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## THE PROSPECTS AND THE CHALLENGES OF TREASURY SINGLE ACCOUNT POLICY TO ECONOMIC MANAGEMENT AND DEVELOPMENT OF NIGERIA

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### **Abstract**

The Treasury Single Account (TSA) is a unified account into a single treasury account to cushion the effect of misappropriation, mismanagement and financial loopholes thereby enthrone transparency and accountability. The objective of the study is to examine the prospects, challenges and operation of treasury single account to public finance management to ensure economic growth and development. In the primary sources of data collection; interview, distribution of questionnaire and empirical methods were used; while the secondary data collection involve literature review such as use of internet, textbook, magazine, newspapers and radio. In the course of data collection; Some findings were made among them are that 'the treasury single account if properly managed will go a long way to address the problems of corruption-misappropriation, mismanagement and blockage of financial loopholes that negatively affect the economy and enshrine financial discipline, transparency, accountability and promote quality public financial management. The findings further stated that this policy can otherwise lead to the loss of jobs, bureaucratic bottleneck in the course of ensuring effective, efficient and improve productivity.

**Keywords:** Treasury Single account, Prospects, Challenges, operation, financial discipline, Transparency, Accountability, ethics and economic buoyancy.

### **Introduction**

The need for adequate financial management has been specified. The pace at which financial resources can be handled lies on individual and organization as well as the nature of the environment in which they operate. So far, it is an important milestone and a key factor for any economic buoyancy. Measuring the extent to which socio-economic and political activities can be imagined and improved lies on how appropriate its financial system could be handled. An effective resource management is a pre-requisite for improving efficient economic development and self actualization. Therefore, the purpose of this study is to find out the possible benefits of The Treasury Single Account policy to economic development of Nigeria and also some challenges it's capable of brings within the society. This is because; Nigeria has been experiencing corrupt practices in its administration such including: Embezzlement of public funds by the public servants, mismanagement, and

misappropriation and money laundry. These have continued to affect socio-economic and political development of Nigeria. According to daily Trust Editorial (2015:p16);

“The idea of Treasury Single Account came into being when some agencies refused to declare and remit the 25 percent of their annual revenue they generated to the treasury as demanded by the law”. In 2012 about N120 billion was forcefully collected by government from ministries, departments and Agencies being 2015 percent of their gross revenue to the treasury with another N34 billion collected in 2013. Before then, most of the Ministries, Departments and Agencies were reluctant to remit the requested amount by law to the treasury”.

The concept of Treasury Single Accounts pinpoint the need by which government ensures the unification of the accounts towards ensuring an effective transaction of government receipts and payment system. It facilitates an effective financial system where income and expenditure will be adequately managed in a transparent and resourceful manner. According to *Dr Yusuf.M.B.(2016:p164)*

“Treasury Single Account (TSA) policy was introduced to block financial leakages, promote transparency and prevent mismanagement of government’s revenue, unifies all government account, enabling it prevent revenue loss and mismanagement by revenue generating agencies”.

It is an essential tool that enables the consolidation and management of governments cash resources, minimizes the cost of borrowing, accelerates an effective financial management reform agenda thereby maximize the opportunity for cost benefits. At this point, if government can manage the established unified structure of government bank accounts through a Treasury Single Account; will be able to solve any problems of mismanagement of resources, corruption, and misappropriation. This can improve the management of its resources and ensures effective control mechanism of the resources. Therefore, the objectives of this research are to examine and analyze the degree to which Treasury Single Account policy can engender socio-economic development of Nigeria as well as stress the area in which this policy can militates against effective service delivery in Nigeria administrative services and development.

For the above objectives to be realized; the followings are the research questions:

- (i) What are the benefits of the Treasury Single Account policy to Nigeria economic development?
- (ii) What are the problems of this policy to Nigeria economy?

The purpose of these questions is to ensure the realization of the above and other phenomena. The methodologies for data collection are: Primary and secondary data. The primary sources are: Interview, questionnaire distribution and empirical methods. The secondary sources are; literature reviews which including: Internet research, journals, newspapers, magazines and radio were used respectively. The researcher made some findings which dictate the high level of corruption on public finance management and administration in Nigeria. It proffers that if the policy will be effectively implementing and managed could be capable of addressing the challenges of corruption thereby enhances financial discipline, economic buoyancy, promote Transparency, integrity and accountability

thereby inculcate good ethics to the management of the public sectors and its officials in Nigeria.

