ABSTRACT

Nigeria is a country endowed with natural and human resources, but still fall short of the developmental progress required to positively impact the well being of the average Nigerian. Corruption has been described as one of the greatest challenges of our time and prevalence of high level of corruption in governance has been identified as one major obstacle militating against rapid growth and development. This study examines the benefits of TSA strategy and concludes that despite the plethora of legislation and agencies fighting corruption, it has remained pervasive because of the disconnection between the posturing of leaders and their conduct and failure to utilize universally accepted and tested strategies; a good example which is TSA. It therefore recommends that the government through the Office of the Accountant General of the Federation (OAGF) must come up with the guidelines and modalities that will strengthen the process of TSA implementation.

Keywords: Treasury Single Account, Corruption, Strategy, Treasury Management, Public Financial Management and Sustainable Development.

INTRODUCTION
Nigeria is the most populous country in Africa and is naturally endowed with millions of acres of arable land, 38.5 billion barrels of stated oil reserves, vast gas reserves, variety of unexploited minerals and a wealth of human capital by virtue of its estimated population over 150 million. It is the world’s eighth largest exporter of oil, and Africa largest economy with the rebasing activity of 2013. Nigeria accounts for 15 percent of Africa’s population, contributes 11 percent of Africa’s total output and 16 percent of its foreign reserves while it accounts for half of the population and more than two thirds of the output of the west Africa sub region (Oteh, 2009). Igbuzor (2012) opined that Nigeria was one of the richest countries in the early 1970s but has retrogressed to become one of the 25 poorest countries on the threshold of the twenty-first century, this is even as it hosts the third largest number of poor people after China and India. Nigeria stills fall far short of the developmental progress required to impact the well being of the average Nigerian given that over half of the Nigeria’s population live on less than one dollar a day (Oteh, 2009). The enormity of the challenge is corroborated by Nigeria’s low score on the Human Development Index (HDI). The Human Development Index (HDI) is a comparative measure of life expectancy, literacy, education, standards of living and quality of life for countries worldwide. It is a standard means of measuring the wellbeing of a country.

Corruption has been identified as one major obstacle militating against rapid growth and development in Nigeria (Odekunle, 2012; Igbuzor, 2012; Nageri, Gunu and Abdul, 2013). Igbuzor (2012) opined that corruption has been argued to be one of the major obstacles to the development of poor countries. It is undoubtedly one of the greatest challenges of our time, a challenge that is not only lead to impoverishment and loss of lives but also threatening the stability of the society. Similarly, Nageri, Gunu and Abdul (2013) also opined that the major reason advanced for Nigerians developmental challenge is the prevalence of high level of corruption in governance, public and private places. Ogbeidi (2012) further opined that it is an incontrovertible fact that corruption has been the bane of Nigeria’s development. One of the greatest threats to economic and political development of any nation is corruption. Therefore the challenges of corruption remain a major devastating issue facing Nigeria since colonial period. It has become a cankerworm that has eaten deep into the fabrics of our system (Usman, 2013). Bello-Imam (2004) opined that the consequences of corruption includes retardation of economic growth, misallocation of talent, limitation of aid flows, loss of tax revenue, adverse budgetary consequences, negative impact on quality of infrastructure and public services and negative composition of government expenditure.

Several efforts have been made to combat corruption in Nigeria but Odekunle (2015) opined that the major drawback in the fight against corruption has been the patent absence of sincerity on the part of the political and related leadership of the country and, on the contrary, their obvious accommodation and tolerance of corrupt practices in both the public and private sectors of the economy. Achebe (1984) wrote that the Nigerian problem is the unwillingness or inability of its leaders to rise to their responsibility to the challenge of personal example, which is the hallmark of leadership. Against the foregoing background has emerged the leadership of President Buhari with a widely acknowledged distinctive leadership character, integrity and zero tolerance for corruption, along with an observable disposition towards an ethos of putting the interest of the collective over and above that of the individual. Infact, he has defined corruption as the greatest form of human rights violation and just within the short span of three months, his body language has produced positive results (Odekunle, 2015). It is also with this spirit that directives were given to all ministries, departments and agencies on total compliance to the treasury single account that was hitherto introduced by the last administration but with little or no compliance. Given the
magnitude of corruption that had bedeviled Nigeria’s development, it is the contention and objective of this paper to examine the single treasury account as a strategy for combating corruption.

