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# Evaluating The Role Of Treasury Single Account In Reducing State Governments' Fiscal Dependence On Federal Allocations In Nigeria

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**Abstract**

*Nigeria is a country richly endowed with natural resources, ranging from liquid minerals to industrial raw materials, distributed across its 36 states and the Federal Capital Territory (FCT). If these resources are properly harnessed, managed, processed, and commercialized with the revenues transparently accounted for through the instrumentality of the Treasury Single Account (TSA) operated by relevant Ministries, Departments, and Agencies (MDAs) it would significantly empower state governments to execute developmental projects that improve the welfare of their citizens. This, in turn, would substantially reduce the states' overdependence on monthly federal allocations. This study examines the benefits of the TSA scheme as a panacea for the overdependence of some state governments in Nigeria on federal allocations. A descriptive cross-sectional survey design was adopted, with a study population consisting of 200 heads of finance drawn from MDAs in Cross River State. Using Taro Yamane's formula, a sample size of 133*



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*respondents was determined and selected through purposive sampling. Data collected via a self-structured questionnaire were analyzed using descriptive statistics and t-test analysis. The findings reveal that the effective exploitation of mineral resources within the states, coupled with the adoption and full implementation of TSA by state governments, holds significant potential for enhancing internally generated revenue and curbing revenue leakages, as indicated by a weighted mean score of 4.20 and a t-calculated value of 24.87. The study recommends, among other measures, that state governments should diversify their revenue sources beyond crude oil and fully institutionalize the TSA scheme across all MDAs to improve fiscal accountability and financial sustainability*.

**Keywords*:* Treasury Single Account, Natural Resources, Revenue Generation, Revenue Leakage, Corruption**

## INTRODUCTION

Nigeria being the giant of Africa in terms of Population and land map is no doubt among the Africa countries with a wide variety of different natural resources in all the State and FCT. Natural resources are materials and substances that occur naturally and can be used for economic gain. Nigeria is richly endowed with numerous natural resources ranging from liquid and industrial metals to various precious stones such as Barites, Gypsum, Kaolin, Marble, etc. It's saddened that most of these minerals are yet to be exploited by various States that are bless with these resources or even used for the enrichment and development of States and her citizens/non-citizens inhabiting in the states. The country depend majorly on Crude oil with the States depending solely on monthly Federal allocation at the expense of their potentials and natural endowment that if harness and properly managed will contribute to the execution of meaningful and lives touching projects, sadly these God given revenue generated resources are abundant or treated with levity. Resulting from the international fall in oil price and treat to lives by both internal and external factors, there is a clarion call on States to think outside the box by diversifying their sources of revenue and shifts their main base to agriculture and properly harness, manage, produced/manufacture other resources in their States, commercialize the output and manage the revenue generated through Treasury Single Account (TSA). Treasury single account (TSA) was introduced by President Buhari's administration as a measure to curb corruption, ensure accountability, transparency and efficiency in public organisation's revenue. TSA here refers to public account system which uses a single account or a set of linked account by ministries,



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departments or agencies of government to ensure that all revenue receipts and payments are done through a Consolidated Revenues Account (CRA) domiciled at Central Bank of Nigeria (Udo, 2016; Agba, et.al 2014; Ushie, et.al 2010). One of the major objectives of establishing Treasury Single Account (TSA) scheme is anchored on the fact that; it will wipe out corruption that is prevalent at the MDAs, reduces revenue leakage; instill accountability and internal control which is necessary for effective conduct of the monetary and fiscal policy surfeit. However, this objective has not been fully realized due to some States Government's inability to adopt or fully implement TSA in their MDA, consequently corruption has become cancerous worm that has eaten deep into the fabricof the States Treasury and cannot be wipe out by a singlepolicy, there by making the States to perpetual dependent on monthly Federal Allocation. We cannot deny the fact that TSA has to some extent reduces revenue leakage, ameliorates corruption and enhances revenue generation in the public establishments that have adopted and fully implement TSA. State Governments are encourage to harness, manage, produced/manufacture and commercialize their endowed natural resources and ensure proper accountability, transparency and efficient management of the revenue generated, through the instrumentality of Treasury Single Account (TSA) by People, Ministries, Departments and Agencies saddled with such responsibilities to avoid over dependant on monthly Federal Allocation.