However, the Treasury Single Accounts is a principle of uniting cash and treasury towards achieving financial prudence of the economy. The executive order No. 55 issued by central Bank of Nigeria (2011) asserted that:

The Bureau of Treasury shall operate Treasury Single Accounts in order to receive remittance of collection of internal revenues taxes/ customs duties from Bureau of Internal Revenue and Bureau of customs authorized agencies banks.

Nevertheless, Treasury Single Accounts as it has been practiced in Nigeria is expected to maintain its status within the Central Bank of Nigeria which is expected to align with the government policy of ensuring prudent finance management and control of its cash resources aimed towards ensuring the unification of the structure of government bank accounts to enable consolidation and optimum utilization of government cash resources Boulder, Co: West view Sun Editorial (2015).

Leinert, (2009), **Yusuf and Chiejina, (2015) asserted that;**

“The three basic traits essential to treasury Single accounts states that;

1. The government banking arrangement should be unified, to enable Ministry of Finance or treasury oversight of government cash flows in and out of these bank accounts.
2. No other government agency operates bank accounts outside the oversight of the treasury.
3. The consolidation of government cash resources should be comprehensive and encompass all government cash resources, both budgetary and corresponding cash flows are subject to budgeting control or not.

The former accountant general of the federation prior to Treasury Single Accounts policy pointed that Nigeria had fragmented banking arrangements for revenue and payment transactions. There are more than 10, 000 bank accounts in multiple banks which made it impossible to establish government consolidated cash position at any point in time.

**Obinna, (2015: 52).**

This fragmentation of account numbers made it impossible for the existence of transparent financial management and efficient realization of economies of scale in resources management. Such measure equally breeds corruption and mismanagement of financial matters in the country.

Finally, Treasury Single Accounts policy is a policy established to cushion any act of misappropriation of public funds thereby ensuring financial prudence and utilization of scarce resources in achieving all-round development in the country.

#### **The Prospects of Treasury Single Account Policy to Economic Development**

The adoption of this policy in the society has tremendous benefits of cash recovery. According to **Taiwo Oyedele,**

“With the adoption of Treasury single account, government will borrow less and therefore the debt servicing cost will 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.” For instance,

Kaduna state discovered as much as N24 billion recently through adoption of Treasury Single Account.

The Accountant general of the federation 'Engr David Lawai on 24 February (2017) while delivery on his speech to 5<sup>th</sup> convocation ceremony of Imo State Polytechnic asserted *that*;

“Corruption has contributed to a lot of setback in Nigerian’s socio-economic and political development; that has been the reason behind the introduction of Treasury Single Account policy to cushion the effect. The introduction of this policy has enabled the recovery of huge amount of money unrecovered which contributed to the poverty status of the society before now. Nigerians should support the government of Muhamadu Buhari in a bid to ensure effective implementation of this policy towards realization of economic development”.

Therefore, **the relevant** of Treasury Single Account policy to Nigeria socio-economic development remains sacrosanct with the followings:

1. The need to ensure all improved appropriation control of the resources. With adequate financial management in the systems; budget allocations have to be well controlled. There is a need to strengthen the authority of the budget appropriation towards effective and efficient service delivery. The separation of bank accounts facilitates division and fragmentation of financial management thereby affects the need for transparency and accountability. That is why Single Account Policy is acceptable.
2. It enables an effective improvement and operational controls during budget execution. This can be done when there is adequate information services about cash resources, the plan and implementation of budget execution will be done in a well efficient, transparent and reliable manner.
3. It fosters an efficient cash management. This system of banking (Treasury Single Account) if properly managed facilitates adequate and regular monitoring of government cash resources thereby fosters higher quality level of cash outturn analysis adopted.
4. It reduces bank fees and the transaction costs in banking system. Treasury single account system helps to reduce the number of bank account which reduces the cost of administrative system for government towards ensuring the maintenance of these accounts and its bank reconciliation.
5. It accelerates an effective and efficient payment mechanism. It facilitates a clear cut for government financial systems and provides Good Avenue for adequate monitoring payment mechanisms. It provides a good avenue for government to enjoy the economies of scale in processing payments by the way of lowering transaction costs.
6. The Treasury Single Account fosters effective reconciliation of government accounting systems with cash flow statements from the banking system. This helps to ensure an improve bank reconciliation and quality of fiscal data which enables the reduction of risk of errors which may occur during the reconciliation processes and ensures quality fiscal accounts and timeliness.
7. It lowers the liquidity reserve needs of the resources. A Treasury Single Accounts introduction reduces the volatility rates to when cash flows through the treasury thereby maintain a lower cash reserve in order to meet unexpected fiscal volatility.
8. It ensures a unified centralized control over government’s cash resources.

