

ENHANCING FINANCE SECURITY IN THE UNIVERSITY SYSTEM: THE TREASURY SINGLE ACCOUNT WINDOW

Bolaji Comfort ADENIYI¹, Adebisi AFOLABI²

¹Department of Entrepreneurial Studies, Bamidele Olumilua University of Education, Science and Technology, Ikere-Ekiti, <https://orcid.org/0000-0002-4881-1318> bolajifemiadeniyi@gmail.com 08065097887

²Department of Taxation, Federal Polytechnic, Ado-Ekiti Email:afolabi-a@fedpolyado.edu.ng.08062071140

Abstract: *This study examines the relationship between Treasury Single Account Adoption and Finance security in Universities in Southwest, Nigeria. The descriptive research design of the survey type was adopted in the study. The population of the study comprised five hundred and eighty-two (582) accounting staff in Bursary and Audit departments in all the six (6) federal universities in Southwest, Nigeria. The study adopted a Stratified Random sampling and Purposive sampling techniques to select 238 respondents. Face and content validities were carried out on the instrument, while the reliability involved a pilot study in University of Ilorin where 20 copies of questionnaire were administered and analyzed using both descriptive and inferential statistics. The findings of the study showed that the adoption of treasury Single account (TSA) in the universities in southwest, Nigeria is on the high extent and treasury single account adoption has significant influence on blockage of financial fraud in universities in southwest, Nigeria. Based on the findings of the study, it was recommended that the federal government should ensure the sustenance of TSA to ensure finance security and state governments should adopt TSA in order to ensure blockage of fraudulent activities in the state ministries, departments and agencies.*

Keywords: Finance, finance security, fraud, fund, treasury single account, university.

Introduction

In a bid to foster better management of her economy, on October 2015, Nigeria implemented Treasury Single Account stipulating that all revenue generating ministries, departments and agencies of government should channel their revenues to a single account in the Central Bank of Nigeria same day such monies are collected. Over the years, Nigeria has continued to operate multiple accounts for collection and spending of government revenue in negligence to the provision of the constitution which requires that all government revenues should be remitted into a single account. It was not until 2021 when a pilot test was conducted using 217 ministries, departments and agencies as a test case. The success of the pilot scheme motivated the government to fully implement treasury single account, leading to directives to banks to implement the technology platform that will help to accommodate all ministries, departments and agencies in the treasury single account scheme

(Jegede, 2015). Pattanayak and Fainboim (2011) defined treasury single account as a unified structure of government bank account that enables consolidation and optimum utilization of government cash resources, separates transaction-level control from overall cash management. In other words, treasury single account is a bank account or a set of linked bank accounts through which the government transacts all its receipts and payments and gets a consolidated view of its cash position at the end of each day.

While considering the operations of treasury single account, Akande (2015) opined that treasury single account is a catalyst for efficient management of public cash resources in Nigeria and a useful model governments use to establish centralized control over its revenue through effective cash management. It is a means for consolidating and managing government's cash resources, thus minimizing government's borrowing cost because it enhances accountability

and enables government to know how much is accruing to it on a daily basis. The implication of treasury single account according to Nairaland (2015) is that banks will no longer have access to the float provided by the accounts they maintained for the ministries, departments and agencies. Different types of accounts could be maintained for transaction purposes of funds flowing in and out of the treasury single account.

Treasury single account may prevent revenue leakages in terms of revenue loss and mismanagement by operators of all revenue-generating agencies. While buttressing this, Onyekpere, 2015 opined that TSA is a process and tool for effective management of government's finances, banking and cash position, a pool that unifies all government account through a single treasury account. The consolidation paves way for timely capture and payment of all due revenues into government coffers without the intermediation of multiple banking arrangements. Chukwu (2015) posits that TSA is a network of subsidiary accounts that are linked into a main account such that, transactions are effected in the subsidiary account but closing balances on these subsidiary accounts are transferred to the main account at the end of each business day.

