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THE PRACTICE OF TREASURY SINGLE ACCOUNT IN ENUGU STATE PUBLIC SERVICE: THE CHALLENGES AND FUNDAMENTALS

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ABSTRACT

The adoption and practice of Treasury Single Account in Nigeria public financial management system represents one of the plausible measures initiated by Muhammadu Buhari administration to revamp and bolster optimal performance of revenue governance in Nigeria. However, the practice of the Treasury Single Account at the level of federating tiers of government presents peculiar challenges and expectations. Hence, this paper examines the operational process of the practice of Treasury Single Account at the level of sub-national tier in reference to Enugu State public service in exploring issues, challenges and fundamentals. The methodology of the discourse is quantitative analysis where the researcher made use of the secondary and primary instruments of data collection. Furthermore, the researchers adopted Taro Yamini formula to establish the sample size of 400 from the respondent population size. In reference to the method of data analysis, the researchers used likert mean scale with a calculated mean of 2.5 to elicit, validate and analyze responses from the returned questionnaire of 389 which represents 97.3% from the administered 400 questionnaires. Furthermore, the study revealed that there are challenges bedevilling the practice of Treasury Single Account in Enugu State public service which are exacerbated by certain factors. The work therefore, recommend for legislative advocacy, statutory checks and sanctions among other measures to ensure effective implementation of Treasury Single Account in Enugu state public service.

Keywords: Treasury Singe Account, MDAs, Civil Service, Governance.

INTRODUCTION

The current realities and challenges of public expectations in less industrialized countries had in the recent time elicited stimulating discourses among scholars and practitioners on the imperative of efficient public service governance. The efficient public governance that begins with the transparent and prudent management of state resources in deference to the priorities of national development. Arguably, developing and advanced economies had over the years initiated computerized platforms for efficient public finance management to meet the exigencies of governance and policy administration. In this regard, Mayer (2007) argued that the challenges facing most parts of the world and particularly the developing countries like Nigeria is how to achieve efficient allocation of resources as well as stabilization of the business cycles. Hence, the need for a united banking arrangement designed to minimize the cost of government borrowing and maximize the opportunity cost for cash resources which requires cash received must be available for carrying out government expenditure programmes and making payments in a timely manner (Enweagbara, 2015) cited in Igbekoyi and Agbaje (2017: 33). Accordingly, this unified accounting structure rightly called the Treasury Single Account (TSA), is laden with high expectations of economic prospects owing to its possibility of transparency and accountability. The TSA is unified structure of government bank accounts enabling consolidation and optimal utilization of government cash resources (Yusuf, 2016:164). Hence, Treasury Single Account (TSA) is a financial policy which had gained relevance in the financial management system of most industrialized and developing economies. In Nigeria, the policy was first introduced under the Presidency of Dr. Good luck Ebele Jonathan in 2012 to ensure transparent management of revenue inflows from the federal government Ministries, Departments and Agencies, MDAs. However, the policy was inactive until the emergence of Muhammadu Buhari's Administration on 29th May, 2015. Accordingly, Tari *et al.,* (2016) stressed that the effectiveness of the policy commenced through the federal Government's directive to all revenue-generating agencies to shut down their accounts with commercial banks. Furthermore in a memo which gives fresh directive for the implementation of the policy, kifasi, (2015) noted that,' "the directive came through a circular from the office of the Head of Service of the Federation with File No. HESF/428/S/.1I120, dated on 7th August, 2015 as... corresponding Author's Email;Vahyalatriaadamu@gmail.com. Tel; 08054903343 and 07068944490, "Titled Reintroduction of Treasury Single Account. His Excellency, Muhammadu Buhari, President, Federal Republic of Nigeria has approved the establishment and operation of Treasury Single Account for e-collection of Government Receipts for all Federal Ministries, Departments and Agencies (MDAs) with effect from the date of this circular. To aid transparency and facilitate compliance with section 80 and 162 of the constitution of the federal Republic of Nigeria 1999 (as amended), all receipts due to the Federal Government or any of her agencies shall be paid into TSA as follows; Account Name: Accountant-General (Federal sub- Treasury) Account No: 3000002095 maintained in the Central Bank of Nigeria expect otherwise express approved....." This development expectedly marked the beginning of prudent financial management system in Nigeria amid challenges. Nigeria is a federation of thirty-six states and Federal Capital Territory, FCT. The Constitution of the Federal Republic, 1999 in Second Schedule (Part 11) explicitly embellished the concurrent legislative list of federal and state legislative powers. The constitutional provision of Consolidated Revenue Fund is within purview of concurrent legislative powers of the federal and state governments. Hence, the legal justification for the state adoption of the unified structure of revenue financing otherwise known as Treasury Single Account, TSA. In this vein, Enugu is one of the federating states of Nigeria that adopted the policy of Treasury Single Account, TSA to efficiently manage its funds and bolster

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internal generated revenue, IGR amid challenges. This study therefore assess critically the practice of Treasury Single Account, in state public service with reference to Enugu state aimed to illuminate issues and challenges trailing its operational procedure. This has become imperative to ensure efficient public financial management in cognizance of downward trend in oil revenue and enormous expectations at the level of sub-national tiers of government in Nigeria.

