

Resolving Socio-Economic Challenges in Africa through the Implementation of Treasury Single Account (TSA): The Nigeria Experience

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ABSTRACT: *Corruption, a global malaise, has not been known to absolutely spare any nation in the World. Therefore its occurrence in African States is not unique. This paper examined the nagging issues of accountability and good governance crisis in public sector finance in Nigeria with particular reference to the policy directive of the Federal Government on the Treasury Single Account (TSA). Following the emergence of President Muhammadu Buhari, the Federal Government issued a directive that all revenues generated by the federal ministries, departments and agencies (MDAs) should be remitted directly into a single pool of fund for the government of the federation. The study examined issues, challenges and prospects of TSA in promoting good governance and sustainable economic thrive anchoring on prudent public sector finance management. In carrying out this study descriptive research method was adopted, data were sourced through secondary sources-texts and other related articles as well as personal observations. The data collected were analyzed qualitatively. The study revealed amongst others, that TSA engenders transparency, accountability and probity in conducting public financial transactions thereby curbing corruption and reducing wastages. The study also showed that TSA can constitute a setback to timely implementation of respective mandate of the MDAs, this was borne out of bureaucratic bottleneck involved. Revealed in the study was the envisaged mass downsizing/retrenchment of workers especially in the banking sector that over time relied on patronage from these MDAs for their operations. The study concluded that until TSA is strictly implemented in Nigeria public sectors corruption and strict of accountability might continue.*

Key Words: Accountability, Transparency and Corruption.

Introduction

With Nigeria's tortuous democratic transition to the fourth republic on May 29, 1999 hopes are high once again about the possibility of the sustenance of democratic values in the country. However, without prejudice to the poor performance of the past military regimes in economic development and management and despite the lofty promises and good intentions that must have informed the General Abdusalam Abubakar's agenda- setting when it handed over to the new democratic government on May 29, 1999 he left the economy in a very worse position. Unfortunately the successor civilian regime fell short of the people's expectation. President Obasanjo, not oblivious of these problems, formulated some economic policies, which are inspired by the principles stated below:

- (1) The economy exist for and belongs to the people, and at all times the general wellbeing of all the people shall be the overriding objective of the government and the proper measure of performance.
- (2) Given the state of the economy, which is equivalent to national emergency, economic management shall involve total commitment of the leadership at all tiers of government and the mobilization of the populace without creating a bloated government.
- (3) Government shall be lean, efficient, honest, transparent, cooperative and friendly; operate on the basis of extensive devolution of power and shall function mainly as facilitator and others (Fabayo and Abiola, 2003).

Obvious from these principles is the demonstration of commitment, faithfulness and dedication on the part of the civilian regime to run a government based on equity, fairness, justice, transparency, accountability and devoid of corruption and political manipulation of our public institution. But this administration suffered from duplication of efforts and targets, unnecessary plurality of influences, wrong identification of roles functions (this manifest in the establishment of anti-graft agencies, such as ICPC and EFCC to combat corruption in the public sectors). The successive government under the leadership of Dr. Goodluck Jonathan witnessed over- concentration on security matters and unnecessary publicity in term of public image rather than focusing on the formulation and implementation of policies that would thrive economic development, it was at the tail end of the administration that the idea of treasury single account

was initiated to curb corruption in the government ministries, departments and agencies (MDAs) but not implemented.

Owing to the above, it is a fact that the survival of domestic and international economic system relies basically on proper financial management. In the absence of such financial administrative mechanism, institutions will be bankrupt, corruption will prevail, and the system may collapse as a result of inadequate financial discipline, monitoring and accountability (Sherriff and Duada, 2014). Usman (2017) asserts that government banking arrangements are an important factor in managing and controlling government's cash resources. Inspite of the noble role play by banking sector globally, Nigeria situation was on the contrary where government ministries, departments and agencies have autonomy to operate numerous bank accounts without proper coordination and monitoring mechanism. This has been one of the major source through which public funds are squandered by public servants and their political cohort.