On the structure of treasury single account, NAN (2015) reported that the TSA is a unified structure of government bank accounts that allows consolidation and best use of government cash resources. Enterprise Solutions (2015) holds that TSA is a unified structure of government bank account that gives a consolidated view of government's cash resources. It is a unified government banking arrangement that enables Ministry of Finance or Treasury to monitor government cash flows in and out of the bank accounts on a real-time basis and the non-operation of bank accounts by government agencies beyond the view of the treasury. It gives detailed consolidation of all government cash resources, both budgetary and extra-budgetary.

It appears that one of the responsibilities of a management system especially in the universities is periodical presentation of her true and fair statement of financial position. As a public accounting system, the primary aim of treasury

single account is to ensure accountability of government revenue, enhance transparency, avoid misapplication of public fund and that unspent budgetary allocation is carried forward automatically to another year (Ahmed, 2016). Finance security could be described as the act of setting strategies and devices that could lead to the detection of irregularities, embezzlements and manipulations of financial information. It could also be termed as the act of developing mercenaries which would lead to the detection of stealing of public funds. Such mercenaries would involve the use of technological equipments like information technology, internet facilities, computers, CCTV cameras, television sets among others.

Having observed over the years in Nigeria that many ministries, agencies and departments have been linked to several financial misappropriation cases related to fraudulent activities and corrupt practices, the introduction of Treasury Single Account is going to assist the government in blockage of fraud. In line with this, Oguntodu, Alalade, Adekunle and Adegbite (2015) submitted that TSA is implemented to curb fraudulent activities and promote accountability among public officers. Webster's new dictionary defines fraud an intentional deception to cause a person to give up property or some lawful right. Fraud involves an intentional action, leading to a misstatement in the financial statements. Ogunyemi (2016) submitted that treasury single account is very vital in curbing corruption. Fraud is defined as all multifarious means which human ingenuity can devise and which are resorted to by one individual to get advantage over another by false suggestions or suppressions of the truth (Okunbor and Obaretin, 2010). It includes all surprises, tricks, cunning or dissembling and any unfair way that another is cheated.

Fraud could be of various categories and dimensions. Literature affirmed in the works of Yusuf (2015), the types of fraud on the basis of methods of perpetration which include the following but not exhaustive as the methods are devised day-in day-out to include: defalcation, suppression, outright theft and embezzlement, tampering with reserves, insider abuses and forgeries, fraudulent substitution, unauthorized lending, lending to ghost borrowers, kite flying and

cross firing, unofficial borrowing, impersonation, teeming and lading, fake payment, fraudulent use of firm's document, fictitious accounts, manipulations of vouchers, dry posting, over invoicing, inflation of statistical data, ledger accounts manipulation, fictitious contracts, duplication cheque books, computer fraud, misuse of suspense accounts, false declaration of cash shortages among others.

Another scholar opined that there are two types of fraud committed by people which are personal use of business resources and drawing up financial statements falsely (Okunbor and Obaretin, 2010). This was further buttressed by Owojori and Asaolu (2009), they noted that types of fraud include embezzlement of the money during its collection but before it is recorded in the accounts, tampering the bank records and taking monetary advantage, gaining advantage through forgery of documents, making payment which should not be made or previously made, creating fictitious debts and having payment done in favour of oneself, inventory and scrap test, office supply and fixed asset theft, creating fictitious expenses and obtaining disbursements, creating ghost employees and embezzling their wages and salaries, benefitting from overstated personal expenditures and selling business assets under the market value.

The directive of treasury single account involves all Federal Government Ministries, Departments and Agencies (MDA) as players. Automatically, the federally owned universities fall under these categories that adopted the policy. One noticeable issue about the universities in Southwest, Nigeria is high student's enrolment rate, high level of literacy and positive mind towards western education. Akande (2015) stated that the southwest part of Nigeria is already classified as educationally advantaged. The fear is that if the little fund available to finance the universities is not judiciously managed, it may negatively affect the output of the universities which would in turn frustrate the interesting attitude developed towards education in the zone. The problem of the study is based on the observation that most of the federally owned institutions in Nigeria have been linked to one fraudulent act or the other under the former accounting system of multiple accounts, the adoption of TSA might have influenced their financial transactions especially to the tune of fraud

and financial irregularities in the universities. Based on this backdrop, the researcher investigated the relationship between treasury single account adoption and finance security management in the federal universities in southwest, Nigeria.