Statement of Problem

Accordingly, the Treasury Single Account as a policy is implemented by state revenue collecting institutions constituting the Ministries, Departments and Agencies, MDAs. And, the practice is aimed at bolstering the efficient management of government revenue in financing government programmes and projects. However, there are some unexpected reactions and counter –reactions to this new policy of government (Ocheni, 2015:22). Invariably, Mboto *et al.,* (2017) argued that since the introduction of the TSA, government seems to have aggravated the level of redundancy, inactivity and outright absenteeism of workers with expressed 'insider' concerns about huge utility bills that are unpaid and funds required for daily and routine administration said to be unavailable. Given this scenario, one is left with no other option but to pounder on whether this policy, as acclaimed, has a wide public acceptance and whether operators of MDAs have positive perception of the policy as it is currently implemented with respect to its impact on the efficiency operation. In another perspective, Eme, *et al.,* (2015), also stressed that the major challenge is the electronic platform that is required to make TSA efficient and effective. The plethora of problems bedeviling the ICT sector of Nigeria calls for question the lively effectiveness of TSA as a means for government revenue generation and disbursements. The problem of low power supply and capability of operational personnel are unresolved factors that can hinder its intended objectives. Furthermore, there was also issue of legality of Treasury Single Account, TSA. Nwanne (2017), noted that on Tuesday, November 10, 2015, Dino Melaye, a Nigerian senator representing Kogi West, raised a motion that the operation of the TSA be investigated for possible corruption. He claimed that ''the appointment of REMIA, an e-collection agent, is a gross violation of section 162, (1) of the Nigerian constitution and the banks and other Financial Institution Act". The section 162, subsection 1, stated, "The Federation shall maintain special account to be called the "Federation Account'' into which all revenues collected by the Government of the Federation except the proceeds from the personal income tax of the personnel of the Armed Forces of the Federation, the Nigeria Police Force, the Ministry or Department of government charged with responsibility for Foreign Affairs and residents of the Federal Capital Territory, FCT, Abuja. The Senator therefore claimed that the constitution only recognised a banking institution to be the collector of government funds, that REMITA was not a bank. Furthermore, it is permitted under TSA, for all Ministries, Departments and Agencies (MDAs) that generate revenue to remit 80% of their operating surplus to the Consolidated Revenue Fund Account. This allowed these MDAs to defraud the government of funds that should have been remitted to its coffers by fraudulently inflation of their operating cost very high. By so doing in most cases they declared and remit to the government very low operating surplus (Okwe*, et al.,* 2015:52). Beyond issues of legality and fraud bedeviling its process of implementation, there is also adverse effects on Banks. In this vein, Yusuf (2015) stressed that the liquidity squeeze in the Deposit Money Banks (DMB) sector which will be losing so much cash to the CBN. This is possible because the Deposit Money Banks (who are collectors of receipts /earnings) for the government are expected to maintain a daily zero balances in their accounts because of the daily remittances of collections to one central account in Central Bank of Nigeria. In the same sense, Ibrahim (2015) argued that Deposit Money Bank could lose as much as N 2.2 trillion in liquidity in commercial banks would certainly affect their performances and profitability which would eventually lead to sacking of workers in the sector. A cursory review of foregoing analysis as embellished by scholars undoubtedly elicits curiosity on whether these enumerated challenges are peculiar to the operational procedure of Treasury Single Account, TSA at the level of state public service or were other daunting issues at the level of state governance different from what was seen at the national level of revenue governance? To this extent, we examine the following research questions.

Research Questions

1. What are the challenges militating against the practice of Treasury Single Account in Enugu state public service?
2. What are the factors responsible for the challenges militating against the practice of Treasury Single Account in Enugu state public service?
3. What are the effects of challenges of Treasury Single Account in Enugu state public service?

Objectives of the Study

The study therefore examines the following specific objectives.

1. To find out the challenges militating against the practice of Treasury Single Account in Enugu state public service.
2. To identify the factors responsible for these challenges militating against the practice of Treasury Single Account in Enugu state public service.
3. To find out the effects of challenges of Treasury Single Account in Enugu state public service.
4. To make appropriate recommendations to ensure effective practice of Treasury Single Account.