**STATEMENT OF PROBLEM**

Nigeria is blessed with numerous human and natural resources in all the States so much that regarding it as the giant of Africa is not abnormal, but it is one of the poorest and less-developed nations in the world today as a result of over concentration on only crude oil as the major source of revenue at the expense of other sources, making States to be lazy, unwilling to harness their potentials and manage other sources of revenue for their growth and development, rather sacrifice the God given revenue sources at the altar of laziness and corruption, with the limited revenue generated leaking into private pocket or as a settlement to area Boys that were instrumental to their selection into offices. The directive from the federal Government that all government revenues must be paid into the Treasury Single Account (TSA), was in a bid to curtail the prevalent corruption in the country (Eme et al., 2015). All governments revenues are normally paid into the States revenue coffer, with most relevant idle funds not capture, that if properly accounted for through TSA, would increase the revenue base of the States, but reverse is the case, which created room for corruption and forced some States government to depend solely on Federal Allocation or borrowing to finance its budget deficits when its huge amount of


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money is diverted into various banks and private pockets. Researchers have prescribed TSA as a requirement for public financial management, for its effectiveness in oversight control of government's cash resources, improving quality of financial information and reducing over dependent on Federal Allocation. Yet some States have not seen any need for adoption and full implementation of TSA to properly account for, and manage other sources of revenue. This paper sorts to advocate, for the adoption and full implementation of TSA; as a Panacea for over dependent on monthly Federal Allocation by States Government.

**OBJECTIVES OF THE STUDY**

The main objective of this study is to advocate the adoption and full implementation of TSA as a panacea for over dependent on Federal Allocation by States Government, Specifically The study attempts:

1. To examine the impact of TSA adoption on revenue generation by States Government.
2. To determine TSA scheme effectiveness to plugged revenue leakages in State public sector.
3. To examine the wiliness of States to exploit natural resources available in their States

**RESEARCH QUESTIONS**

1. To what extent can the adoption of TSA impact on revenue generation in the State?
2. Can TSA scheme, effectively plugged revenue leakages in the State public sector?
3. Are States willing to exploit natural resources available in their States?

**RESEARCH HYPOTHESIS**

$H_{01}$: TSA does not have any significant influence on revenue generation in the State.
$H_{02}$: TSA scheme cannot effectively plugged revenue leakages in the State public service
$H_{03}$: States are not willing to exploit other natural resources available in their states

**SCOPE AND SIGNIFICANCE OF THE STUDY**

**Significance of the Study**

Practically, the finding of this study is anticipated to be of use for right decisions as it shed new light to government, investors, business professional, and policy makers on diversification of their sources of revenue. The study would also contribute the literature on TSA and natural resources available in all the states in Nigeria and serve as an empirical ground for further researches.


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**Scope of the Study**

The study focuses on TSA adoption and Natural Resources in Nigeria as additional sources of revenue to monthly Federal Allocation.

**LITERATURE REVIEW**

**Conceptual Framework**

**Treasury Single Account**

Treasury Single Account is a unified structure of government bank accounts enabling consolidation and optimum utilization of government cash resources**.** It separates transaction level control from overall cash management. In other words, a TSA 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 the end of each day. Pattanayak, and Fainboim, (2011).

Government banking arrangements are an important factor in managing and controlling government's cash resources. They are critical for ensuring that (i) all tax and non-tax revenues are collected and payments are made correctly in a timely manner; and (ii) government cash balances are optimally managed to reduce borrowing costs (or to maximize returns on surpluscash). This is achieved by establishing a unified structure of government bank accounts via atreasury single account (TSA) system.

A TSA is a prerequisite for modern cash management and is an effective tool for the ministry of finance/treasury to establish oversight and centralized control over government's cash resources. It provides a number of other benefits and thereby enhances the overall effective- ness of a public financial management (PFM) system. The establishment of a TSA should, therefore, receive priority in any PFM reform agenda. Pattanayak and Fainboim (2011).

A government lacking effective control over its cash resources can pay for its institutional deficiencies in multiple ways. First, idle cash balances in bank accounts often fail to earn market-related remuneration. Second, the government, being unaware of these resources, incurs unnecessary borrowing costs on raising funds to cover a perceived cash shortage.

Third, idle government cash balances in the commercial banking sector are not idle for thebanks themselves, and can be used to extend credit. Draining this extra liquidity through open market operations also imposes costs on the central bank.