From the foregoing, the objective of this paper is to examine the single treasury account as a strategy for combating corruption with particular emphasis on the benefits of single treasury account. The paper is divided into five sections. Section one is the introductory part of the paper which explicates the Nigerian developmental challenge and the problem of corruption. It provides a concise overview on the paper. Section two attempts a review of the literature which consists of conceptual clarifications on single treasury account, corruption and sustainable development. Section three reviews the history and benefits of single treasury account in Nigeria. Section four concludes the paper while section five recommends by calling those that believes in project Nigeria to play their part in ensuring that government efforts toward combating corruption is achieved.

CONCEPTUAL REVIEW

Corruption

Nye (2000) 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 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 regarding uses). Odekunle (2015) opined that corruption is any act or deliberate omission, in the realm of public or corporate functioning, which gives illegitimate or out rightly illegal benefit or advantage to the individual and to the detriment of the collective interest of the group, community or nation. Oxford Dictionary of Current English defines corruption as an act of dishonesty especially using bribery or immoral or wicked act. Oxford Advanced Learners Dictionary sees corruption as dishonest or illegal behavior especially of people in authority. Etymologically, corruption comes from the greek word “corrupius” meaning an aberration or we may say a misnomer.

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. It is also abused when private agents actively offer bribes to circumvent public offices and processes for competitive advantage or profit. 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. It can be defined as a pervasion or change from the generally accepted rules or laws for selfish gain (Waziri, 2010). 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 offer or 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 non performance of his/her duties

United Nations Global Programme against Corruption (2012) defines corruption as abuse of power for private gain. According to Lima declaration, the impact of corruption includes the erosion of moral fabric of society, violation of the social and economic rights of the poor and vulnerable, undermining democracy, subversion of the rule of law, retardation of
development and denial to society particularly the poor, of the benefits of the free and open competition. Since 1996, when Nigeria first features in the corruption perception index, a research carried out by transparency international (TI), a non governmental organization that assess the level of corruption in countries around the world, Nigeria have been languishing in the bottom of the ranking among countries evaluated and have more than once ranked as the most corrupt country in the world. In 2003, Nigeria corruption survey study final report of Ahmadu Bello University, Zaria shows that Nigeria police, political parties, national and state assemblies, local and municipal government, federal and state executive council, FRSC, PHCN, NNPC, Nigerian customs, NNPC, Nigerian customs and FIRS as public institutions perceived as corrupt. Usman (2013) opined that a cursory observation shows that corruption is perpetrated with impunity with little or no bringing the perpetrators to justice. Despite the establishment of the anti-graft commissions, corruption has continued to escalate like wide fire.

**Treasury Single Account**

Al-Wadani and Al-Alkawi (2010) opined that the treasury single account is a financial program for conducting the internal and external cash flows necessary for executing the public budget of country, and it realizes the premium utilization of available liquidation. Treasury Single Account (TSA) is one of the proven practices worldwide in improving the payment and revenue collection systems, and carrying out consistent control of public expenditures by centralizing the free balances of government bank accounts. The main purpose and objective of TSA implementation is to maximize the use of cash resources through concentration and reduction in float costs. The TSA solutions are designed to capture detailed information about the government’s cash resources and spending on a daily basis (Dener, 2014). Its principal objectives are to provide greater transparency in the Public Financial Management (PFM), gain greater clarity to national financing needs and the management of the public debt; increase fiscal savings (less transaction charges, more revenues), improve financial markets and provide more accurate accounting and improved reporting. The role of TSA consists to concentrate all Government funds on one account for its proper management. In other words, it is an instrument put in place in order to control Government finance resources and expenditures. It ensures complete, real time information on government cash resources and improves operational and appropriations control.