There are six federal universities in Southwest, Nigeria, which are; Federal University, Oye Ekiti (FUOYE); Federal University of Technology, Akure (FUTA); Obafemi Awolowo University, Ile-Ife (OAU); University of Ibadan, (UI); Federal University of Agriculture, Abeokuta (FUAAB) and University of Lagos, (UNILAG). This study was delimited to federal universities in Southwest, Nigeria as a result of the fact that TSA is adopted only by the federally owned institutions; therefore the study employed all the federal universities in the region which are as stated above. It was further delimited to the accounting section of the universities, which comprise the bursary and audit departments. This implies that all the accounting staff of bursary and audit departments of the sampled universities was participants to the study.

Empirical Studies on Treasury Single Account

In assessing the effectiveness of TSA on blocking financial leakages, Oguntodu et al (2015) studied the Impact of Treasury Single Account on Ministries, Departments and Agencies' Accounting Information and Accountability: A conceptual review. The study examined the effect of TSA on MDAs' accounting information and accountability in public funds in Nigeria. The study employed both primary and secondary data. The study showed without doubt that with the introduction of TSA on MDAs' accounting information, the issue of corruption, mismanagement of public fund and government capital base will improve drastically, thereby boosting the Nigerias economy for good governance and potential investment.

In a bid to examine the effectiveness of TSA on the leakages of funds in Nigeria, Olorunnishola and Fashina (2018) investigated the extent to which TSA can block financial leakages in public funds management. The study employed judgmental method of sampling to select forty workers from a total population of one hundred and fifty-eight. Descriptive statistics of percentages, averages and standard deviation were used to

analyse the respondents' opinion to the questionnaire and regression analysis. Regression analysis result confirmed that TSA is significant in financial leakage blockages, thus indicating the effectiveness of TSA policy operations in blocking financial leakages in public funds management in Nigeria.

Another study was undertaken by Eno and Ese (2017) on Assessing the Effectiveness of TSA as a Tool for Curbing Financial Irregularities in the Nigerian Public Sector. The study employed both qualitative and quantitative research designs, using the Federal Inland Revenue Service (FIRS), Uyo, Akwa Ibom State as a case study. A sample size of 63 staffers from FIRS1 was purposefully used. Mean and standard deviation were used to answer the research questions while regression was used to test the hypotheses. Consequently, the result showed that there was a high positive relationship between the implementation of TSA and the management of public funds.

Treasury Single Account and Theory of Change

The theory of change was propounded by Weiss (1995), as adopted in the study. A critical problematic situation requires an approach that provides long time solution. A theory of change is a tool for developing solutions to complex social problems (Anderson, 2005). Theory of change is a product that provides a comprehensive picture of early and intermediate term changes that are needed to reach long-term goals.

Theory of change is essentially a comprehensive description of how and why a desired change is expected to happen. The tool of theory of change is realized by first identifying the desired long term goals and then work back from the goals to identify all the conditions that must be in place for the identified long term goals to be accomplished. In the theory, all outcomes are mapped on what is referred to as outcome framework. The outcome framework provides the basis for identifying the type of activity that will lead to the identified outcome as a pre-condition for achieving the long term goal (Brest, 2010). He sees the theory of change as a specific type of methodology for planning, participating and evaluating to promote social change. Brest emphasizes that theory of change defined long term

goals and then maps backwards to identify necessary preconditions to achieve them.