9. It facilitates better fiscal and monetary policy coordination and ensures better reconciliation of fiscal and banking data that enables an improvement of quality fiscal information which reduces the debt serving cost.

10 Treasury Single Account Policy, if adequately implemented will solve the problems of mismanagement and control, it is a well known fact that the policy is made to cushion the effects of corruption in the society and can stand the chances of promoting financial discipline, transparency and accountability when executed in accordance with constitutional provisions.

11 It allows complete and adequately inform government on cash resources, receipts and payments. This policy on resources integration and effective financial management will provide adequate information system on transactions services with banking system thereby ensures transparency, accountability and financial discipline in the management of public finance.

Every advantage in the business and service has its correspondence disadvantage accompany the organization in the system. According to Eme,O.I.,Chukwu, D.C.,and Emmanuel. N.I.(2015:p2), cited that;

“The former Accountant General of the Federation (AGF),Mr. Jonah Otunla, asserted that the new Electronic Revenue collection (ERC) platform is aimed at improving internal generated revenue in the face of declining oil prices.

However, responding to the feasibility nature of the system, a development economist and financial analyst ‘Odilim Enwegbara, said, there was need to over haul the fiscal responsibility Act (FRA) of 2007 in a way that blocks the huge leakages caused by certain section and subsection of the Act. He said,

“I am particularly concerned with how section 22(1) which, mandates all the revenue generating ministries, Departments and Agencies (MDAs) to remit 80 percent of their operating surplus to the consolidated revenue fund Account, allowed for these ministries, Departments and Agencies (MDAs) to fraudulently resort to driving their so-called operating costs so high to allows them to declare close to zero operating surpluses. Okwe, et. al, 2015:p52).

This error has made it possible for revenue generating ministries, Departments and Agencies (MDAs) to have reportedly generated N3.06 Trillion in 2009, but only remitted N46.80 Billion to government coffers; generated N3.07 Trillion in 2010, but remitted N54.10billion; and generated 3.17 Trillion in 2011 and just remitted a meager N73.80Billion. He cited that, NNPC and its subsidiaries have internally generatedN6.132 Trillion between 2009 and 2011 remitted zero naira to the government treasury. Okwe, et al, (2015:p53).

Enwegbara advocated the need for the federal government to send a Bill to the National Assembly requesting the amendment of this controversial section 22(1) of the fiscal Responsibility Act 2007 to stop the ongoing fraud that cost the nation.

He suggested for the fiscal Responsibility Act to amend all revenue generating federal Agencies to *open a consolidated revenue fund (CRF) Account.*

The establishment of this policy receives some priority in any government reform agenda. The essence of this policy is to promote transparency; accountability thereby facilitates compliance with section 80 and 162 of the 1999 constitution of Federal Republic of Nigeria.

Therefore, **the challenges** of the Treasury Single Account policy include the followings:

1. **Bureaucratic Bottleneck:** This is a delay or a rigorous nature in the transactions and services which affect the time framed receipts and payment of necessary transaction services within a specified period of time. At this point, the unifying purpose of the government fragmented accounts into a Single Treasury Account which is aimed at ensuring transparency, accountability, and corrupt free system of banking and government service can result to unexpected delays in the receipts and payments there by affect the transactional services needed within a specified period of time. This unexpected delay can cause inefficiency and slow in productive services of the system.

2. The Time Framed for the Compliance of this Policy may not be enough to meet up with the complexities of the task and requirements on the directive of federal government to ministries, departments, and other parastatals and corporations within the ambit of the Federal Government of Nigeria on Treasury Single Account which made it impossible for most of them to actually meet up with the requirements before the actual designed period.

3. The policy has much provision to ensure Transparency, accountability and reduction in corrupt tendency but still has avenue to breed corruption and misappropriation within the agencies that implement the policy if proper and careful measures are not put in place to checkmate their implementation strategies, steps and activities in the relevant areas provided.

4. Fear of unknown: This can be attributed to certain feelings of public agencies and management over an assumed loss of job to the staffs of the institutions in some federal and private organization and their control over money that have been stationed in their choice of bank accounts under fixed deposit accounts where fact interest accrues which they siphoned can affect them.