Flowing from the conception of financial management, Pattanayak and Fainboim (2011) observed that:

Banking arrangements are critical for ensuring that, one, all tax and non-tax revenues are collected and payments are made correctly in a timely manner; and two, government cash balances are optimally manage to reduced borrowing costs (or to maximize returns on surplus cash).

In the context of treasury single account (TSA) is a mechanism that provides a number of benefits which enhance the overall effectiveness of a public financial management (PFM) system. Specifically President Mohammadu Buhari has considered TSA to be a prerequisite for modern cash management and is an effective tool for the Federal Ministry of Finance /Treasury to establish oversight and centralized control over government's cash resources in Nigeria to avoid leakages. The adoption and full implementation of TSA by any government, especially in a dwindling economy cannot be over- emphasized. This is due to the fact that a Treasury Single Account is primarily to ensure accountability of government revenue, enhance transparency and avoid misappropriation of public funds (Adeolu, 2015). Apparently, its' a master stroke against a tackless financial strategy emanating from an unholy alliance between banks and MDAs, the current implementation of this unified accounting structure, rightly called TSA is burdened with high expectations of economic prospects owing to its possibility of ensuring transparency and accountability.

Historical overview of TSA in Nigeria

The idea of operating a centralized financial pool for government is as old as the Nigerian state itself. The idea of TSA within the precinct of public financial management in Nigeria also predates the period of 1999 when the current democratic experiment took off (Eme, Chukwurah and Emmanuel 2015). However, it was during this period it gained momentum, particularly under the administration of formal President Goodluck Jonathan. The Federation Account was enshrined in the 1999 constitution (as amended in 2011) is not the same as the TSA, by the spirit (though not letter) of the said constitution, similitude of the TSA was conceived or intended. Particularly, Section 80 sub section 1- 4 specified inter alia.

All revenues or other moneys raised or received by the Federation (not being revenues or other moneys payable under this constitution or any Act of the National Assembly into any other public fund of the Federation established for a specific purpose) shall be paid into and form one Consolidated Revenue Fund of the Federation. No moneys shall be withdrawn from the Consolidated Revenue Fund of the Federation expect to meet expenditure that is charged upon the fund by this Constitution or where the issue of those moneys has been authorised by an Appropriation Act, Supplementary Appropriation Act or an Act passed in pursuance of Section 81 of this constitution (FGN, 1999).

Furthermore, in the same Constitution, Section 162 sub -section 1 stipulates that:

The Federation shall maintain a special account to be called "the Federation Account" into which shall be paid all revenue collected by the Government of the Federation, except the proceeds from the personal income tax of the personnel of the armed force of the Federation, the Nigeria Police Force, the Ministry or department of Government charged with responsibility for Foreign Affairs and the residents of the Federal Capital Territory Abuja (FGN, 1999).

Apart from the 1999 constitution, the background of Treasury Single Account (TSA) is in accordance with Executive Order No. 55(2011), which stipulated that the Bureau of Treasury (BT) shall operate a Treasury Single Account (TSA) to receive remittance of collections of internal revenue tax/customs duties from Bureau of Internal Revenue (BIR)/ Bureau of Custom (BOC) authorized agent banks as well as other National Government Agencies from authorized government depository banks. The

TSA, which shall be maintained at the Central Bank of Nigeria (CBN), align the government policy of greater financial management and control of its cash resources and allow the unification of the structure of government bank accounts to enable consolidation and optimum utilization of government cash resources (Boulder, 2015)

Equally, the notion of TSA was reinforced by the position of central bank of Nigeria (CBN) in November 2013. At the end of its 235th Monetary Policy Committee (MPC) meeting held in Abuja, the CBN in its communiqué muted the idea of a TSA when it noted that:

A TSA is an essential tool for consolidating and managing government's cash resources. In countries with fragmented banking arrangement, the establishment of a TSA receives priority in the public financial management reform agenda. "The erosion of the fiscal buffers through the depletion of the Excess Crude Account (ECA) has further exposed the economy to vulnerabilities while the fall in oil revenue has left capital inflows as the only source of external revenues accretions (CBN, 2014)

Moreso, the same CBN communiqué went further to express serious concern that the federal government's debt had phenomenally risen along with its deposit moneys banks. This, it said, showed the federal government as a net creditor to the system. Accordingly, it noted that this underscores the urgent need for the immediate implementation of the Treasure Single Account.

