50.4 percent) responses said “considerable extent” that Federal Government allocates funds to their universities. While 100 (28.0 percent) responses and 77 (21.6 percent) responses in each

case said “moderate extent” and “slight extent” respectively to the question asked. However, the 100 (28.0 percent) responses and 77 (21.6 percent) responses went further to say that; as a result of the existence of **TSA** implementation, it is quite difficult to receive Federal Government allocation in their Universities. Howbeit, since 180 (50.4 percent) responses from the analysis said “considerable extent”; it is obvious that no matter the difficult circumstances or situation faced by the management of these public universities as a result of **TSA** implementation, the Federal Government still allocates funds to these public universities. This in no doubt may have led to the reason why the response was at an average level. Nevertheless, does the allocated budget influence development in these public Universities? It does because these allocations are used for developmental projects in these universities. Consequently, most of our respondents 273 (76.4 percent) are in support at a “considerable extent” that, these allocations are used to build infrastructure in their Universities (see table 3). Our analysis shows that the allocated budget by Federal Government influences development in these Public Universities.

Table 3: Public Universities Development

Question	Option	Frequency	Percentage
To what extent does the allocated budget influence development in your university?	GE	-	-
	CE	273	76.4
	ME	84	23.5
	SE	-	-
	NU	-	-
Total		357	100

Source: Survey Data, 2020.

Implementation of **TSA** on prompt/timely Payment for Expenditure in Federal Universities in Nigeria. This section examines the possible effect of the implementation of **TSA** on prompt/timely payments for expenditure in Federal Universities in Nigeria. In making this assessment, questions in our structured questionnaire were used. The results are presented below in table 4 and 5

TABLE 4: Prompt/Timely Payment for Expenditure

Question	Options	Frequency	Percentage
To what extent does implementation of TSA affect prompt/timely payments for expenditure in your university?	GE	-	-
	CE	-	-
	ME	147	41.2
	SE	210	58.8
	NU	-	-
Total		357	100

Source: Survey Data, 2020.

The table 4 shows that 210 (58.8 percent) of respondents said “slight extent”, while 147 (41.2 percent) responses said “moderate extent”. From the table, since 210 persons representing (58.8 percent) of the total responses is of a large portion from the respondents, it is obvious that the implementation of **TSA** affects prompt/timely payments for expenditure in Public Universities in Nigeria at a slight extent. In view of the above, one is bound to believe that the Federal Government is not actually funding the Public Nigerian Universities in full capacity; rather, they expect that all internally generated revenue (IGR) from the Public Universities should be paid into the Federal Government Single Account before monies can be allocated back to these universities. This in turn, affects the smooth running of the day-to-day activities of the universities. Is Federal Government actually funding these public universities in spite of the establishment of **TSA**? It does because these public universities in Nigeria are established by the provision of law enacted by the government. Apparently, most of our respondents 247 (69.2 percent) believed that in spite of **TSA**, Federal Government allocates funds to the Public Universities but these funds allocated are delayed and are below the budgeted estimates. (see table 5). Our analysis shows that it has been very difficult for funds allocated to these Public Universities to be released as at when due; and that, academic activities in these public universities are affected because funding has declined over the years. Howbeit, Federal Government will not know how well this **TSA** has affected the smooth running of the Public Universities in Nigeria.

TABLE 5: Actualization of Activities

Question	Option	Frequency	Percentage
To what extent does the allocated fund actualize the daily activities in your universities?	GE	-	-
	CE	247	69.2
	ME	110	30.8
	SE	-	-
	NU	-	-
Total		357	100

Source: Survey Data, 2020.

V. Discussion of Findings

As Ocheni (2016) observed, **TSA** is a standstill research that is employed to create a delay in the funding of public universities in Nigeria. He maintained that; Public Nigerian Universities should be exempted from its implementation. Our results confirm this observation. Our results show among others things that:

- 52.9 percent of our respondents thinks that, the allocation of budget in Nigeria affects the educational sector.
 - 50.4 percent of our respondents believe that, no matter the difficult situation faced by management of these public universities as a result of **TSA** implementation; the Federal Government still allocates funds to these public universities in Nigeria.
 - 76.4 percent of our respondents are of the opinion that, despite the delay in the allocation of funds to public universities in Nigeria; these allocated budget by Federal Government influences development in these public universities.
 - 58.8 percent of our respondents also believe that, the Federal Government is not funding the public universities in Nigeria in full capacity because the implementation of **TSA** affects prompt/timely payments for expenditure in these public universities.
 - 69.2 percent of our respondents are also of the opinion that, in spite of **TSA**; Federal Government allocates funds to these public universities in Nigeria and these funds allocated actualize the daily activities of these public universities but these funds allocated are delayed and are below the budget estimates.
- Nevertheless, the response on the empirical reality of the **TSA** implementation enigma in public university administration in Nigeria is in line with Omole (2016). He noted that, the actual release of approved funds for these public universities in Nigeria are always below the amount budgeted over the years; and that, where parts of such budgeted funds for public universities are released, they are often delayed.

VI. Conclusion

We conclude this research work by saying that, it is not out of place to perceive that the inclusion of public universities in Nigeria in the implementation of **TSA** may have negative effect on the management administration of these public universities because of the non-release of budgeted funds or undue delays in the release of these approved funds.

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