5. It reduces commercial bank transactional services with federal government thereby affect their financial muscles needed to acquire government securities such as Treasury Bills. Certificates, bond use to make quick returns and their control over the funds they are making which they are used in most cases to finance some extra-budgetary expenses. From (daily trust) through a source at Ministry of Finance.

6. It creates room for economic dependency of the parastatals, corporations and sundry bodies such as higher institutions of learning. For instance, in the words of the "President of Academic Staff Union of University (ASUU) in their National Executive Council (NEC) Meeting at Owerri Imo State (2016) asserted that:

"The introduction of Treasury Single Account to block financial leakages and prevent mismanagement of government revenues will affect the higher institutions of learning. This is because; universities cannot function without financial independent which the Treasury Single Account is taken away from them. The financial autonomy helps to ensure both long and short term plans for successful realization of academic success and improvement". Orient; (94.4) F M Owerri August (2016).

That federal government of Nigeria has equally discovered fake account operated in the name of federal government. While owned by private entities at the detriment of poor Nigerians. If the government lost, the ordinary Nigeria will be affected. The introduction of this policy will enable government plan better for the people. Civil servants and Bankers can no longer "chop" 10% and more of interest on government funds while government earned

0% interest rate on funds in commercial banks. Permanent secretaries, directors of finance and bank officials collect minimums of 10% interests on these funds. It will minimize government borrowing of money mostly its own money. It has single control of its funds and the money is secured with the policy.

This policy enabled the realization of about N3 trillion of federal government money and has been save into Treasury Single Account. To ensure an effective operation of treasury single account policy to economic development of Nigeria.

Note should be made that Treasury Single Account is a process and tools for effective management of government's finance banking and cash position. It unifies all governmental accounts into single Treasury Account to Foster financial probity, transparency and accountability.

### **Literature Review**

#### **Conceptualization Framework**

Treasury Single Accounts Policy is a policy Framework arranged to unite all government fragmented accounts system into one unified method towards ensuring transparency, effective resources management, accountability, efficiency, and improves productivity as well as restriction of any financial mismanagement and other corrupt tendencies witnessing in public administration. The essence of the policy is to unite government receipts and payments in order to curtail unethical and indiscipline witnessed in the management of socio-economic and political administration and also improve the state of the economy in the society. Be that as it may, the idea behind this policy was burn out of an order issued by federal government to all revenue- generating agencies to close their accounts with commercial banks on or before 28<sup>th</sup> February 2016 and ensures the transfer of the some into a consolidation revenue fund of the federation and Treasury Single Accounts as a new revenue collecting platform introduced by the President Mohammadu Buhari. It is an initiative from International Monetary Fund (IMF) to ensure unified resources of government into a Single Accounts in order to curtail misappropriation, mismanagement and other forms of corruption witnessed in the administration of government system thereby improve transparency, accountability, effective and efficient realization of socio-economic growth and development. The policy was adopted in Nigeria following the speculation about the loss of N 573Billion by the share holders in 2014 bank season following massive sell off which overran the market in two quarter of the year. In the words of Accountant General of the Federation (AGF) Mr. Jona Otunla opined that;

“New electronic Revenue Collection (ERC) is aimed at improved internal generated revenue in the face of odd oil prices, ensures reforms in economic sector of the Federal Government, Improves transparency and accountability in the management of the nation's finances”.

It was in the continuation of reforms programmed of 2012. The Director Funds Office of the Accountant General of the Federation, Mr. Mohammed Dikwa who made this assertion on behalf of the Accountant General that henceforth;

“government revenues would now be paid into Treasury Single Accounts (TSA) asserted that “with the e-collection Ministries Departments Agencies can no longer maintain Revenue Bank Accounts (RBA) with commercial Banks, thereby advised to transfer any outstanding balance in

your Revenue Bank Accounts to the CRF and ensure an immediate commencement of the necessary process of closing them.

### **The Objectives of Treasury Single Account**

Every policy framework has correspondence policy goals and objectives which formed the basis of its formation in the society. The policy objectives of Treasury Single Accounts (TSA) is to bring all government Treasury accounts of receipts and payments into a unified Single Accounts to ensure: The centralization of economic resources, Transparent and Accountability of revenue management, ensure an effective cash management, availability of cash, fostering an efficient management and administration of domestic borrowing at minimal costs. It is geared towards block loopholes in revenue management and eliminates operational inefficiency and corrupt tendencies observed in management resources. Other objectives include:

1. To ensure absolute reduction of transaction costs during budget execution in order to control unnecessary delay observed in the remittance of government revenues taxes and other form of revenue generation.
2. To facilities rapid payments of governments expenditures.
3. To ensure an efficient control and monitoring of funds allocated to various government agencies and ensure an effect coordination of monetary policy implementation.
4. To ensure transparency and accountability in the management of the public finance.
5. To facilitates an efficient financial markets thereby ensuring an accurate accounting report system.
6. To improve fiscal savings (that is less transaction charges, more revenues) for the government of the federation.