According to Otunla (former Account General of the Federation) prior to TSA, Nigeria had fragmented banking arrangements for revenue and payment transactions. He stated that;

There were more than ₦10,000 bank accounts in multiple banks, which had it impossible to establish government consolidate cash position at any point in time. This led to pockets of the cash balances held in MDAs' accounts. When government was out borrowing moneys (Obinna, 2015).

He further claimed that the idea of TSA became a serious issue in Nigeria resources management when some agencies refuse to declare and remit the 25% of their annual revenue they generated to the treasury as demanded by law. In 2012 about ₦120 billion was forcefully collected by government from MDAs being 25% of their gross revenue to the treasury with another ₦34 billion collected in 2013 (Okerekeo and Okeye, 2017). Hamisu (2015) buttressed that The Revenue Mobilization and Fiscal Commission released an audit report which indicted some banks for withholding about ₦12b revenue collected on behalf of the Nigeria Customs Service and Federal Inland Revenue Service. The revenue according to the commission was stashed in 19 banks from January 2008 to June 2012.

It is eminent at the point to note that the TSA issued did not start with Buhari's administration. Formal President Goodluck Jonathan initiated the policy in 2014. But he could not implement it before he left office on May 29, 2015. Eme et al (2015) acknowledged the fact that it was the immediate past government of President Goodluck Jonathan that undivided and nitrated the policy directive since 2012. In this regards, the formal president Jonathan himself in October 2012, had started that by introducing the TSA;

My administration had not only brought down the fiscal deficit we have enhanced the predictability of public expenditures. Our Integrated Payroll and Personnel Information System (IPPIIS), Government Integrated Finance Management System (GIFMIS), improvement in cash management system through Treasury Single Account (TSA), and other non-financial management reforms, have greatly improved the Nation's Financial Management System and accountability (cited in Yusuf and Chiejina, 2015).

The implementation deadline by Jonathan was fixed for February 28, 2015. But the said deadline was ignored by the MDAs and no sanction was meted out to them. In that regard, Jegede (2015) opined that Jonathan lacked the courage to enforce the implementation of TSA because the hands of his administration was not clean enough. Other argued that the formal president could not resist the pressure to drop the idea from bank executives and top business magnate in the country who were playing major roles in the sponsorship of his re-election bid (Jegede, 2015, Hamisu, 2015 and Adeolu, 2015). To Jonathan administration TSA will have adversely affect liquidity in the banking system and end up putting pressure on interest rates availability of credit to the economy. Hence, the government of President Jonathan soft pedalled on the implementation.

The federal Government's seriousness about enforcing TSA was clearly stated in a circular conveyed by the government through the Head of Civil Service of the Federation Danladikfasi dated August 7, 2015, entitled; Re: Introduction of Treasury Single Account (TSA) (E- collection of Government Receipts). The made it known that President Buhari

...has approved the establishment and operation of Treasury Single Account for e-collection of Government Receipt for all Federal MDAs with effect from the date of this circular. Specifically, the circular was to aid transparency and facilitated compliance with section 80 and 162 of the Constitution of the Federal Republic of Nigeria 1999 (as amended). Consequently he said all receipts due to the Federal Government or any of her agencies shall be paid into the TSA maintained in the Central Bank of Nigeria (CBN), except otherwise expressly approved. That the government had put in place effective monitoring mechanism to ensure strict compliance. All Accounting Officers, Directors of Internal Audit Units of MDAs and other arms of government are enjoined to give this circular the widest circulation and ensure strict compliance to avoid sanctions. He said that further enquiries on the issue should be directed to the Account- General of the Federation (Vanguard Edition August 8, 2015 as cited in Odunsi, 2015).