Establishing a unified structure of government bank accounts via a treasury single account (TSA) will solve these problems, improving cash management and control. A TSAalso facilitates



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better fiscal and monetary policy coordination as well as better reconciliation of fiscal and banking data, which in turn improves the quality of fiscal information. Finally, the establishment of an effective TSA significantly reduces the debt servicing costs. Pattanayak and Fainboim (2010)

**Advantages of Treasury Single Account**

According to Pattanyak in Adebisi, and Okike (2016) TSA have the following benefits to the Government:

i. Ensures complete, real-time information on government cash resource. The government at any time can ascertain what it has on its coffers. The TSA being electronically powered provides the government with actual and comprehensive account standing at any point in time they required such information.

ii. Helps preparation of accurate and reliable cash flow forecasts. With TSA in place governments account are reliably maintain with high level of accuracy and on timely basis. The availability of accurate and reliable cash flow statements of the government makes it easy for the government and the revenue office to prepare a substantive cash flow projection upon which the governments rely to make short and long term plans.

iii. Optimizes the cost of government operations. The TSA will ensure that there are no idle funds. Before the introduction of the TSA the cost of governance was high because there some government expenditure heads that had to borrow to meet their immediate financial needs where as there are some other MDAs that keep their surplus or funds which are not immediately needed in an account with the commercial banks. This same money is borrowed to those government MDAs with immediate financial needs attracting interest there by increasing the cost of governance.

iv. Facilitates efficient payment mechanism. It is necessary to minimize the interval between the time when cash is received and the time it is available for carrying out expenditure programs. The e-payments system that is employed to ensure efficient TSA operation will facilitate prompt payments. There will be no avenue for corrupt government official to keep salaries and other forms of payment in fixed deposits for their selfish interest. Since the e-payment platform will provide detail of all payments and to whom it is made. Thus, payments will be promptly made to the right beneficiaries.

v. Improved operational and appropriation control during budget execution. The adoption of Treasury Singe Account will lead to improved control on budget appropriation and execution by the government. TSA will help the government monitor and ensure efficient budget


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implementation. Hence, there will be proper accountability for money spent by the government MDAs on the execution of budgets which will translate to expedient budget implementation.

vi. Enhances efficiency and timeliness of bank reconciliation. The bank reconciliation statements will be timely since the payments are electronically designed. The government at any point in time know what went outof or came into it coffer and the balance in connection it its cash book.

**Natural Resources**

Nigeria being the giant of Africa in terms of Population and land map, is no doubt among the Africa countries with a wide variety of different natural resources. Natural resources are materials and substances that occur naturally and can be used for economic gain.

Nigeria is richly endowed with numerous natural resources ranging from industrial metals to various precious stones such as Barites, Gypsum, Kaolin, Marble, etc. It's saddened that most of these minerals are yet to be exploited or even used for the enrichment and development of Nigeria and her citizens.

According to Statistics, the level of exploitation of natural minerals is very low in relation to the extent of deposit found in the country. From the objectives of the new National Policy on solid minerals is to ensure the orderly development of the mineral resources of the Nigeria.

Nigeria depends majorly on Crude oil and sadly it has cost us a lot. Although due to the international fall in oil price, there is a clarion call on "Diversification of Economy", to shift our main base to the agricultural resources in Nigeria and investments in the solid mineral sector of the Nigerian economy such as the Steel deposit in Ajaokuta etc. In Nigeria, the Federal Ministry of Solid Minerals Development grant prospecting licenses to investors (local and foreign), to enable them participate in the exploitation of the vast mineral resources in Nigeria.

According to (Okwe, et.al,2015:58) in (Eme, Chukwurah and Iheanacho. 2015) Earnings from natural resources are supposed to be meant for capital expenditure. Taxation should be used to run government; it is the system in South Africa, Kenya, The United Kingdom (UK) and Germany. Tax earnings, including excise tax and import duties, are used to pay salaries and run government; pay members of the National Assembly. Earnings from natural resources are supposed to be used for building roads, hospitals, parks, expanding schools, and other infrastructural development. These are called reproducible resources that should enhance the capacity of the people such that the ordinary farmer has access to good road, water and


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electricity. We are not even able to implement budgets faithfully because an aspect of our earnings are pilfered away and going down to such depths that it can hardly run the recurrent expenditure.

