

Impact of Treasury Single Account Policy on University Revenues: A Case Study of the University of Jos, Nigeria

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Abstract

This study examined the impact of the Treasury Single Account (TSA) policy on the revenues of the University of Jos and its role in reconciling fund balance differences between the government and the university. The study assessed the implications of the TSA policy on financial operations and accountability within the university context. This study employed descriptive survey design. The population for this study included administrators, financial officers, and relevant staff at the University of Jos. Government officials involved in the implementation of the TSA policy were also considered for interviews and data collection. Structured interviews were conducted with key stakeholders to gather qualitative insights into the impact of the TSA policy. Financial records, government policies, and relevant documents were analyzed to understand the implementation and effects of the TSA policy. Questionnaires were distributed to a sample of university staff to collect quantitative data on their experiences with the TSA policy. Qualitative data from interviews and document analysis were subjected to content analysis to identify recurring themes and patterns. Quantitative data were analyzed using statistical techniques, such as descriptive statistics and simple percentage, to identify trends and correlations. The findings provided insights into financial management, transparency, and accountability within the university. Based on the findings, the study recommended improvements in financial reporting, communication between the university and the government, and the development of strategies to mitigate any adverse effects on university revenues.

Keywords: Treasury Single Account, University finances, financial accountability, Fund reconciliation, Government policy.

Introduction

The Treasury Single Account (TSA) policy, introduced by the Nigerian government in 2015, marked a significant shift in financial management and accountability within the public sector. This policy aimed to consolidate all government revenues into a single account held at the central bank, streamlining financial transactions and enhancing transparency. While the TSA was heralded as a reformative step toward financial discipline, its implications on revenue generation and expenditure management within various sectors, particularly in tertiary institutions like the University of Jos, remain a subject of keen scholarly interest (ChatGPT, 2023).

The University of Jos, a prominent institution of higher learning in Nigeria, serves as an insightful case study to assess the real-world implications of the TSA policy on university revenues. As the policy has matured over the years, it is imperative to delve into its nuanced impact on the financial dynamics of academic institutions, exploring the challenges faced and opportunities unlocked (ChatGPT, 2023).

According to chatGPT (2023), to comprehend the significance of the TSA policy, it is essential to delve into its historical context. The Nigerian government, faced with issues of financial mismanagement, corruption, and a lack of

transparency, initiated the TSA policy as part of a broader public financial management reform. Signed into law by former President Goodluck Jonathan in 2015, the policy sought to centralize all government funds, eliminating fragmented accounts across Ministries, Departments, and Agencies (MDAs).

The primary objectives of the TSA policy were to enhance liquidity management, reduce revenue leakages, and promote accountability in public funds. By pooling all government revenues into a single account, the government aimed to gain better control over financial resources, curb unauthorized expenditures, and ensure that funds were allocated judiciously to priority areas (ChatGPT, 2023).

Established in 1975, the University of Jos has played a pivotal role in shaping the educational landscape of Nigeria. With a diverse range of academic disciplines and a sprawling campus, the university has been a focal point for intellectual growth and societal development. The institution's financial health, however, has been subject to fluctuations influenced by various external factors, including government policies and economic realities (ChatGPT, 2023).

As a recipient of government funding and a participant in the broader fiscal landscape shaped by the TSA policy, the University of Jos provides a unique lens through which to examine the impact of this financial reform. Understanding how the policy has influenced the revenue streams, financial management practices, and overall fiscal sustainability of the university is crucial for comprehending the broader implications on the Nigerian higher education sector (ChatGPT, 2023).

This study seeks to address a critical knowledge gap by investigating the multifaceted impact of the TSA policy on the revenue generation mechanisms of the University of Jos, Nigeria.

Development of Treasury Single Account (TSA) Policy in Nigeria

Treasure Single Account is not a new concept; it has been adopted for decades in

developed countries such as the United States, United Kingdom, France and some developing economies such as India and Indonesia. In Nigeria, the policy was first recommended by the Federal Government's Economic Reform and Governance Programme in 2004, but however dumped in 2005, following intense pressure from the banking industry. TSA is part of the Public Financial Management reforms which falls under the National Strategy for Public Service Reforms towards Vision 20:20:20. The public financial management reforms were designed to address impediments to effective and efficient cash management. (Fatile and Adejuwon, 2017).