Thus, the operation of TSA formally came into effect on August 11, 2015 the effective date that all revenues due to the Federal Government from various MDAs 'are to be retired into a unified account maintained by the Central Bank of Nigeria (CBN).

Interestingly, this action by the Federal Government received several commendations. For instance, a development economist, Odilim Enwegbara commended the efforts of the Federal Government under the leadership of President Buhari because to him.

With TSA leading to the closure of about 10,0000 multiple bank accounts operated by MDAs in commercial banks will have to wake up from slumber. This is because the era when government's money is either lent bank to government or invested in forex speculations is over. It also means that no longer at bankers committee meeting should member banks demand that the CBN pursues their self serving high interest rates to their benefits and those of heads of MDAs who placed public money in their high-interest-yielding fixed deposit accounts. With TSA, government can easily quarantine it revenues, with intended consequences including forcing interest rates to naturally nose-dive, since no serious business should be ready to borrow at such double digit rates when the economy is struggling at between 4 and 5 percent (cited in Okwe, 2015).

Conceptualizing Treasury Simple Account

A Treasury Single Account (TSA) is a unified structure of government bank accounts that gives a consolidated view of government cash resources. Based on the principle of unity of cash and unity of treasury a TSA is a bank account or a set of linked accounts through which the government transacts all its receipts and payments (Lienert, 2009). The principle of unity follows from the flexibility of all cash irrespective of its end use. Pattanayank and Fanboim (2011) defined TSA as a unified structure of government bank accounts enabling consolidated and optimum utilization of government cash resources. To them, this banking arrangement for government transactions is not only based on the principle of "fungibility" of all cash resources, but founded upon three basic assumptions. These assumptions include one, the uniformity of government cash flow in and out for proper monitoring and accountability, two, non - proliferation of bank by and MDAs outside the oversight of the treasury, and three , comprehensive coverage of all cash balances of all government agencies both budgetary and extra-budgetary to ensure full consolidation of government's cash resources.

In the same vein, the principle of fungibility, the paper implies the state of no differences in value of all cash irrespective of its use. In other words, fungibility connotes the state of 'identical of quality' or 'the state of being interchangeable' what this means in respect to the TSA is that, the practice of keeping money in different commercial bank accounts by government MDAs does not translate to variation of value of the same money if kept in treasury simple account maintained by the apex bank

Indeed, the entire garmut of TSA is to ensure that, as far as possible, all relevant cash resources of the government in terms of revenue, expenditure, donor financing, debt issuance, and amortization and repayment (including those associated with external debt) should be fully integrated into a unified and central account to enable government's apex bank or the ministry of finance or treasury monitor properly monies that flow in and out of this single account with intention of blocking all leakages of sharp practices and encourage prudent management of the commonwealth of the nation fore effective planning and efficient service delivery to the people.

Objectives of TSA

The primary objective of a TSA is to ensure effective aggregate control over government cash balances. The consolidation of cash resources through a TSA aggregate control of cash is also a key element in monetary and budget management. There are other objectives for setting up a TSA. They include;

- Minimizing transaction costs during budget execution, notably by controlling the delay in the remittance of government revenue (both tax and non-tax) by collecting banks, and making rapid payments of government expenses.
- facilitating reconciliation between banking and accounting data.
- efficient control and monitoring of funds allocated to various government agencies.
- facilitating better coordination with the monetary policy implementation. Lastly, the specific objectives are follows to provide greater transparency in the public financial management (PFM), To gain greater clarity to national financing needs and the management of the public debt. To increase fiscal saving (less transaction changes, more revenues; To improve financial market, To provide more accurate accounting and improved reporting (Research Journal of Finance and Accounting, 2016).