Applying the theory of change in Nigerian case, the present government has its major goal "change" of society for better. Before and after the election of the present government of Muhamadu Buhari into office, the slogan "change" has been its major objectives. The president had stated severally that the Nigerian society would change for better in all its ramifications. In order to achieve the much desired change both politically and economically, the government spelt out modalities and activities that must be performed as pre-conditions. One of such activities is the full and immediate implementation of treasury single account. Having believed that the previous governments of Nigeria allowed leakages and loss of revenue for not having the political will to implement TSA policy, the present government quickly jumped on the opportunity with the directive for the full implementation and compliance to TSA policy as a pre-requisite to achieving the much desired economic change. TSA could be linked to the change theory in that Nigeria changed from the old accounting system of multiple accounts to a single account domiciled with the Central Bank. The change is expected to have a significant impact on the financial system by changing from a corrupt system to a free and better economy.

Purposes of the Study

The purposes of the study was to examine the relationship between Treasury Single Account Adoption and Management of Fraud in the Universities in Southwest, Nigeria. Specifically, the study:

1. examined the extent to which Treasury Single Account is being implemented in federal universities in Southwest, Nigeria;
2. assessed the extent to which Treasury Single Account Adoption influences blockage of fraudulent activities in federal universities in Southwest, Nigeria.

Research Questions

The research question raised to guide the study was:

1. to what extent is Treasury Single Account being adopted in the Federal Universities in Southwest, Nigeria?

Research Hypothesis

The research hypothesis formulated and tested at 0.05 level of significance was:

1. Treasury Single Account does not have any significant influence on blockage of fraudulent activities in Federal Universities in Southwest, Nigeria.

Methodology

The descriptive design of the survey type was adopted in the study. The population of the study was five hundred and eighty-two (582) staff covering all the staff of accounting section which include bursary and audit departments in all the six (6) federal universities in Southwest, Nigeria. There are seventy-four (74) accounting staff at Federal University, Oye Ekiti, ninety-eight (98) accounting staff at Federal University of Technology, Akure (FUTA); one hundred and three (103) accounting staff at Obafemi Awolowo University, Ile-Ife (OAU); one hundred and twenty-two (122) accounting staff at University of Ibadan (UI); forty-eight (48) accounting staff at Federal University of Agriculture, Abeokuta (FUAAB) and one hundred and thirty-seven (137) accounting staff at University of Lagos (UNILAG). (source: the universities' registrar's office, April, 2018)

The sample of the study consisted of 238 respondents which were selected through stratified random sampling and purposive sampling techniques. Stratified random sampling technique was used to select 30 staff from Federal University, Oye Ekiti; 40 staff from Federal University of Technology, Akure (FUTA); 42 staff from Obafemi Awolowo University, Ile-Ife (OAU); 50 staff from University of Ibadan (UI); 20 staff from Federal University of Agriculture, Abeokuta (FUAAB) and 56 staff from University of Lagos, (UNILAG). Purposive sampling technique was used to select only the accounting staff at the

departments. The study made use of questionnaire tagged "Treasury Single Account Adoption and Fraud Management (TSAFM). The questionnaire was divided into two sections. Section A was based on personal information regarding the location, sex, years of service and qualification obtained. Section B contained items on the research questions and specific variables of the study. The questionnaire was structured on a five-point likert's scale as: Strongly Agreed (SA); Agreed (A); Strongly Disagreed (SD); Disagreed (D); Neutral (N).

The instrument was subjected to face and content validity. The reliability of the instrument was estimated using Chronbach's Alpha reliability method. This involved a pilot study conducted in University of Ilorin where questionnaires were administered on 20 accounting staff. The reliability coefficient of 0.82 was obtained. Data collected for the study were analyzed using both descriptive and inferential statistics. Mean scores were used to check the average responses' of the respondents while standard deviation was used to find out the spread of the respondents' opinion around the mean. Linear regression was used to analyse the formulated hypothesis at 0.05 level of significance.

Results and Discussion

Research Question 1: To what extent is treasury single account being implemented in Federal Universities in Southwest, Nigeria?