**Nigerian States and their Natural Resources.**

| S/N | STATES | NATURAL RESOURCES |
|---|---|---|
| 1 | Abia | Gold, Lead/Zinc, Limestone, Oil/Gas&Salt |
| 2 | Abuja | Cassiterite, Clay, Dolomite, Gold, Lead/Zinc, Marble & Tantalite |
| 3 | Adamawa | Bontonite, Gypsium, Kaolin & Magnesite |
| 4 | Akwa Ibom | Clay, Lead/Zinc, Lignite, Limestone, Oil/Gas, Salt & Uranium |
| 5 | Anambra | Clay, Glass-Sand, Gypsium, Iron-Ore, Lead/Zinc, Lignite, Limestone, Phosphate & |
| 6 | Bauchi | Gold, Cassiterite (tine ore), Columbite, Gypsium, Wolfram, Coal. Limestone, Ore & Clay |
| 7 | Bayelsa | Clay, Gypsium, Lead/Zinc, Lignite, Limestone, Maganese, Oil/Gas, & Salt |
| 8 | Benue | Barite, Clay, Coal, Gemstone, Gypsium, Iron-Ore, Lead/Zinc, Limestone, Marble |
| 9 | Borno | Bentonite, Clay, Diatonite, Gypsium, Hydro-Carbon, Kaolin & Limestone |
| 10 | Cross River | Barite, Lead/Zinc, Lignite, Limestone, Manganese, Oil/Gas, Salt & Uranium |
| 11 | Delta | Clay, Glass-Sand, Gypsium, Iron-Ore, Kaolin, Lignite, Marble, & Oil/Gas |
| 12 | Ebonyi | Gold, Lead/Zinc & Salt |
| 13 | Edo | Bitumen, Clay, Dolomite, Gypsium, Phosphate, Glass-Sand, Gold, Iron-Ore, stone, Marble & Oil/Gas |
| 14 | Ekiti | Feldspar, Granite, Kaolin, Syenite & Tatium |
| 15 | Enugu | Coal, Lead/Zinc & Limestone |
| 16 | Gombe | Gemstone & Gypsium |
| 17 | Imo | Gypsium, Lead/Zinc, Lignite, Limestone, Marcasite, Oil/Gas, Phosphate & Salt |
| 18 | Jigawa | Butyles |
| 19 | Kaduna | Amethyst, Aqua Marine, Asbestos, Clay, Flosper, Gemstone, Gold, Graphite, Kaolin, Hyanite, Mica, Rock Crystal, Ruby, Sihnite, Superntinite, Tentalime, Topaz & Tourmaline |
| 20 | Kano | Gassiterite, Copper, Gemstone, Glass-Sand, Lead/Zinc, Pyrochinre & Tantalite |
| 21 | Kastina | Kaolin, Marble & Salt |


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| | | |
|---|---|---|
| 22 | Kebbi | Gold |
| 23 | Kogi | Cole, Dolomite, Feldspar, Gypsium, Iron-Ore, Kaolin, Marble, Talc & Tantalite |
| 24 | Kwara | Cassiterite, Columbite, Feldspar, Gold, Iron-Ore, Kaolin, Marble, Mica & Tantalite |
| 25 | Lagos | Bitumen, Clay & Glass-Sand |
| 26 | Nasarawa | Amethyst (Topaz Garmet), Barytex, Barite, Cassiterite, Chalcopyrite, Clay, Columbite, Coking, Coal, Dolomite/Marble, Feldspar, Galena, Iron-ore, Limestone, Mica, Salt, Sapphire, Talc, Tantalite, Tourmaline Quartz & Zireon |
| 27 | Niger | Gold, Lead/Zinc & Talc |
| 28 | Ogun | Bitumen, Clay, Feldspar, Gemstone, Kaolin, Limestone & Phosphate |
| 29 | Ondo | Bitumen, Clay, Coal, Dimension Stones, Feldspar, Gemstone, Glass-Sand, Granite, Gypsium, Kaolin, Limestone &Oil/Gas |
| 30 | Osun | Columbite, Gold, Granite, Talc, Tantalite & Tourmaline |
| 31 | Oyo | Aqua Marine, Cassiterite, Clay, Dolomite, Gemstone, Coal, Kaolin, Marble, Silimonite, Talc & Tantalite |
| 32 | Pleteau | Barite, Buaxite, Betonite, Bismuth, Cassiterite, Clay, Coal, Emeral, Fluoride, Gemstone, Granite, Iron-Ore, Kaolin, Lead/Zinc, Marble, Molybdenite, Phrochlore, Salt, Tantalite/Columbite, Tin & Wolfram |
| 33 | Rivers | Clay, Glass-Sand, Lignite, Marble & Oil/Gas |
| 34 | Sokoto | Clay, Flakes, Gold, Granite, Gypsium, Kaolin, Laterite, Limestone, Phosphate, Potash, Silica Sand, & Salt |
| 35 | Taraba | Lead/Zinc, Kaolin |
| 36 | Yobe | Soda Ash & Kaolin |
| 37 | Zamfara | Coal, Cotton & Gold |