Accounts under TSA system

- **TSA Main Account:** This is the treasury's account with the central bank, which consolidates the government's cash position. It is the main TSA account when the TSA arrangement in a particular country consists of a set of linked accounts that are swept into this account. In other words, all government receipts finally flow into, and all disbursements are met from, the central TSA account.
- **TSA Subsidiary Account or Sub-account:** There are not separate bank accounts per se (in the sense of holding individual cash balances), but are special sub accounts within the main TSA account. This is basically an accounting arrangement to group together a set of transactions and allows the government to maintain the distinct accounting identity or ledgers. Balances in these accounts are netted off with the TSA main account for cash management purposes.
- **Transaction Account:** Sometimes government bank accounts that are justified for retail transaction banking operations are opened separately and structured as transaction accounts. These separate transaction accounts could be opened for government entities that need transaction banking services but do not have a direct access to the TSA main account or a subsidiary account and/or specific category of operations (e.g., special funds). A transaction account could take the form of a zero balance account or an imprest account.
- **Zero Balance Account (ZBA):** Where transactional accounts are necessary, these are generally opened on a zero balance basis, i.e., end-of-the-day cash balances in these accounts are swept into the TSA main account periodically (preferably daily). Such accounts opened in commercial banks are used for disbursements or for collection of government revenues (particularly non-tax revenues). At the end of the day, all revenues collected would be deposited in the TSA. The commercial bank would honour payments of the respective agency, and would be reimbursed by the TSA overnight. ZBAs have many similarities with special credit line arrangements, where budget agencies are provided spending credits towards the amount of payment they can make within a specified period to be reimbursed by the TSA in the central bank. A ZBA also has the benefit that it bypasses the normal interbank settlement process for each individual transaction, which is often time-consuming in developing countries and ensures same-day settlement on a net basis for all receipts and payments passing through the accounts.
- **Imprest Accounts:** These transaction accounts can hold cash up to a maximum authorized amount and are recouped from time to time. Such accounts might be necessary in some cases, particularly when there is only limited availability of interbank settlement facilities. However, the number of imprest accounts should be kept to a minimum and the strategy should be to progressively transform these accounts into zero.
- **Transit accounts:** These accounts are not meant for day-to-day transaction banking operations of government units. A transit account: Simply serves as a transit for eventual flow of cash into the TSA main account. Transit accounts might be necessary for major revenue streams to monitor their collection and remittance by the banking system and to facilitate revenue sharing (formula-based sharing from a common pool of resources) between tiers of government in a federal system in line with constitutional provisions (Research Journal of Finance and Accounting, 2016).
- **Correspondent accounts:** A separate ledger account is opened for each correspondent. The correspondent entity has real-time information on the balances it maintains in the TSA. There should be safeguards to ensure that each correspondent government is provided with the funds needed to implement its own budget in a timely manner. The central bank (which maintains the

accounts in the TSA) has the obligation to make payments to the extent of the balances available in a correspondent's account.

The Framework for the Establishment of TSA

Establishing a TSA usually requires a legal basis to ensure its robustness and stability. Being legally recognised the following are some of the requests needed to put in place (Simon. 1997)

a) Preparing an Inventory of Existing Bank Accounts

In countries with a fragmented government banking arrangement, the process of establishing a TSA should start with a census of all the existing bank accounts of government which should be prepared (including their nature, type and cash balances). This would facilitate identifying bank accounts for eventual closure/merger with the TSA.

b) Political Support

Establishing a TSA can require hard decisions, such as closing the existing bank account of budget organizations (outside treasury control that can provoke powerful opposition. For success, the highest level of government must explicitly and strongly support a TSA reform. Cabinet decisions to initiate and reinforce are helpful.

c) Legal and Regulatory Requirements

The legal framework should be amended as necessary to allow for the establishment of the TSA. The establishment of a TSA must be accompanied by the closure of irregular bank accounts of ministries and budget units, and legal authority for opening government accounts should be vested in the MoF.

d) Technological Requirements.