In analyzing this, scores on the extent to which treasury single account is implemented in universities in Southwest, Nigeria were used. To determine this, respondents who scored below the average score of 2.5 were categorized as low extent and respondents who scored at least 2.5 average score were categorized as high extent. This implies that the extent to which treasury single account is implemented in federal universities in Southwest, Nigeria is low if the mean score falls within 1.00-2.49 and it is high, if it falls within 2.50-4.49.

Table 1: Mean Scores of the extent to which Treasury Single Account is being implemented in universities in Southwest, Nigeria

Items	Mean	Std. Dev.	Remark
All payments in my school are done through TSA	3.30	0.668	High Extent
School fees receipt in my school are pooled into TSA	3.23	0.522	High Extent
All donations in my school are pooled into the TSA	3.45	0.663	High Extent
All internally generated revenues in my school are pooled into the TSA	3.11	0.754	High Extent
All purchases in my school are done through the TSA	3.45	0.761	High Extent
Grand Mean Total	16.54	3.368	

Source: Researcher's Computation

The table above shows that implementation of TSA in federal universities in Southwest, Nigeria is on the high extent. The respondents agreed that in their schools all payments, school fees receipt, donations, all internally generated revenue and all purchases are done through the treasury single account.

Testing of Hypothesis

Hypothesis 1: Treasury Single Account Adoption does not have any significant influence on blockage of fraudulent activities in federal universities in Southwest, Nigeria.

Table 2: Linear Regression Analysis Showing How TSA Influence Blockage of Fraudulent Activities in Federal Universities in Southwest, Nigeria

Model	Unstandardized		Standardized		t	Sig
	Coefficient		Coefficient			
	B	Std. Error	Beta			
(Constant)	2.016	0.231			8.732	0.000
TSA Adoption	0.373	0.074	0.419		5.011	0.000

Dependent Variable: Blockage of Fraudulent Activities * $p < 0.05$

$R = 0.419$; $R^2 = 0.175$; Adjusted $R^2 = 0.168$; $F = 25.114$; $Sig = 0.000$

The table showed that the correlation coefficient was 0.419, this implies a strong relationship between TSA adoption and blockage of fraudulent activities in the federal universities in Southwest, Nigeria. The R^2 (0,175) shows the overall exemplary power of the model, it reveals

that TSA explains about 17.5% of the systematic variation in the blockage of fraudulent activities in federal universities in Southwest, Nigeria. The remaining 82.5% might be due to other variables not included in the study. The overall fitness of the body as shown in the F statistic of

25.111 with the probability value of 0.000 is statistically significant as it is less than the standard critical p-value of 0.05. The null hypothesis is therefore rejected, hence; treasury single account adoption has a positive significant influence on blockage of fraudulent activities in the federal universities in Southwest, Nigeria.

Discussion of Findings

The study revealed that the level of implementation of TSA in federal universities in Southwest, Nigeria is on the high extent. Specifically, they respondents reported that in their schools, all payments are done through the TSA, school fees receipt, all donations, all internally generated revenue and that all purchases are done through the TSA. This confirms that TSA is a welcome development through which income and expenditures are well managed. This report corroborates the submission of Jegede (2015) who revealed in a study that TSA influences payment of school fees, revenue plan for income generation, supervises internally generated income and determines guidelines for income generation; it also influences regular auditing of school's accounts, supervision of school projects and judicious utilization of available funds and

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classification of educational expenditures in universities.

It was also found that TSA adoption has a positive influence on blockage of fraudulent activities in federal universities in Southwest, Nigeria. This connotes that fraudulent activities that engulfed the universities in Southwest, Nigeria could be curbed through adoption of TSA. This outcome was in agreement of Olorunishola and Fashina (2018), they confirmed that TSA is significant in financial leakage blockages. Consequently, this outcome also corroborates the findings of Eno and Eze (2017) who discovered that there was a high positive relationship between the implementation of TSA and the management of public funds.

Recommendations

Based on the findings from the study, it was recommended that the federal government should ensure the sustenance of TSA in all the ministries, agencies and departments also, the state governments should adopt TSA in the state ministries, agencies and departments so as to enable them to manage their financial activities transparently and block all revenue leakages.

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