Treasury Single Account in Nigeria became operational in 2012 under President Goodluck Jonathan. But not much was known about it until 2015 when President Muhammadu Buhari took over the reins of governance and the full-fledged implementation of TSA took effect with all the Federal Government Ministries, Department and Agencies. Prior to the full-fledged introduction and implementation of TSA, Nigeria paraded fragmented multiple banking systems for her inflows and outflows (Odewole, 2016). The TSA, a single pool for harvesting revenue inflows of MDAs was not Buhari's idea. It was conceived by the immediate administration of President Goodluck Jonathan, but it remained a mere policy on paper due to lack of political will on the part of past administration to enforce it (Eme and Chukwurah, 2015). TSA was in line with a series of treasury reforms, which began in 2012, aimed at ensuring transparency and accountability in the management of the nation's finances.

Benefits of Treasury Single Account (TSA)

IMF (2010) outlined the benefits of operating a Treasury Single Account as follows:

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 interfaces with the banking system, this information will be available in real time. As a minimum, complete updated balances should be available daily.

Improves Appropriation Control:- Treasury Single Account ensures that the Management of public finance has full control over budget allocations, and strengthens the authority of the budget appropriation. When separate bank accounts are maintained, the result is often a fragmented system, where funds provided for budgetary appropriations are augmented by additional cash resources that become available through various creative, often extra-budgetary, measures.

Improves Operational Control during Budget Execution:- When the treasury has full information about cash resources, it can plan and implement budget execution in an efficient, transparent, and reliable manner. The existence of uncertainty regarding whether the treasury will have sufficient funds to finance programmed expenditures may lead to sub-optimal behavior by budget entities, such as exaggerating their estimates for cash needs or channeling expenditures through off-budget arrangements.

Enables Efficient Cash Management:- TSA facilitates regular monitoring of government cash balances. It also enables higher quality cash outturn analysis to be undertaken (e.g., identifying causal factors of variances and distinguishing causal factors from random variations in cash balances).

Reduces Bank fees and Transaction Costs:- Reducing the number of bank accounts results in lower administrative cost for the government for maintaining these accounts, including the cost associated with bank reconciliation, and reduced banking fees.

Facilitates Efficient Payment

Mechanisms:- TSA ensures that there is no ambiguity regarding the volume or the location of the government funds which makes it possible to monitor payment mechanisms effectively. It can result in substantially lower transaction costs because of economies of scale in processing payments. The establishment of a Treasury Single Account is usually combined with elimination of the “float” in the banking and the payment systems, and the introduction of transparent fee and penalty structures for payment services. Many governments have achieved substantial reductions in their real cost of banking services by introducing a Treasury Single Account.

Improves Bank Reconciliation and Quality of Fiscal Data:- A Treasury Single Account allows for effective reconciliation between the government accounting systems 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.

Lowers Liquidity Reserve Needs:- TSA reduces the volatility of cash flows through the treasury, thus allowing it to maintain a lower cash reserve/buffer to meet unexpected fiscal volatility (IMF, 2010).

Empirical Review

Bashir (2016) studied the Effect of TSA on Public Sector Financial Management; seventy-two (72) workers were drawn judgmentally from finance offices of MDAs in Bauchi State of Nigeria. Using the questionnaire instrument, he collected data from the seventy-two workers and analyzed these with the use of correlation method and tested for reliability with Crunbach's Alpha Co-efficient of 0.621. His result revealed that the workers expected TSA to significantly block financial leakages as well as promote transparency and accountability in the public financial management.

Udo and Esara (2016) undertook a study on Adoption of TSA by State Governments in Nigeria. Descriptive cross-sectional

survey method was adopted. The study found that TSA ensure accountability of government revenue, enhance transparency and avoid misapplication of public funds. The study also found that inadequate capacity in the form of access and ability to use the internet followed by its perceived negative effect on the liquidity of deposit money banks were identified as the major challenges confronting the full implementation of TSA in Nigeria. It was found that TSA adoption and full implementation by the state governments will be of greatest benefit; there will be challenges in a short-run but the benefits at a long-run will definitely out-weight the challenges.