The technological feasibility and capacity of the banking system to participate in the operation of a TSA and to report on TSA transactions, should be established. Infact a decision on TSA could trigger the acquisition of necessary technology by the banking system as the banking services will be remuneration based.

e) The Existence of an Interbank Settlement System

This include the development of a small payments clearing system, and Revenue Treasury Governing System (RTGS) at the central bank and the connection of major commercial banks to the RTGS. This requirement is important in case of a decentralization TSA architecture. The treasury could be connected to the RTGS.

f) Appropriate Interference Between the Treasury and the Banking Network.

This interface between the treasury, line agencies and the banking network should be agreed by the stakeholders and formalized through agreements. Such agreements should provide the modalities of issuing payment orders/ checks, and the arrangements for reporting and reconciliation.

An electronic interface between the treasury and the banking network through an IFMIS would facilitate a full-scale centralized TSA. This should be addressed during the conceptual design phase of the TSA and the IFMIS.

g) A comprehensive Chart of Account

With the establishment of a TSA, some information that is currently available for the banking system is likely to be lost if such data are relevant for budget management purpose, they should be captured through the chart of accounts, which may require modification. This work should also be completed during the conceptual design phase of the TSA and the IFMIS.

h) Capacity Development of the TSA Users.

The prospective user of the TSA system both within the MoF/ treasury and line agencies will need to be trained in the new procedures and applications. Such training should be carefully coordinated with the introduction of the TSA. A user manual on receipt and payment procedures under the TSA system should also be developed.

Table 1: TSA Compliance Evaluation Report by some Federal Ministries, Departments and Agencies (MDAs) 2016 – 2017.

S/N	Names	Degree of compliance %
1	National Examination Council (NEC)	75 %
2	Joint Admission and Matriculation Board (JAMB)	80 %
3	Nigeria National Petroleum Corporation (NNPC)	65%
4	Nigeria Custom Services (NSC)	60 %
5	Nigeria Port Authority (NPA)	65%
6	Nigeria Civil Aviation Authority (NCAA)	55%
7	Federal Inland Revenue Service (FIRS)	65 %

8	Nigeria Television Authority (NTA)	55%
9	Federal Radio Corporation (FRC)	60%
10	Nigeria railway corporation (NRC)	70%

Source: Nigeria Watch Data Base (2017).

The table above shows the level of TSA compliance of the Federal Government Ministries, department and agencies (MDAs) between year 2016-2017. NCO remitted 75% of the annual receipt, JAMB 80%, NNPC 65%, NCS 60%, followed by NPA 65%. NCAA remitted a total of 55% of their annual receipt while FIR, NTA, FRC reemitted 65%, 55%, 60% and 70% respectively. It is imperative to note that the variation in the degree of compliance premised on the difference in the running cost and logistic as it occurred to these MDAs.

Benefits of TSA in Nigeria

Infact, the benefit of the TSA cannot be over-emphasized, especially for economy like that of Nigeria that live on borrowings to fund its budget annually. It is interesting to first acknowledge that government banking arrangement are an important factor for efficient management and control government cash resources.

TSA policy has been playing important roles in stabilizing the economy of Nigeria most especially during economic recession. According to Ojiti (2017) TSA saved Nigerian from total economy met down when there was a dwindling price of crude oil in the world market. The Federal Government fall back on what accrue to the Federation Account through TSA policy to finance some their budgetary mandate. Aside it was through implementation of TSA policy that financial status of some of the Federal Agencies were revealed. For instance National Examination Council remitted well over ₦7.6billion in 2017 which had never happened in Nigeria before.