Source: https//nigeriainfopedia.com.ng

From the list above, you will notice that, no state in Nigeria that is not blessed with natural resources. The challenge is the will to properly harness, manage, produced/manufacture and commercialize with the revenue generated, transparently accounted for.

**Revenue Generation**

Section 162 (10) of Nigeria 1999 Constitution defines Revenue as" any income or return accruing to or derived by the Government of the Federation from any source. It therefore,



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includes any receipt, however described, arising from the operation of any law, any return, however described arising from or in respect of any property held by the Government of the Federation or any return by way of interest on loans and dividend in respect of shares or interest held by the Government of the Federation in any Company or Statutory body" (Constitution, 2004 p.103).

This means establishments that are owned wholly or partly by the government. They manage government revenue with primary consideration of the citizens, stakeholders of government revenue, in turn, demonstrates their positive approaches and behaviors towards their civic duties, making the use of the stakeholders" energy to execute the government's aims. (Oluyinka. et al (2020)

**Revenue Leakage**

In recent times, public expenditures of government have suffered a setback due to revenue leakages. In fact, re- current expenditures like payment of salaries and wages has become extremely difficult for government to settle. Very meager fund is now being appropriated for capital expenditures despite the pool of cash resources generated on daily basis by the States Government tax and non-tax revenue through the MDAs which runs to billions of Naira. Unfortunately, a chunk proportion of the fund is diverted to private accounts and pockets due to lack of strong cash control system by government. Also, States Government budget execution process has being marred by several fraudulent and corrupt practices which caused its little implementation.

Udoma(2016) in Ajayi, (2019) opined that maintenance of TSA will encourage funding of government budget rather than depending on Federal allocations. The paper further stressed that in any country where budget is fully funded internally; there will be improvement in the economy growth and rapid social and political development. One of the major causes of these revenue leakages in the States public service is the control and management power of revenue resources. However, full adoption and implementation of TSA scheme were all revenue and expenditures of the MDAs are centralized will help to abate revenue leakage.

**Corruption**

Nye (2000), in Olanipekun. et al (2015) defines corruption as a deviation from formal duties of public role because of private gain regarding (personal, close family, private clique) pecuniary exercise of certain types of private regarding influence. This includes such behavior as


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bribery (use of reward to pervert the judgment of a person in position of trust); nepotism (appointment by reason of inscriptive relationship rather than merit); and misappropriation (illegal appropriation of public resources for private uses). Oxford Advanced Learners Dictionary sees corruption as dishonest or illegal behavior especially of people in authority.

Oxford Dictionary of Current English defines corruption as an act of dishonesty especially using bribery or immoral or wicked act.

World Bank (2005) defines it as abuse of office for private gain. Public office is abused for private gain when an official accepts, solicits or extorts a bribe. Otite (1986) defines corruption as the perversion of integrity or state of affairs through bribery, favor or moral depravity. Encyclopedia of Social Science defines corruption as the misuse of power for private profit. Transparency international has chosen a clear and focused definition as the abuse of entrusted power for private gain. The Corrupt Practices and Other Related Offences Act (2000) define corruption to include bribery, fraud and other related offences like gratification. The Act gave a very wide definition of gratification to mean among other things the offeror promise or receipt or demand of money, donation, gift, loan, fee, reward, valuable security, property or interest in property with the intent to influence such a person in the performance or nonperformance of his/her duties.

United Nations Global Programme against Corruption (2012) defines corruption as abuse of power for private gain. Corruption remains a single major factor that obstructs development in Nigeria (Agba, et.al 2008). Treasury single account (TSA) was introduced by President Buhari's administration as a measure to curb corruption, ensure accountability, transparency and efficiency in public organisations. Even with the establishment of the anti-graft commissions, corruption has continued to escalate like widefire.