Amobi and Ejete (2016) examined the application of the concept of Treasury Single Account (TSA) in the Management of Public Finances of Tertiary Institutions in Nigeria. NnamdiAzikiwe University, Awka was used as case study. The study adopted descriptive survey research method, data were collected from primary and secondary sources. Forty questionnaires were distributed while thirty-two respondents properly responded. The data generated were analyzed using descriptive and inferential statistics. The hypothesis formulated was tested using chi-square contingency test. The finding shows that TSA finance management policy has not effectively succeeded in eliminating fraud in the management of public finances in tertiary institutions in Nigeria.

Oguntode, Adekunle and Adegie (2016) analyzed Treasury Single Account and Nigeria's Economy Between 1999 and 2015. The study was conducted to determine whether the establishment of a unified structure of government bank accounts via a Treasury Single Account (TSA) will solve the problem of frivolous and unscrupulous spending of Government fund and hence eradicate loss and enhance cash management and control. Secondary data was employed for the research work, CBN statistical bulletin (1999-2015) was analyzed using the OLS estimator. The result shows that the Treasury Single Account has a positive significant impact

on the country's economic growth but this impact is limited by various factors, one of them being the recent implementation of the policy in Nigeria which made the discovery of historical data difficult. It was concluded that the federal government of Nigeria should initiate policies and various means to make sure that there are proper accountings of the funds entering into the Treasury Single Account, and that such fund should follows due process. Also, that any subsequent foul play by any agencies, or even the CBN is duly prosecuted. It was noted however from the empirical study that TSA is a field were investigation is ongoing by many authors with couple of studies carried out, but no study has been done on the effect of TSA on the accountability of university of Jos. It is in view of this gap and scanty literature on the issue of TSA that the present study seeks to address.

Theoretical Framework

This study adopted Institutional Theory as developed by John W. Meyer along with his collaborator Brian Rowan (1977) as framework of analysis.

Assumptions of Institutional Theory

Institutional theory assumes that organizations, including universities, tend to adopt similar structures and practices to conform to institutional norms and expectations. In the context of the TSA policy, universities may face pressure to conform to the new financial regulations and practices imposed by the government.

The theory assumes that organizations seek legitimacy from their external environment. In this case, universities may perceive adherence to the TSA policy as a way to gain legitimacy in the eyes of the government and other stakeholders.

Institutional theory suggests that organizations may conform due to external pressures, such as regulations and laws. The assumption here is that universities might comply with the TSA policy to avoid sanctions or negative consequences imposed by the government.

Critics of Institutional Theory

Critics argue that institutional theory may overly emphasize conformity, neglecting the agency and strategic choices of organizations. In the case of the TSA policy, this criticism implies that the theory might not fully capture universities' active responses and adaptations to the policy.

Institutional theory tends to focus more on external influences and may not adequately address internal organizational dynamics. Critics argue that it may not sufficiently explain how internal factors within a university, such as leadership and organizational culture, influence responses to the TSA policy.

Relevance of Institutional Theory to the study

Institutional theory is relevant for understanding why universities may comply with the TSA policy. It provides a framework to explore how external pressures shape organizational behavior, shedding light on the factors that drive universities to conform to the policy.

The theory is useful for examining how adherence to the TSA policy affects the perceived legitimacy of universities in the eyes of the government, students, and other stakeholders. It helps in understanding the symbolic and normative aspects of compliance.

Institutional theory provides a solid foundation to apply and analyzes the challenges universities face in implementing the TSA policy, considering the coercive pressures and the isomorphic tendencies within the institutional environment.

Methodology

The research design for this study is a descriptive survey design. The population of the study is the entire Staff of the University of Jos with the population of 4,763 (Administration and Planning, 2019). Taro Yamane Formula was utilized to determine the sample size of the study. The Formula is expressed thus:

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

n = Sampling Size

N = Population Size

e = Level of Significance (Co-efficient of Confidence of error that is 5%)

$$n = \frac{4,763}{1 + 4763(0.05)^2}$$

$$= \frac{4,763}{1 + 4763(0.0025)}$$

$$n = 400 \text{ (Sample Size)}$$

The method of data collection used for this study was the survey method with the instrumentality of questionnaire and interviews. These consisted mainly of primary and secondary data.