### **Components of Treasury Single Accounts System**

There are several accounts classified under Treasury Single Account System. They are:

1. **Treasury Single Accounts Main Accounts:** This is a Treasury's account with central Bank which ensures the consolidation of government's cash position. It is the main Treasury Single Accounts when the Treasury Single Accounts of a country consists of set of linked accounts. The cash account of other links is merged to this main account. At the point, all the government receipts of inflows and disbursement are centralized in Treasury Single Accounts.
2. **Sub-Accounts:** This is the Treasury Single Accounts subsidiary accounts which are not separated bank accounts rather it is a special sub-accounts within the main Treasury Single Accounts. This account group the sect of transactions and creates room for government to maintain the distinct accounting identity or ledger of its budget organizations and cash disbursement for each entity is adopted in the subsidiary against Ledger.
3. **Transaction Accounts:** Transaction accounts is an accounts approved for retail transaction of bank operation opened for government entities that are in need of transaction banking services without direct access to Treasury Single Accounts main accounts and subsidiary account respectively but can be informed of a zero-balance accounts (ZBAS) or an impress account.
4. **Zero-balance Accounts (ZBAS):** This is an account opened where transactional accounts are needed in order to optimize the transaction of banking services. The cash balance of this zero-balance is swept back into the Treasury Single account main



account. The accounts if opened in commercial banks are used in disbursement or for collection of government revenues such as (non tax revenues).

**5. Impress Accounts:** These accounts do hold cash up to a maximum authorized amount always and kept to a minimum with the limited availability of interbank settlement facilities and its strategies are geared towards ensuring a progressive transformation of the account into zero.

**6. Transit Accounts:** This is an account which is on transit for the flow of cash into the Treasury Single Account main account. It is sometimes use to facilitate major revenue streams to monitor their collection and remittance by the banking system and to accelerate revenue sharing (formula base sharing from a common pool of resources) between tiers of government in a federal system line with constitutional provisions.

**7. Correspondent Accounts:** This is a separate ledger account opened for each correspondent. The correspondent body has actual time information on the balances it maintains in the Treasury Single Account. There is a need for care in safeguarding each of the correspondent government funds needed to implement its own budget in a timely manner. There is also need for Central Bank of Nigeria who maintains the accounts in the Treasury Single Accounts to be obligated to make payment to the extent of the balances available in a correspondent's account. Research Journal of Finance and Accounting ISSN 2222-1697 (Paper) ISSN 2222-2847 (Online) Vol.7 No. 4,2016

However, the paper identification of these components of Treasury Single Accounts system made known the nature of its formation. For the purpose of clarity and un-ambiguity, the framework for which these components of Treasury Single Account System were established could be necessary for articulation and acceptability. Therefore, established Treasury Single Account requires legal basis which will enable its robustness and stability within the context of it environment. Below are the actual frameworks according to legal design of the policy plan:

1. The legal and regulatory requirements of the policy: The legal nature stated that the framework should be amended in order to allow the establishment of Treasury Single Account System and the closure of irregular bank accounts of ministries and budget units in the country.
2. The preparation of an inventory of an existing Bank Account: The actual step that should be taken in a country that have fragmentation of government banking accounts operation is device a means to establish Treasury Single Account which should start by knowing the actual number of bank accounts which the government is operating at that point in time, the nature of the banking system, type and cash balances for merger with the Treasury Single Account or closure.
3. The Facilitation of Bank Reconciliation and the Quality of Fiscal Data: The Treasury Single Account System allows the reconciliation between accounting systems of government and cash flow statements from the Banking system thereby reduces the risk of errors in the reconciliation processes towards ensuring quality fiscal accounts.
4. The Enhancement of Efficient Payment Mechanisms: It ensures the clear definition of government fund allocation and the monitoring of payment mechanisms. Thus will eliminate float in the banking and payment systems as well as the introduction of transparent fee and penalty structures for payment services.