Be that is it may, banking arrangement should be designed to minimize the cost of government borrowing and maximize the opportunity cost of cash resources' through timely investments in short term liquid assets. Lagos State Government (LASG, 2011) observed that:

The experience of many countries that are operating the TSA have shown that establishing a unified structure of government bank accounts via a treasury single account (TSA) will solve these problems described.....by improving cash management and control. It should, therefore, receive piety in any public financial management (PFM) reform agenda. A full TSA system will facilitate daily consolidation of the ...financial resources, improve appropriation and operational control, streamline and rationalize the number of government bank accounts to a manageable optimum thereby reducing bank fees/transaction costs, among other benefits (LASG, 2011).

Garbade, Kenneth, John and Santoro (2004) stated that the TSA will allows complete and timely information on government cash resources, in countries with advanced payment and settlement systems and an Integrated Financial Management Information System (IFMIS) with adequate interface with the banking system, this information will be available in real time. A minimum, complete updated balance should be available daily. Interestingly, one of the available success story of the TSA is the recent example of the Slovak Republic which installed a new government Integrated Financial Management Information System (IFMIS). The Slovak treasury centralizes control of all cash, foreign exchange and debt and applies similar risk management methods to those used in commercial.

Further, to them the TSA improves appropriation control and operational control during budget execution in that:

The TSA ensures that the MoF has full control over budget allocation, and strengthen the authority of the budget appropriation. When separate bank accounts are maintained, the result is often fragmented system... when the treasury has full information about cash resources, it can plan and implement budget execution in an efficient, transparent, and reliable manner.

In the same vein, Oyedele argued that if properly undertaken the TSA should also provide some transparency around unspent budgetary allocation which can be carried forward to another year. He further submitted that:

In addition a TSA allows for effective reconciliation between the government accounting system and cash flow statements from the banking system. This reduces the risk of errors in reconciliation processes, and improves the timeliness and quality of the fiscal accounts. Also, it reduces the volatility of

cash flows through the treasury thus allowing it to maintain a lower cash resources/ buffer to meet unexpected fiscal volatility.

Apparently, government sees Treasury Single Account (TSA) as a useful tool to establish centralized control over its revenue through effective cash management. It enhances accountability and enables government to know how much is accruing to its accounts on a daily basis (Akande, 2015). In Nigeria, it is expected that implementation of TSA will help tame the tide of corruption of financial leakages and embezzlement. The implementation of TSA is expected to block revenue leakage within the MDAs as the ministry of finance will be able to monitor the inflows and outflows, hence, augment the reduction in oil revenue due to falling oil prices. Central Bank of Nigeria (2015) reasoned in the same direction and said that the implementation of TSA will enable the Ministry of Finance monitor fund flow as an agency of government is allowed to maintain any operational bank account outside the oversight of the Ministry of Finance.

Udoma (2016) opines that maintenance of TSA will enhance funding government budget rather than depend on Federal allocation. In any economy where the budget is fully funded, the aim certainly will be accomplished. The consequence should be improved economic system, political and social development. It is clear that a government that lacks effective control over its cash resources can pay for its instructional deficiencies in multiple ways.

Challenges facing TSA implementation in Nigeria.

Notwithstanding the seeming benefits of the TSA, it is the contention of this paper that the TSA is not without fault lines. This is because, one, there are some legal barriers to full implementation of TSA. For instance, while section 162 of the 1999 Constitution of the Federal Republic of Nigeria (as amended in 2011) regarding the maintenance of Federation Account provides a broad legal framework, it does not address the operational details. Some MDAs have financial autonomy granted to them by legislation include power to maintain a fund form which to pay expenses and even to invest surplus funds and maintain reserves. These MDAs include all Federal universities and their respective Teaching Hospital, Federal Medical Centres, Nigeria Civil Aviation Authority (NCAA), Nigeria Maritime Administration and Safety Agency (NIMASA), Federal Airport Authority of Nigeria (FAAN), Nigeria Port Authority (NPA), Corporate Affairs Commission (CAC), Central Bank of Nigeria (CBN), Federal Inland Revenue Service (FIRS) and others.