The data collected were converted into percentages and interpreted with tables, bar charts, pie charts, among other analytical tools for analysis.

Data Analysis and Results

The extent to which the TSA policy has affected the liquidity and financial autonomy of the University of Jos, Nigeria

Table 1: Treasury Single Account (TSA) policy has had a profound impact on the revenue management of the University of Jos

Variables	Frequency	Percentage (%)
Agree	248	62
Undecided	12	35
Disagree	140	28
Total	400	100

Sources: field survey, 2023

Table above revealed that 248 representing (62%) of the respondents agreed that Treasury Single Account (TSA) policy has had a profound impact on the revenue management of the University of Jos. While 140 representing (35%) of the respondents

disagreed that Treasury Single Account (TSA) policy has had a profound impact on the revenue management of the University of Jos, and 12 representing (3%) of the respondents were not sure of the question.

Table 2: TSA has brought about increased financial transparency, accountability, and efficiency in the university's financial operations

Variables	Frequency	Percentage (%)
Agree	275	68.75
Undecided	9	2.25
Disagree	116	29
Total	400	100

Sources: field survey, 2023

Table above revealed that 275 representing (68.75%) of the respondents agreed that TSA has brought about increased financial transparency, accountability, and efficiency in the university's financial operations. While 116 representing (29%) of the

respondents disagreed that TSA has brought about increased financial transparency, accountability, and efficiency in the university's financial operations, and 9 representing (2.25%) of the respondents were not sure of the question.

Table 3: TSA has streamlined the collection and disbursement processes, reducing leakages and ensuring that all financial transactions are accounted for

Variables	Frequency	Percentage (%)
Agree	305	76.25
Undecided	-	-
Disagree	95	23.75
Total	400	100

Sources: field survey, 2023

Table above revealed that 305 representing (76.25%) of the respondents agreed TSA has streamlined the collection and disbursement processes, reducing leakages and ensuring that all financial transactions are accounted for. While 95 representing (23.75%) of the respondents disagreed that

TSA has streamlined the collection and disbursement processes, reducing leakages and ensuring that all financial transactions are accounted for, and 0 representing (0%) of the respondents were not sure of the question.

The challenges and opportunities encountered by the institution in adapting to the new financial landscape shaped by the TSA

Table 4: University of Jos faced resistance to change, integration of systems, technological, training and capacity building challenges in adapting to the TSA

Variables	Frequency	Percentage (%)
Agree	210	52.5
Undecided	25	6.25
Disagree	165	41.25
Total	400	100

Sources: field survey, 2023

Table above revealed that 210 representing (52.5%) of the respondents agreed university of Jos faced resistance to change, integration of systems, technological, training and capacity building challenges in adapting to the TSA. While 165 representing (41.25%) of the respondents

disagreed that university of Jos faced resistance to change, integration of systems, technological, training and capacity building challenges in adapting to the TSA, and 25 representing (6.25%) of the respondents were not sure of the question.

Table 5: TSA has facilitated better fiscal discipline within the university, as it requires strict adherence to financial regulations and reporting standards

Variables	Frequency	Percentage (%)
Yes	325	81.25
Undecided	5	1.25
No	70	17.5
Total	400	100

Sources: field survey, 2023

Table above revealed that 325 representing (81.25%) of the respondents agreed TSA has facilitated better fiscal discipline within the university, as it requires strict adherence to financial regulations and reporting standards. While 70 representing (17.5%)

of the respondents disagreed that TSA has facilitated better fiscal discipline within the university, as it requires strict adherence to financial regulations and reporting standards and 5 representing (1.25%) of the respondents were not sure of the question.