A TSA is a unified structure of bank accounts enabling consolidation and optimal utilization of government’s cash resources. It is a bank account or a set of linked bank accounts through which government transacts all its receipts and payments and gets consolidated view of its cash position at any given time (Kifasi, 2015). Onyekpere (2015) opined that TSA is a process and tool for effective management of government’s finances, banking and cash position. In accordance with the name, it pools and unifies all government accounts through a single treasury account. Chukwu (2015) defined a treasury single account (TSA) as a network of subsidiary accounts all linked to a main account such that, transactions are effected in the subsidiary accounts but closing balances on these subsidiary accounts are transferred to the main account, at the end of each business day. The TSA is bound to improve transparency and accountability in public finance management. This is even as revenue generating agencies that have been depriving the Treasury of due revenue through a plethora of bank accounts under their purview and which is not known to the authorities will no longer be able to defraud the revenue since all funds will be swept into the TSA. Thus, with the implementation of the Treasury Single Account, Ministries, Agencies and Departments (MDAs) will maintain their individual accounts with the commercial banks, but daily funding of their disbursements are
made from the central or main account, which is resident with the Central Bank, just as their closing balances at the end of day are transferred to the main account (Onyekpere, 2015).

**Sustainable Development**

In 1987, the World Commission on Environment and Development through the Brundland report defined sustainable development as development that meets the needs of the present generation without compromising the ability of the future generation to meet their own needs (Wikipedia, 2013). The United Nations (2005) world summit outcome document refers to the interdependent and mutually reinforcing pillars of sustainable development and environmental development. SD is generally understood as the process of achieving human development in an inclusive, connected, equitable, prudent, and secure manner (Gladwin, Krause and Kennelly, 1995). In other words, SD is intended to foster economic prosperity for all members of society while preserving the integrity of the environment (Blackburn, Dorm and Strader, 1994). It can be considered a form of vision expression, value change, moral development or social reorganization (Gore, 1992) toward a desired future or better world (Galdwin et al., 1995).

Galdwin et al (1995) reviewed several definitions of Sustainable Development and performed a content analysis, concluding that various definitions have fundamentally stressed the notion of human development in association with principles of inclusiveness, connectivity, equity, prudence and security. Inclusiveness implies human development over time and space. Connectivity entails an embrace of ecological, social, and economic interdependence. Equity suggests intergenerational, intra-generational, and interspecies fairness. Prudence connotes duties of care and prevention: technologically, scientifically, and politically. Security demands safety from chronic threats and protection from harmful disruption like corruption as Odekunle (2015) posits that corruption remains endemic, pervasive and systemic in virtually all areas of our public and corporate life and the consequences have continue to be devastating to the extent that it is killing the polity economically, politically, socio-culturally and resulting in unjustifiable under development.

At a time when there is global emphasis on Sustainable Development Goals (SDGs) which consist of proposed set of targets relating to future international development that have been designed to replace the Millennium Development Goals that would expire at the end of 2015. It is worthwhile to note that combating corruption by blocking all the leakages via implementation of treasury single account will go a long way in harnessing financial resources that could be utilized in implementing programmes that are geared towards achieving the SDGs particularly in Goal 16 which seeks to promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels. This would further go a long way in also achieving the targets which seeks to significantly reduce illicit financial and arms flows, strengthen recovery and return of stolen assets, and combat all forms of organized crime, substantially reduce corruption and bribery in all its forms as well as develop effective, accountable and transparent institutions at all levels.

**TREASURY SINGLE ACCOUNT IN NIGERIA**

On Sunday, August 9, 2015 President Muhammadu Buhari directed all the Ministries, Departments and Agencies (MDAs) to close all their accounts domiciled in the commercial banks and transfer them to the federation account and gave September 15, 2015 as deadline for total compliance. The Independent Revenue e-Collection Scheme is implemented under Treasury
Single Account (TSA) initiative, which requires that government revenue collection, is put into a single account for proper cash management. The independent e-collection initiative will automate revenue collections of ministries, departments and agencies (MDAs) directly into the Federal Governments Consolidated Revenue Fund (CRF) account at the Central Bank of Nigeria, through the Remita e-Collection platform and other electronic payment channels (CBN, 2015). The idea of TSA was mooted by the Central Bank of Nigeria at the 235th Monetary Policy Committee Meeting in November 2013.