In a report by The Punch Newspaper on October 26, 2015, it was revealed that:

There were a member of government agencies that their enabling Acts allowed them to collect revenue directly and use the same to execute their mandate. Such agencies did not draw from the Federal Budget. In 2007, the Fiscal Responsibility Bill was passed into law. The fiscal responsibility Act created the Fiscal Responsibility Commission and required listed to remit yearly, 80 percent of their operation surplus to the consolidated revenue fund. This act failed woefully to define what constituted “operating surplus”.

More expectedly, TSA should prevent delays in reconciling tax payers' accounts which historically has been the case where taxes paid by companies are not remitted promptly to tax authorities or the authorities do not have visibility on collections to update taxpayers' records. This leads to delays in obtaining tax credits or even tax clearance certificates. Consequent upon the ongoing implementation of electronic tax filing system via TSA if fully implemented, this process should happen automatically with little or no human intention. In recent times, the National Assembly of Nigeria and the readable public was thrown into a state of confusion and disagreements as it were, as a result of accusations and denial of fraud with TSA. The TSA has been tagged as a fraud by Senator Dino Melaye by contesting the alleged outrageous commission of ₦25billion received by system specs, the organisation in charge of the operation of TSA (The Sun Newspaper, 2015).

Different from the above, another major challenge is lack of political will to push the policy through. Indeed, past experiences have shown that one of the problems confronting the Nigerian nation is lack of political will to fight corruption and curb government excesses. This fear was equally expressed by Tari (2016) that TSA has been in the offing for many years since Olusegun Obasanjo's tenure but it was reviewed by the present administration calls for concern over the political willingness on the part of government to see its implementation through this time around.

Another challenge and worry of many over the TSA implementation is the likelihood that monies that Federal Government is trying to save in a single account for prudent use may find its way into the hands of politicians within the ruling party, the All Progressive Congress (APC) who would desperately use such money to prosecute elections and political propaganda. This envisaged challenge may not be misplaced given the past experience with the roles money had played in Nigeria electoral contests.

Equally, the banking sector is the engine of any nation's economy in Nigeria commercial banks have been the custodians of government funds. Therefore, with the maintenance of a single account, banks will be deprived of the free of funds from ministry. Indeed, it is estimated that commercial banks hold about N2.2trillion public sector funds at the beginning of the first quarter of 2015 (Obunna, 2015). When such amount of money leaves the system, the result is liquidity problem, that is, insufficiency of available cash in the banking system, resulting in a surge in money market rates as banks source for funds to cover their poor liquidity positions. Possibly, this may lead to mass job losses of commercial banks workers.

Conclusion and Way Forward

The paper concludes that TSA policy will go a long way in blocking the identified financial leakages in revenue generation and promote transparency and accountability in the public financial system if it is fully implemented. It will equally pave way for the timely payment and capturing of all revenues going into government treasure without the intermediation of multiple banking arrangements. In this regard, the country cannot afford to continue with the luxury of past practices where the different government MDAs financial activities are structured in secrecy. This practice among other things created rooms for corruption, leakages and wastages, mismanagement and misappropriation including in accountable leadership. On the whole, the adoption of TSA should be positive for the economy in general and also the tax system in particular. The appropriate authorities will have to embrace transparency and accountability more than ever before. This paper recommends the following towards success of TSA as an economic thrive policy:

- Government should engage in massive public enlightenment about the importance of the policy at all levels.
- Government should adhere to the provisions of section 162 (1) of the constitution of the Federal Republic of Nigeria (as amended) for the maintenance of Federation accounts and avoid using private contributors (Systemspecs-Remita).
- Also, there is need for more legislation to cover the states and local government level in view of TSA so that it will not be limited to Federal government.
- TSA policy should be redesigned to specifically safeguard the financial autonomy of some sectors, like the education and health sectors.

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