Table 6: Continuous monitoring, evaluation, and refinement of the TSA implementation will be essential to ensure sustained improvements in financial management and to address any emerging issues

Variables	Frequency	Percentage (%)
Agree	265	66.25
Undecided	18	4.5
Disagree	117	29.25
Total	400	100

Sources: field survey, 2023

Table above revealed that 265 representing (66.25%) of the respondents agreed that continuous monitoring, evaluation, and refinement of the TSA implementation will be essential to ensure sustained improvements in financial management and to address any emerging issues. While 117 representing (29.25%) of the respondents disagreed that continuous monitoring, evaluation, and refinement of the TSA implementation will be essential to ensure sustained improvements in financial management and to address any emerging issues and 18 representing (4.5%) of the respondents were not sure of the question.

Account (TSA) policy at the University of Jos has significantly transformed its revenue management, leading to increased financial transparency, accountability, and efficiency. Centralizing funds through the TSA streamlined collection and disbursement processes, minimizing leakages and ensuring comprehensive accountability for all financial transactions. Despite initial challenges during the transition, the long-term benefits, including enhanced financial governance and reduced financial risks, outweighed temporary hurdles.

The TSA played a crucial role in fostering fiscal discipline within the university, enforcing adherence to financial regulations and reporting standards. This

Summary of the Findings

The implementation of the Treasury Single

strengthened the credibility of the university's financial management and positioned it to meet evolving demands for accountability in the public sector. The University of Jos serves as a noteworthy example of how the TSA policy positively impacts the financial health and integrity of academic institutions.

Moving forward, continuous monitoring, evaluation, and refinement of TSA implementation are crucial to ensuring sustained improvements in financial management and addressing emerging issues. The University of Jos underscores the positive impact of the TSA policy on revenue management and aligns with broader government objectives of fiscal prudence and accountability in the public sector.

Conclusion

Treasury Single Account (TSA) policy has had a profound impact on the revenue management of the University of Jos. The implementation of TSA has brought about increased financial transparency, accountability, and efficiency in the university's financial operations. The centralization of funds through the TSA has streamlined the collection and disbursement processes, reducing leakages and ensuring that all financial transactions are accounted for.

Furthermore, the TSA has facilitated better fiscal discipline within the university, as it requires strict adherence to financial regulations and reporting standards. This has not only enhanced the credibility of the university's financial management but has also positioned it to meet the evolving demands of accountability in the public sector.

While the policy has undoubtedly strengthened financial controls, it is crucial to acknowledge the challenges and adjustments faced by the University of Jos during the transition to the TSA system. The initial adaptation period may have presented some operational hurdles, requiring the university to reorganize its financial procedures and systems. However, the long-term benefits of the TSA

in terms of enhanced financial governance and reduced financial risks far outweigh the temporary challenges faced.

In light of the case study on the University of Jos, it is evident that the TSA policy has positively impacted the institution's revenue management, aligning it with broader government objectives of fiscal prudence and accountability. Going forward, continuous monitoring, evaluation, and refinement of the TSA implementation will be essential to ensure sustained improvements in financial management and to address any emerging issues. Overall, the University of Jos serves as a notable example of how the TSA policy can contribute to the financial health and integrity of academic institutions in the public sector.

Recommendations

1. The University of Jos should continue its commitment to continuous monitoring and evaluation of the TSA implementation, regularly assessing its impact on financial management. This will enable the university to identify areas for improvement, address emerging challenges, and fine-tune its processes to maintain optimal efficiency.
2. It is essential for the university to invest in ongoing training and capacity building for its staff involved in financial management. This will ensure that the personnel are well-equipped with the necessary skills and knowledge to navigate the intricacies of the TSA system, minimizing operational hurdles and maximizing the benefits of enhanced financial controls.
3. The University of Jos should establish a robust communication strategy to keep stakeholders informed about the positive outcomes of the TSA policy on financial transparency and accountability. This includes regularly updating the university community, government agencies, and the public on the progress, challenges faced, and the measures

- taken to address any issues during the TSA implementation.
4. Collaboration with relevant government authorities and financial regulatory bodies should be strengthened to align the University of Jos with evolving fiscal policies and reporting standards. This proactive engagement will help the university stay abreast of any policy changes, ensuring compliance and positioning itself as a model institution for financial governance within the public sector.
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