5. It will Foster an efficient cash management: The Treasury Single Accounts help to facilitate regular monitoring of government cash balances and ensure higher quality cash outturn analysis to be taken.
6. The reduction of bank fees and transaction costs: The introduction of Treasury Single Account help to minimize the cost of maintaining the administrative cost of government accounts thereby reduces the banking fees.
7. It Decreases the Liquidity Reserve Needs: The introduction of Treasury Single Account enables the reduction of cash flows through the Treasury thereby creates avenue that allows the maintenance of a lower cash reserve to meet unexpected fiscal volatility of economic resources.

### **Theoretical Framework**

The Incremental theory, system theory and rational comprehensive model of Herbert A. Simon were used. The Incremental theory of public policy was aimed at stabilizing certain standard operation through innovative mechanisms that redefine situations and solve impending issues or practices. For policy to achieve its objectives, it must be subjected to further change with respect to existing realities. The researcher adopted system theory and rational comprehensive model approach to policy making. The system theory of this nature is propounded by David Easton. He sees policy as an output of the political system in accordance with its environment. It is within the environment that all kinds of demands arise and place itself in the political system in practice through various methods. The nature of this environment determines its ability to process accurately the demands from the environment. Remember, output in this analysis includes policy. Every policy depends on demand and nature of the political environment and the response of the citizen of the environment through feedback.

A good policy is the policy that responded directly to the needs of the people and rational in nature when it understands the environment, demands and act in conformity with expected targets. Any policy capable of addressing societal problems, provide sustainability and cushion loopholes can be regarded as rational comprehensive policy. Therefore, the rational comprehensive model propounded by Herbert A. Simon stated that decision making is a process of making logical sound decision in policy making within the public sector. It is a style of behavior that it is appropriated to achieve a given goal within the limits imposed by given conditions and constraints.

Therefore, the Treasury Single Accounts Policy is a policy framework on unifying the fragmented banking accounts of the country into a Single Treasury Account to enhance Transparency, Accountability and corrupt free system towards ensuring efficiency and economies of scale appropriately described as economic development. This policy consider almost 10,000 (Ten thousand) accounts numbers operated by different agencies, ministries, departments, corporations, and parastatals under the controls of federal government.

So, system theory considers the components of federation that owe the country accountable, the demands of the public and the flow in and flow out of the information, interactions and the services as well as the need to cushion some effects within the environmental setup.

### **Empirical Framework**

In the research context, there are impressive issues, problems and phenomena's that borders on economy and administrative system. The researcher while conducting research study made a lot of observations within the environment where this policy was made and implementing. He observed possibility of corrupt tendency in the fragmentation of banks accounts of federal establishments and lack of transparency and accountability. In such fragmentation of this nature, there is an obvious about the negative implications if the policy of Treasury Single Account is not adopted to cushion some ugly effects which might take place within the administrative system of government. There is equally an observation that there is the loss of huge amount of money by federal government as a result of the fragmentation of accounts which breeds corruption and lack of transparency and accountability in administrative services among ministries, departments, parastatals and corporations under the federation system. This study observed economic growth and development with the adoption of treasury single account system. It will promote effective service delivery, transparency and accountability.

### **Methodology**

#### **Method of Data Collection**

The researcher were able to gather relevant data used in this research through both primary and secondary sources of data collection. The primary sources of data collection were carried out with the use of interview, questionnaire distribution and empirical methods. The opinions of 140 people were able to be secured about the prospects of treasury single account policy adopted in Nigeria Democratic System of governance. While the interview was going on, he made certain observation about administrative system and fragmentation of accounts, the implication and the important of the policy system. All these observation formed the basis for empirical study of this nature.

The secondary source of data collection was through literature review such as textbooks, internet research, newspapers and magazines as well as radio and television.

The data collection was made through the application of survey method. This method was used through distribution of hypothetical designed responses to random selection respondents drawn from the study within Owerri Metropolis Imo State. This area was chosen due to its nearness to the researcher and contains both private and public sectors where government and private businesses drive opportunities to boast socio-economic and administrative development of the state. The stratified random population of 200 people across the public and private sectors were used. With the aid of *Yaro Yamane* formula, the sample size is 133.33. Out of 133.33 respondents, 120 people returned their questionnaire with adequate attention. The hypothesis adequately developed along the line of objectives; the data analysis was carried out with the used of frequency table and the simple percentages.