The policy measure and directive was aimed at promoting transparency, ensure compliance with sections 80 and 162 of the 1999 Constitution and end the previous public accounting system of several fragmented accounts for government revenues, incomes and receipts (Anumihe, 2015). A statement conveying the directive according to the Senior Special Assistant to the Vice President on Media and Publicity, Mr. Laolu Akande, said it applies to fully funded organs of government like the MDAs and foreign missions, as well as the partially funded ones, such as teaching hospitals, medical centre’s and federal tertiary institutions. The affected agencies include the CBN, Securities and Exchange Commission (SEC), Corporate Affairs Commission (CAC), Nigerian Ports Authority (NPA), Nigerian Communications Commission (NCC), Federal Airport Authority of Nigeria (FAAN), Nigerian Civil Aviation Authority (NCAA), Nigerian Maritime Administration and Safety Agency (NIMASA), Nigerian Deposit Insurance Corporation (NDIC), National Shipping Council (NSC), Nigerian National Petroleum Corporation (NNPC), Federal Inland Revenue Service (FIRS), Nigerian Customs Service (NCS), and Department of Petroleum Resources (DPR), except for those expressly exempted (Anumihe, 2015).

The statement further added that any agency that was fully or partially self-funding, must maintain in the CBN, sub-accounts linked to TSA, and the accounting system would be configured to allow them access to the funds, subject to their approved budgets. Treasury Single Account has become a useful model governments use to establish centralized control over its revenue through effective cash management. It enhances accountability and enables government to know how much is accruing to it on a daily basis. In the case of Nigeria, it is expected that the implementation of TSA will help tame the tide of corruption’ the circular, said. The CBN Director, Corporate Communications, Ibrahim Muazu, explained that the TSA as a government policy was part of the national payment initiative aimed at modernizing the country’s payment system.

**BENEFITS OF TREASURY SINGLE ACCOUNT**

Enweagbara (2015) opined that the introduction of TSA will lead to the closure of about 10,000 multiple bank accounts operated by MDAs in commercial banks and this will make banks to wake up from their slumber. He went ahead to posit that TSA will force banks to leave their comfort zone caused by dependence on government money to now become as creative and innovative as it is the case in modern economies around the world, which is to seek private deposits through investing in the real sector of the economy. This according to him is because the era when government’s money is either lent back to government or invested in forex speculations is over. With TSA, government can easily quarantine its 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 per cent. This insistence on Treasury Single Account means fiscal discipline, efficiency, and accountability, on the part of government. In fact, this blockage of
government’s revenue diversion and looting using TSA besides leading to the consolidation of government revenues, incomes, and receipts, it will also lead to the optimal utilization of government cash resources, including creative investment of public funds in the critical development sectors of the economy.

Onyekpere (2015) opined that the advantages and benefits of the TSA are legion. The consolidation into a TSA paves way for the timely capture and payment of all due revenues into government coffers without the intermediation of multiple banking arrangements. This prevents revenue leakages in terms of revenue loss and mismanagement by operators of all revenue-generating agencies. With this comes better cash management practices since the Treasury can at all times have an overall view of government’s cash position, as against the fragmented positions of different Ministries, Department and Agencies (MDAs), which need to be laboriously pooled together to get the overall picture. This will reduce the cost of borrowing by government and its agencies, as the government will likely be in the surplus at most times of the year. Thus, beyond transparency and accountability, the TSA will introduce economy and efficiency into overall management of public finances and this will in the long run lead to effectiveness of government spending since it places government in a better position to realize overall policy goals.