**THEORETICAL FRAMEWORK**

A number of different theories of socioeconomic accounting were borrowed to form sound foundation to substantiate Treasury Single Account adoption, implementation and sustainability as a panacea for over dependent on Federal Allocation. Examples are:

**Public Finance Management Theory**: this theory according to Grubber (2005) provides that mobilization and expenditure of financial resources need to be well managed by the government for the main benefit of the citizens. The people elect the government to work for them; therefore, government must be responsive to their needs in all aspect. And for this to be achieved, government must be in total control of the nation resources, mobilize it appropriately,



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prioritize its programme, budget process and manage efficiently cash resources which is the key function of TSA. This will go a long way to help government in good governance, efficient resources management, transparency.

**Stewardship Theory**

Stewardship theory; propounded by Theodore Roosevelt "holds that managers are not motivated by individual goals, but rather are stewards whose motivations are aligned with the objectives of their principals, Van Slyke, (2006). Using stewardship theories, Van Slyke (2006) examines how public administrators manage contractual relationships with nonprofit organizations found that the use of trust, reputation, and monitoring as well as other factors influence the manner in which contractual relationships are managed in public sector.

**Modern Money Theory (MMT)**, by Mosler (1970s), theorized how monetarily sovereign governments operate and their impacts on the economy. It shows that it is relevant to aggregate the central bank and the treasury into a governmentsector that finances itself through monetary creation such thatfinancial position of the treasury and the central bank are so intertwined that both of them are constantly in contact in order to make fiscal and monetary policy run smoothly.

**EMPIRICAL REVIEW**

Yusuf and Muhammed, (2016) investigated on treasury single account (TSA) as an effective instrument of financial prudence and management in Nigeria. The study hypothesized that proper implementation of TSA has significant effect on the financial management in Nigeria. The study made use of survey design which involves gathering of data about the effect of treasury single account on the procedure of finance management in Nigeria. Data used in the study were obtained from primary source, and sixty questionnaires were administered to relevant accounting departments and agencies in Damaturu. Result showed that proper implementation of TSA by all stakeholders will help tremendously in reducing corruption, mismanagement of public fund, block leakages and other financial irregularities in states and the country at large.

Lodikero, Fagbayimu, and Olateru (2018) studied Treasury Single Account: A Tool for Accountability and Transparency in Ondo State, Nigeria**.** The study examined the implication of Treasury Single Account on the accountability and transparency of Nigeria Public Sector in order to ensure a responsible governance system. Survey research design was adopted for the study. The population of the study consisted of 150 Ministries, Department and Agencies (MDAs)


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operating in Ondo State as at 2017. Purposive sampling technique was used to select the respondents. The data obtained from the questionnaire administrationwere analyzed using the descriptive and inferential statistical tools. The finding revealed that Treasury Single Account is an effective tool in combating financial leakages in Nigeria public sector. The study recommended that government should engage in massive public enlightenment about the importance of the policy and the need for legislation to mandate all the states and local government to implement this policy.

Ekubiat and Edet (2016) carried out a study on the "Adoption of Treasury Single Account by State Governments of Nigeria: Benefit, Challenges, and Prospects". Both primary and secondary data were employedfor the study. Descriptive cross-sectional survey design was employed for the study. The study population consisted of 200 Professional Accountants in Akwa Ibom State. Sample size of 133 respondents was selected using Taro Yamane's statistical formula and Purposive sampling technique. The data collected were analyzed using descriptive statistics and t-test statistics. The study revealed that TSA adoption and complete execution by the state governments would be of maximum benefit. However, some challenges will be in the short-run, but the benefits at a long run will unquestionably supersede the challenges.

Solanke (2018) investigated 'Opinion and Perception of Treasury Single Account Implementation: Implications for Revenue Generation and Utilisation in Nigeria'. Primary data was used in the study. A total sample size of 200 was purposively selected. Data were analysed using frequency and percentages, as well as analytic weighted mean. The result showed variation in acceptability attitude towards TSA implementation in Nigeria.