Conceptual Analysis

In a specific sense, Onyekpere (2015) defined Treasury Single Account as a unified structure of government bank account enabling consolidation and optimal utilization of government cash resources. It is a bank account or a set of linked bank accounts through which the government transacts all its receipts and payment and gets a consolidated view of cash position at any given time. The Treasury Single Account is a process and tool for effective management of government's finances, banking and cash position (Eme, *et al.,* 2015) cited in Igbekoyi (2017:34). Treasury Single Account therefore represents a public accounting system under which all government revenue, receipts and income are collected into one single account, usually maintained by the Country's Bank and all payments done through this account as well. The purpose is primarily to ensure accountability of government revenue, enhance transparency and avoid misapplication of public funds. The maintenance of a Treasury Single Account is aimed to ensure proper cash management by eliminating idle funds usually left with different commercial banks and in a way to enhance reconciliation of revenue collection and payment (Adeolu, 2015) cited in Bashir (2016:165). Succinctly, the International Monetary Fund, IMF working paper (2010) conceptualized Treasury Single Account as a unified structure of government bank account that gives a consolidated view of government cash resources. Similarly, Adebisi *et al.,* (2017) noted that Treasury Single Account is believed to be an efficient and effective means of managing government revenue generation and budget implementation using a daily return from account balances of various Ministries, Departments and Agencies (MDAs) into a central account. The primary aim of TSA implementation is to ensure optimum public fund management and maximize the use of cash resources through concentration and reduction of in float costs. The practice of TSA in 2015 becomes operational procedure of the Ministries, Departments and Agencies of the Federal government. Subsequently, Eme *et al.,* (2015) remarked that the TSA, a single pool for harvesting revenue inflows of MDAs was not Buhari's idea, it was conceived by the immediate past administration of President Good luck Jonathan, but it remained a mere policy on paper due to lack of political will on the part of the administration to enforce it. But with Buhari on board as President, the enforcement has become a compulsory policy that all the revenue generating MDAs must comply with. The TSA policy was reportedly first recommended by the Federal Government's Economic Reform and Governance Programme in 2004, but dumped in 2005, following intense pressure from banking industry. Also, Treasury Single Account is part of the public financial management reforms which falls under Pillar 3 of the National Strategy for Public Service Reforms towards Vision 20:2020. The public financial management reforms was designed to address impediments to effective and efficient cash management. Primarily, Treasury Single Account was designed to bring all government fund in bank account within the effective control and operational purview of the Treasury, in order to:

1. Enthrone centralized, transparent and accountable revenue management.
2. Facilitate effective cash management
3. Ensure cash availability.
4. Promote efficient management of domestic borrowing on minimal cost.
5. Allow optional investment of idle cash.
6. Block loopholes in revenue management.
7. Establish an efficient disbursement and collection of Government funds.
8. Improve liquidity reserve.
9. Eliminate operational inefficiency and costs associated with maintaining multiple accounts across multiple financial institutions (Guidelines for Treasury Single Account, 2016:3).

Remarkably, Remita e-platform represents one of the innovations in the operational procedure of Treasury Single Account, as Nwankwo (2017) remarked that Remita is the central payment platform supporting the payments of Federal Government and MDAs under the TSA, as it is widely accepted and connected online to all the DMBs and sizeable number of Micro Finance Banks (MFBs) and Primary Mortgage Institutions (PMIs). The following are some of the benefits:

1. A collector can generate payment demands online for the different types of fees, charges and collections, each with its own unique Reference (RRR) and send same to payers electronically. A collector can easily monitor all collections across multiple channels and locations on just a single screen.
2. Availability of multiple collection channels which means you can receive funds in many more ways in a timely manner.
3. Elimination of all collection reconciliation nightmare as well collections has a unique transactions reference and full payer details irrespective of collection channels.
4. The Payer receives an Electronic Invoice with which he can pay via any of the channels on the platform.
5. Faster turnaround time in collecting payment and offering service.