Chukwu (2015) posits that TSA is principally a cash management tool for efficient management of the Government’s cash position. Prior to the implementation of the TSA, government was incurring finance cost on debit balances in some MDA’s accounts while it was earning close to nothing on the credit balances of other MDAs. With the TSA, the net balances on all the MDA accounts will now reside with the Central Bank; hence, the government will avoid incurring interest costs when it has positive net position. The TSA will allow the government to see at a glance the daily revenues being generated by the Revenue Generation Agencies as well as identify negative variances. It will also eliminate the possibilities of diversion of government revenue. In addition to the above, the TSA will reduce the opportunities for corruption in the management of government cash positions. Those instances where government officials intentionally leave credit balances in some accounts while they borrow with other accounts, so that they will enjoy pecuniary benefits, will now be eliminated.

Alenoghena (2015) opined that TSA would plug loopholes, where hitherto resources were filtered away. If a Ministry, Department or Agency (MDA) has various accounts and doesn’t have a unique one for receiving inflows; it is very easy to tell its clients to pay money into any of its accounts, which is supposed to be illegal. Besides plugging loopholes, it breeds accountability. All inflows are seen the exact way they come in, can be tracked, and proper documentation maintained. Khan (2015) posited that the directive on the TSA is an excellent step to ensure more transparency in government finances (it should be clearer what each agency is earning), and also to reduce the amount that government needs to borrow overall. Of course, this alone cannot compensate for weaker oil revenue, nor will it compensate for the arrears that will have to be paid, somehow. So while government borrowing will still rise, at least public finances will not be as pressured as they might have been in the absence of a TSA.

Ademola (2015) posited that the TSA will support the anti-corruption crusade of the new government and to consolidate all the accounts of the federal government, prevent leakages and help in shoring up the revenue of government. He went ahead to opine that banks have been accused of not carrying on the proper business of banking but are involved in “cash round-
tripping” by taking funds from the government and using the same funds to invest in government bonds and Treasury Bills; thus making huge returns without risking their capital.

With the implementation of the TSA, banks will need to conduct proper financial intermediation and find innovative ways to improve liquidity and returns. It would be tough at the initial stage but with time, they will adjust, easing the pressures on banking sector liquidity.

CONCLUSIONS AND RECOMMENDATIONS

The problem of corruption is as old as society and cuts across nations, cultures, races and classes of people. It is undoubtedly the greatest challenges of our times leading to the underdevelopment. Despite the plethora of legislation and agencies fighting corruption in the country, it has remained pervasive because of the disconnection between the posturing of leaders and their conduct and failure to utilize universally accepted and tested strategies; a good example which is TSA. It is therefore recommended that the government through the Office of the Accountant General of the Federation (OAGF) must come up with the guidelines and modalities that will further strengthen the process of TSA implementation, this is even as all relevant stakeholders in the full implementation of TSA must ensure that World Bank preconditions cum global best practices are complied with. These includes provision of legal and regulatory requirements for TSA, technical requirements and reliable Information and Communication Technology (ICT) infrastructure, Fully operational interbank settlement systems, Interface between the Central Treasury/Government Integrated Financial Management Information System (GIFMIS) and the Central Bank information Real Time Gross Settlement/Automated Clearing House (RTGS/ACH), A comprehensive chart of accounts (CoA) to capture relevant details consistently, An inventory of existing Bank accounts to be used in GIFMIS and TSA operations, Capacity building and development of TSA users and above all the continuous political support to ensure TSA operations and its sustainability. All these would ensure that the present generations meet their own needs without compromising the ability of the next and future generations to meet theirs since all leakages would be blocked and financial resources harnessed efficiently and effectively to enable the government address developmental challenges that meets the needs and aspiration of the citizenry.

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ABOUT THE AUTHORS:

Wahid Damiola Olanipekun M.Tech is a PhD Candidate in the Department of Business and Entrepreneurship, College of Humanities, Management and Social Sciences, Kwara State University, Malete, Nigeria.

Aminu Nassir Brimah M.Sc. is a PhD Candidate in the Department of Business Administration, Faculty of Management Sciences, University of Ilorin, Ilorin, Kwara State, Nigeria.

Folaranmi Modupe Olowoleni PhD is the Secretary to the Postgraduate School, University of Ilorin, Ilorin, Kwara State, Nigeria.