Oti, Igbeng, Obim, and Ndifon (2016) did Appraisal of Policy Impact of Treasury Single Account in Nigeria**.** The paper observed that Treasury Single Account (TSA) is one of the several measures adopted by the Federal Government of Nigeria to address the issue of lack of accountability and corruption in fiscal operations in the Public Sector. The objective of the paper was to appraise the policy impact of TSA with a view to proffering solution to the identified gaps. Questionnaires were administered to gather views of individuals and institutions. Secondly, data were equally gathered and analyzed using survey and exploratory research design. The study revealed various sheds of opinion: while bankers decry the distortion of their liquidity management plan, the federal government on the other hand claims a huge success because it can now comment on its aggregate cash holding without thedrudgery hitherto associated with getting to all commercial banks or MDAs with multiple accounts. The civil society agrees with government that the policy has brought about transparency in fiscal management. Findings


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from the paper reveals that deposit money banks would be adversely affected in the aspect of their lending capacity which would ultimately result in lower profits andcompanies‟ income tax to the federal government. The paper concluded by drawing attention to the shock being experienced by the deposit money banks, which has led to downsizing of its personnel. The paper recommended that the federal government should engage in sensitivity analysis to avoid unanticipated drop in GDP resulting from folding up of companies, which are not able to withstand the sudden financial jolt.

Nwaorgu, Ezenwaka and Onuorah (2017) wrote on Treasury Single Accounting (TSA) and Public Sector Accountability in Nigeria. The study tried to ascertain the effect of treasury single account and accountability in the Nigeria Public Sector. Two specific objectives guided the study, while two research questions and two hypotheses were formulated in line with the specific objectives and tested at 0.05 level of significance. A descriptive survey research design was used. The population of the study consisted of 600 staff of the four federal health tertiary institutions drawn from Account Departments while a sample size of 250 Account Department staff were selected using the proportionate random sampling technique. A structured 25-item validated questionnaire was used for data collection. The reliability of the instrument was ensured using pilot test technique, which was analyzed using Cronbach alpha method and yielded an overall reliability co-efficient of 0.85 with the aid of statistical package for social science (SPSS) 20.0. Data were analyzed using descriptive statistics and one regression models for the research questions and for test of hypotheses at 0.05 level of significance. Findings of the study showed that adaptation of a treasury single account and accountability (TSA) in the Nigeria Public Sector is capable of plugging financial loopholes, promoting transparency and accountability in Federal Health Tertiary Institutions in South-East Nigeria. The study concluded that TSA policy would go a long way in blocking the identified financial leakages in revenue generation and promote transparency and accountability in the public sectors financial system if it is fully implemented. The study therefore recommended among others, that government should engage in massive public enlightenment about the importance of the TSA policy.

## METHODOLOGY

Descriptive cross-sectional survey design was adopted. Thisdesign was considered most appropriate as it allowed asking forthe views of knowledgeable individuals on certain aspects of Treasury Single Account (TSA) and Internally Generated Revenue (IGR) which provide generalized opinions/statistics from the number of individual cases. Population for the study consisted 200


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Heads; of finance drown from Ministries, Departments and Agencies in Cross River State, who served in different sectors of the economy. Taro Yamane's statistical formula was used to select sample size of 133 out of 200. Thus

$$n = \frac{N}{1 + N(e)^2}$$

Where: n = Sample size
N = Population of the study
e = level of significance/error estimate of 5%
I = Constant

Where: n = 200

: -

$$= \frac{200}{1+ 200 (0.05)^2}$$

$$= \frac{200}{1+ 200 (0.0025)}$$

$$= \frac{200}{1+1.5}$$

$$= \frac{200}{1.5} = 133$$

Purposive sampling technique was used to select the 133 respondents. This sampling technique was adopted based on the ease with which the data can be collected as well as, those well versed with the knowledge of the subject matter.Data were obtained specifically from the respondents using a self structured questionnaire tagged "Treasury Single Account (TSA); a Panacea for over Dependent on Federal Allocation by states government". This instrument was validated by experts and authorities in the field of government accounting.The data obtained was analyzed using descriptive statistics and t-test statistics.

**Data Analysis and Findings**

Descriptive and T-test Statistics

Data in Table I: show that the descriptive analysis of the perception of the benefits of TSA and its ability to generate more revenue for states government. Result obtained shows that the respondents strongly agree that TSA ensure accountability of government revenue, enhance



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transparency of public funds. The result also reveals that the respondents agree on the other benefits of TSA as indicated in Table 1. In overall, the weight means score of 4.20 was obtained which is above the cut-off point of 3.0 for five points rating scale. This implies that TSA was perceived to be beneficial and capable of generating more revenue. Table 1 also shows that accountability of government revenue, transparency of public funds was also most rated perceive benefits of full adoption and implementation of TSA by the state government.

Table II: shows result of the analysis of the wiliness to exploit other natural resource by state government. As shown in Table II, States are not willing to exploit natural resources in their States because of Federal Allocation and some revenue resources are used to settle political thugs.

