

1.1 INTRODUCTION

Treasury single account is a public accounting system under which all government revenue, receipts and income are collected into single account, usually maintained by the country's Central Bank and all payments done through this account as well.

Also treasury single account come into existence in Nigeria on 15th of September 2015 by the new elected government president Muhammed Buhari in other to utilize public fund and maximize corruption in the country. Although Treasury Single Account has been in existence in some countries before now, such as United Kingdom, France and some part of the United State of American (U.S.A.). The purpose is primarily to ensure accountability of government revenue, enhance transparency and avoid misapplication of public funds. The maintenance of Treasury Single Account will help to ensure proper cash management by eliminating the funds usually left with different deposit money banks and in a way of enhancing reconciliation of revenue collection and payment.

Section 80(1) of the 1999 constitution as amended states " All revenue or other money raised or received by the federation (not being revenue or other money raised or 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". Successive governments have continued to operate multiple accounts for the collection and spending of government revenue in flagrant disregard to the provision of the constitution which required that all government revenues should be remitted into a single account. It was not until 2012 that government ran a pilot scheme for a single account using 217 ministries, department and agencies as a test case.

The pilot scheme saved Nigeria about ₦500 billion in frivolous spending. The success of the pilot scheme motivated the government to fully implement Treasury Single Account (TSA), leading to the directives to banks to implement the technology platform

that will help accommodate the Treasury Single Account (TSA) scheme. The recent directive by President Muhammed Buhari that all government revenues should be remitted to a treasury single account is in consonance with this programme and in compliance with the provisions of the 1999 constitution Central Bank of Nigerian, 2015 (CBN 2015).

The central bank has opened a Consolidated Revenue Account to receive all government revenue and effect payments through this account. This is the treasury single account. All Ministries, Departments and Agencies are expected to remit their revenue collections to this account through the individual Deposit Money Banks who act as collection agents. This means that the money deposit banks will continue to maintain revenue collection accounts for Ministries, Department and Agencies but all money collected by these banks will have to be remitted into the Consolidated Revenue Accounts with the (CBN) Central Bank of Nigeria at the end of each banking day. Different types of accounts could be maintained under a Treasury Single Account main accounts, subsidiary or sub-accounts and Zero balance account. Other types of accounts that could be operated include imprest accounts, transit account and correspondence accounts. These accounts are maintained for transaction purposes for funds flowing in and out of the Treasury Single Account.

Before the adoption of Treasury Single Account by the Buhari Administration, Nigeria public accounting system was in fragmented accounts operated by government agencies for government revenues, incomes and receipts, which in the recent past facilities leakages of legitimate income meant for the federation account. Treasury Single Account is an initiative of the International Monetary Fund (IMF) / World Bank in June 2010. It is a key component of the economy reform programme. Treasury Single Account is an essential tool for emerging market and low income countries like Nigeria with fragmented systems for handling government receipts and payments.

The federal government Treasury Single Account (TSA) project, which seeks to establish a unified structure of government bank accounts, could be the single most

effective mechanism for dealing with corruption in cash management in Ministries and Agencies, business day has learnt.

The initiative is being championed by the federal Ministry of Finance with the office of the Accountant General of the federation serving as the implementing agency in active collaboration with the Central Bank of Nigerian (CBN). The project is inspired by global best practices long established by countries across the world and has a proven record of enhancing oversight and control of government cash resources.

According to a review document seen by business day, the new initiative should help to reverse the situation where idle cash balances in bank account for Ministries, Departments and Agencies (MDA's) often fail to earn market related remuneration.

1.2 STATEMENT OF THE PROBLEM

The implementation of the TSA has not being fully implemented by all the states in the country; this might be attributed to the state inability to understand the benefit of the scheme, by understanding the benefit of TSA which is one of the focal point this study is centered on; it is believed will allow states to implement the scheme.

The conventional accounting system deployed by MDA's is susceptible to leakages, having a consolidation account which is what TSA is all about will allow all these leakages to be blocked.

The economy of the country (Nigeria) is in a very challenging and dire state. This might be attributed to exponential drop in crude oil and the level corruption entrenched in MDA's this corruption is encouraged by the conventional accounting system which makes it nearly impossible for government to trace their revenue. Implementation of the TSA will enable the government to fight corruption to a logical state and consequently improve the economy.

1.3 RESEARCH QUESTION

What are the challenges of Treasury Single Account on the banking sector in Nigeria?

What are the benefits of Treasury Single Account?

Is joint account help in recovering stolen money?

Do employees given the responsibilities of maintaining Treasury Single Account happy or not?

How often do auditors manage to audit account in a year?

What are the constituents of Treasury Single Account?

1.4 OBJECTIVES OF THE STUDY

The following are the objectives of the study

To examine the benefits of Treasury Single Account in Nigeria.

To examine the implementation of Treasury Single Account in Nigeria.

To identify the roles of Deposit Money Banks (DMB's) in the operation of (TSA) Treasury Single Account.

To identify the challenges of Treasury Single Account.

1.5 RESEARCH HYPOTHESIS

Ho – Treasury Single Account cannot be use to curb corruption in Nigeria.

Hi – Treasury Single Account can be use to curb corruption in Nigeria.

The statement of hypothesis listed above; thus:

Ho represent negative reply or answer while,

WHILE

Hi represent positive reply or answer.

1.6 SIGNIFICANCE OF THE STUDY

THE IMPACT OF TREASURY SINGLE ACCOUNT ON THE BANKING SECTOR IN NIGERIA

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