### Data Presentation Analysis and Interpretation

**Table 4.0:** Distribution and return of questionnaire

Instructions	No distributed	%	No Returned	%	No Unreturned	%
Banking Institution	48	36.10	40	30.10	8	6.0
State Ministries	40	30.10	38	28.60	2	1.5
State Parastatals	45	33.83	42	31.60	3	2.3
Total	133	100	120	90.31	13	9.8

Source: Field Work 2016

Analyzing from this table shows that 90.3 percentages of the distributed questionnaire were collected and adequately used up for data analysis and interpretation.

**Do you see this initiative as a catalyst that will address the corrupt practices in the country?**

#### Data Analysis

The table 1:1

	Banking Institution	State Ministries	State parastatals	F	%
Agree	8	10	15	33	27.5
Strongly Agree	7	14	10	31	25.83
Disagree	20	8	12	40	33.33
Strongly Disagree	5	6	5	16	13.33
Total	40	38	42	120	100

Source: Survey, 2016

#### Data Interpretation

Judging from the information generated from question one, table one of data analysis indicated that among one hundred and twenty respondents, (120), 40 representing 33.33% disagree that the introduction of Treasury Single Account policy cannot be regarded as catalyst' capable of addressing corrupt practices in the country. 33 (27.5%) Agreed, 31 (25.83%) strongly Agreed while 16 (13.33%) strongly disagree respectively

Does the introduction of Treasury single Account policy involved posed any challenge to public and private sector of the economy in the country?

	Banking Institution	State Ministries	State parastatals	F	%
Agree	20	11	22	53	44.20
Strongly Agree	10	15	12	37	30.83
Disagree	8	7	8	23	19.20
Strongly Disagree	2	4	-	7	5.83
Total	40	38	42	120	100

Source: Field Work 2016

### Data Interpretation

From the above, 53 respondents representing (44.2%) agreed that the introduction of Treasury singly Account initiative poses challenges to both public and private sectors of the economic in Nigeria. 37 (30.8%) strongly Agreed to both public and private sectors of the economic in Nigeria. 37 (30.8%) strongly Agreed 23 (19.2%) Disagree while 7 representing (5.83%) strongly disagree respectively.

### Data Analysis

- ❖ Does Treasury single Account initiative have capacity to improve the nation's economy?

	Banking Institution	State Ministries	State parastatals	F	%
Agree	10	10	12	32	26.67
Strongly Agree	13	14	9	36	30
Disagree	14	4	13	31	25.83
Strongly Disagree	3	10	8	21	17.5
Total	40	38	42	120	100

Source: field work, 2016

### Data Interpretation

From the question 3, table 4 above the indication are that out of one hundred and Twenty; 120 respondents responded, 36 (30%) strongly Agreed that the Treasury single Account policy of the federal government of Nigeria has the capacity to improve the Nation's economy. At the same point, 32 respondents representing (26.67%) agreed with the same notion while 31 representing 25.83% and 21 representing 17.8% of respondents disagreed and strongly disagreed respectively. These finally captured the view that 68 of respondents representing (56.67%) accepted that the policy to improve the nation's economy.

Do you see this initiative as one that is capable of promoting manpower development across our financial institutions and administration in the country?

	Banking Institution	State Ministries	State parastatals	F	%
Agree	8	4	10	22	18.33
Strongly Agree	6	7	7	20	16.67
Disagree	20	20	22	62	16.67
Strongly Disagree	6	7	3	16	13.33
Total	40	38	42	120	100

**Source: Field Work 2016**

Considering the above data presentation and analysis, the indication is that out of (120) one hundred and twenty respondents who returned their questionnaire, 62 representing (51.67%) completely disagree that the introduction of Treasury single account policy initiative has no capacity to promote manpower development across our financial institution and administration in Nigeria. 16 respondents representing (13.33%) strongly disagreed while 22 representing (18.33%) and 20 representing (16.67%) Agreed and strongly agreed respectively. These summarize that 78 respondents representing (65%) did not believe that the policy will promote manpower development in our financial institutions in Nigeria.

**Table 1:6**

- ❖ Do Treasury single Account policies have the capacity to provide financial benefits and security to the entire citizens of the country?