**Test of Hypothesis**

Ho: there is no significant benefit of adoption and full implementation of TSA by the state governments.

**Table I Descriptive Statistics Showing Rating of the Benefits of TSA adoption and full implementation by the States Government in Nigeria.**

| s/n | Items | N | $\bar{X}$ | SD | Rank | Remarks |
|---|---|---|---|---|---|---|
| **1** | TSA will generate more revenue for States Government | 133 | 4.64 | 0.48 | 1 | SA |
| **2** | Ensuring accountability and control of government revenue and enhance transparency | 133 | 4.41 | 0.72 | 2 | A |
| **3** | It will block revenue leakages | 133 | 4.11 | 0.99 | 5 | A |
| **4** | TSA promote proper planning and monitoring of revenue for government to meet financial obligation of the citizens | 133 | 3.82 | 1.09 | 8 | A |
| **5** | It gives a consolidated view of government revenue at any time | 133 | 4.06 | 1.03 | 6 | A |
| **6** | Enable government know how much is accruing to it on daily basis, thus reduce corruption | 133 | 4.39 | 0.65 | 3 | A |
| **7** | TSA exposes financial loopholes in MDAs | 133 | 4.38 | 0.65 | 4 | A |
| **8** | Revenue are usually diverted to private pockets | 133 | 3.95 | 1.24 | 4 | A |
| | Over all | 133 | 4.20 | 0.85 | | A |



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A = Agree, SA = Strongly Agree Source: Field Survey 2022

**Table II Descriptive Statistics of the Wiliness to Exploit other Natural Resources by States Government**

| s/n | Items | n | $\bar{X}$ | SD | Rank | Remarks |
|---|---|---|---|---|---|---|
| **1** | States are not willing to exploit natural resources in their States because of Federal Allocation | 133 | 4.28 | 0.68 | 1 | A |
| **2** | Exploitation of natural resources will generate revenue for State government | 133 | 3.74 | 1.12 | 3 | A |
| **3** | Constitutional bottleneck is a contributive factor | 133 | 3.80 | 1.10 | 2 | A |
| **4** | Some revenue resources are used to settle political thugs. | 133 | 3.64 | 1.10 | 4 | A |
| | Over all | 133 | 3.87 | 1.00 | | - |

A = Agree Source: Field Survey 2022

Table III Result of test of Hypothesis on the benefits of TSA adoption and full Implementation and ability to generate more revenue for State Government

| Variable | N | $\bar{X}$ | SD | Hypothesized Mean | $t_{cal}$ | Remarks |
|---|---|---|---|---|---|---|
| **TSA** | 133 | 4.20 | 0.55 | 3.00 | 24.87 | * |

df = 132* = significant at 0.05 (p>0.05), t-critical =1.98

Result in Table III shows that the calculated t (24.87) is greater than the critical value of t at 0.05 level of significance. Therefore, the null hypothesis is rejected. Hence, there is significant benefits of adoption and full implementation of TSA by state governments in Nigeria. This result supports the studies of (Pattanayak and Fainboim, 2011) and In summary, the result shows that 121 respondents representing 91 percentof the respondents opined that state governments in Nigeria should fully adopt and implement TSA.

## CONCLUSION

Treasury Single Account (TSA); A Panacea for over dependent on Federal Allocation by



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State Governments of Nigeria: was examined in this study. The finding reveals that, TSA adoption and full implementation by the state governments will be of great benefits and capable of generating more revenue as showed in the weighted means scores of 4.20 and $t_{cal}$ of 24.87; It is the conclusion in this study that State Governments in Nigeria should adopt and fully implement TSA for successful control and accountability of public funds so as to avoid over dependent on monthly Federal Allocation.

**Recommendations**

The following recommendations are made:

1. State governments should enlighten all stakeholders on the benefits of TSA adoption and the ability to generate more revenue for states.
2. There should be an integrated financial managementinformation system (IFMIS) for all the players in the TSA system at the state levels.
3. Professional, Knowledgeable officers/staff and regulatory bodies should help in designing, conceptualizing and road-mapping of TSA at the state level.
4. The state government accounting system should be designed to record all transactions and capture relevant information independently of the cash flows in specific bank accounts.
5. States Government should think outside the box about other sources of revenue.
6. States Government should exploit other natural resources in their states to generate additional revenue.

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