	Banking Institution	State Ministries	State parastatals	F	%
Agree	12	12	13	37	30.83
Strongly Agree	9	5	10	24	20
Disagree	15	10	15	40	33.33
Strongly Disagree	4	11	4	19	15.83
Total	40	38	42	120	100

**Source: Field Work 2016.**

The question in 5 table above indicate that out of (120) one hundred and twenty respondent (30.83%) of the entire respondents Agreed that the Treasury single account policy initiated by the federal government of Nigeria has the capacity to provide benefits and security to the citizens in the country. However, 24 representing (20%) of the respondents strongly agreed while 40 representing (33.33%) disagreed coupled with 19 representing (15.83%) was strongly disagreed with the notion respectively. These implies that 61 respondents representing (50.83%) accepted that the policy has the capacity to provide financial benefits and security to the citizens of the country while 49 respondents representing 49.2% rejected

the policy as having the capacity to provide financial benefits and security to the citizens of Nigeria.

### **Summary of Findings**

The study can be summarized as follows:

1. That the Treasury single account policy initiative is driving force and catalyst that will foster transparency and accountability thereby prevent corrupt practices among the public servants in Nigeria.
2. There are certain observation that are some challenges accompany with the introduction of this policy in Nigeria such as mass sack of staffs from financial institutions such as banks and some public enterprise that have account with federal prior to the policy initiative due withdraw of federal government from the financial institutions which led to the lost of the subsidy and patronages from federal government.
3. Other challenges include bureaucratic bottle neck in the payment of salaries and wages due to reduction in the numbers of banks which affect speed limit for payments.
4. That if the policy is properly manage will improve the economy of the states through blockage of loopholes where money licking unjustifiably
5. It will affect manpower development negatively across financial institutions and might lead to mass sacking of workers from banks and other affected institutions.
6. The policy may prove financial benefits and security where properly managed in a transparent and accountable manner.

### **Recommendations**

The treasury account policy is a framework established to address financial mismanagement and misappropriation arises as a result of certain existence of fragmentation of banking accounts among the ministries departments, corporations and parastatals in the federal establishment. This policy is geared towards uniting almost 10, 000(Ten Thousand) account numbers of federal establishment into single treasury account to ensure financial discipline, transparency, accountability and efficient management of public finance for better economic of scale and development.

Therefore, the researcher has articulated some vital issues while on research study, that could be better management and could enshrine an economic development while this policy last. With the recommendations that:

1. The federal government, Central Bank of Nigeria and other financial regulators have to be up and doing towards devising a measure to ensure the correction of negative impact of this policy to the society. Such may be after effects to commercial banks and future assumed loss of jobs by the staff.
2. Federal government should endeavour to map out a suitable means by which some areas of federal establishments like educational institution, military and Para-military forces can operate successfully under this policy. Possibly, they should accord independent existence because of their positions in the society.
3. The law enforcement agencies for this Treasury Single Account) should ensure some sincerity of purpose by embracing government interest at the expense of their personal interest towards achieving the expected goals and objectives towards which the policy framework was made.

4. Let there be a collaborative effort between the executive and ministries departments and agencies (MDAS) in drawing budgets, presenting for consideration and the passage by the legislature. So that the purpose of this policy will be adequately realized without hitches.

5. Let there be an effective collaborative effort among the arms of government (legislature, executive and judiciary) towards ensuring that this policy content of Treasury Single Account will be follow up according to constitutional provision for the betterment of Nigerians

6. Federal government of Nigerian should Endeavour to make good use of this Treasury Single Account policy to improve nation's economy through improves agricultural productivity, industrialization and improves employment of its citizenry to ensure smooth economic development and self reliance.

### **Conclusion**

The treasury single account policy is the policy of federal government to integrate all accounts of federal ministries, departments, institution, civil service, parastatals and corporations into a unified single account system known as treasury single account. The rationale behind this policy is to cushion some effects purported by corrupt agencies to liquidate funds, embezzlement and squander federal treasury through dubious means thereby ensure transparency, accountability, honesty and sincerity of purpose geared towards economic growth and development. This policy among others will enshrine discipline in financial administration and economic activities. It will provide adequate information on government cash resources, block economic loopholes where monies leak and drop to the pockets of public service and other machineries. It ensures efficient cash management, it reduces bank fees and transactions cost as well as accelerate efficient payments mechanisms and reconciliation of government accounting system with cash flow statement from banking system. However it lowers the liquidity needs of the resources. It will further solve the problems of mismanagement and ensure a better fiscal and monetary policies coordination in the country.

The Treasury Single Account policy is a framework geared towards addressing some financial misappropriation, mismanagement and leakages in the country's economy thereby unify the multiple account numbers of the nations into single consolidated treasury account. All these are geared towards enshrining discipline in financial administration of the country thereby ensures openness, daily accountability and economic of scale. All these will poster an effective public financial management where both the receipts and payments will be done according to policy directives of the federal government.

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