All these and more are robust but yet powerful features and benefits of Remita e-Collection and Invoicing (Remita NET, 2015). However, it is pertinent to note that the transparent management and control of governments' cash resources depends essentially on the banking arrangements. Nigeria like many developing and low income countries employed fragmented systems in government's revenues and payments which had led to fraud and criminality with adverse effects on the economy. Hence, the establishment of a unified structure as recommended by a global financial institution, International Monetary Fund, IMF where all government funds are collected in one account shall indeed mitigate against fraud, borrowing costs and improve government's fiscal policy among other benefits to government (Achike *et al.,* 2016:234). In credence to this fact, Odigbo (2016) noted that the IMF also recommends the establishment of a legal basis to ensure its robustness and stability. The introduction of the Treasury Single Account policy was therefore vital in reducing the proliferation of bank accounts operated by Ministries, Departments and Agencies (MDAs) in ensuring financial accountability among governmental organs. The compliance of the policy in Nigeria has to a reasonable extent reduced drastically fraud and criminality. Commercial banks in Nigeria had remitted over 2trillion naira worth of idle and active governments deposits with the full implementation of this policy in 2016. Meanwhile, the bankers committee of the country has declared their support for this policy. Through REMITA, the integrated electronic payments and collections platforms developed by a company called System Specs. TSA initiative has enabled the federal government of Nigeria to take full control of over 3trillion naira ($ 15 trillion) of its cash assets as at the end of the first quarters of 2016. Subsequently, most state government in Nigeria had adopted the TSA policy to further entrench transparent management of public finance. In this regard, Maje (2018) noted that over the years, Nigeria's public funds have not been properly accounted for at levels of federal and state governments. Some state governments in Nigeria have also adopted this policy to ensure efficient public financial management. In examining the TSA architecture and stakeholders roles in Nigeria public service, Mboto *et al.,* (2017), stressed that both the Central Bank and Treasury acknowledge the eventual success of the TSA scheme requires the wholesome collaboration of critical stakeholders, during the pre-implementation, implementation and post-implementation phases of the initiative. The critical TSA stakeholders include, but not limited to; the Central Bank of Nigeria, Federal and State Accountant General, Ministries, Departments, and Agencies (MDAs) and the Deposit Money Banks (DMBs). The Central Bank of Nigeria, CBN designs and maintains the TSA payment gateway infrastructure, issues payment policies and guidelines to Banks and monitors their compliance, hosts and manage the TSA accounts (including reconciliation) on behalf of Government, playing the advisory and supervisory functions on required TSA infrastructure (through standard TSA payments and collection status and monitoring reports) and operate a help desk to aid users of the CBN Payment Gateway. Working closely with the CBN, the Federal and State offices of the Accountant-General, among other roles, have primary responsibility for the TSA initiative, participate in the development of the state's TSA Policy and framework, issue TSA operational guidelines to MDAs and other stakeholders, develops cash management policies and procedures and maintain TSA transactions reconciliation and settlement centers. Furthermore, the Ministries, Departments and Agencies (MDAs) are required to close all DMBs accounts as directed by the Treasury and transfers balances to Central Bank through designated electronic channel, enlighten e-Collection processes, generate various reports required by the Treasury and reconcile the TSA sub-accounts assigned to them. The Deposit Money Banks (DMBs) close all existing accounts of MDAs to the CBN as may be directed by the Treasury and automatically sweep payments through the CBN payment Gateway to the relevant TSA Main Account or Sub-Accounts and design and offer multiple payment and collection channels to corporate and individual payers and payment beneficiaries, while cooperating with relevant Treasury, CBN and MDAs. In a specific sense, Ahmed (2017) remarked that at the level of federal public service the following are the stakeholders and beneficiaries that ensures the functionality of Treasury Single Account, TSA:

- The Federal Government of Nigeria is the Chief promoter of TSA. The more funds it has in the treasury the more capacity it has to carry out governmental functions.
- The State and Local Governments of Nigeria are stakeholders and also
- beneficiaries of revenue generated into the Consolidated Revenue Fund.
- The Ministries, Departments and Agencies (MDAs) are implementers, facilitators as well as beneficiaries of the revenue generated into the TSA.
- The Civil Servants are facilitators and beneficiaries of revenue generated into the Treasury Single Account. It is the source of their salary and other allowances.
- The Central Bank of Nigeria (CBN) is the Supnderintendent over the National Receipt System. And, like any other government agency the bank is also a beneficiary.
- The Deposit Money Banks are the receiving or collecting and challenging agents of revenue from the environment to the Treasury.
- Other organization serving as Receipt/Payment service/rendering Inter-bank and Inters witch Service. It is therefore pertinent to examine the adoption of Treasury Single Account at the level of state.

Furthermore, state government constitutes the second tier of Nigeria federation. Hence, the adoption of Treasury Single Account by some state governments in Nigeria was aimed at ensuring prudent management of public finance and mitigate fraud. This is prompted by the fact that state governments across the Federation continue to face intense pressure on their cash flows in the face of dwindling revenues and the need to meet increasing statutory and social responsibilities. To address this issue, state governments are undertaking financial and treasury management reforms of which the Treasury Single Account (TSA) scheme is a major component. This is consistent to the strategic public sector transformation initiatives and also in line with the provision of section 120 of the 1999 constitution (Obikendu, *et al.,* 2019: 234). The Central Bank of Nigeria, (CBN) in exercise of its powers as provided in the CBN Act 2007, section 47, subsection 2 (2d) issued the following guidelines on the management and operation of Treasury Single Account by the state governments:

- Each state Government shall select any TSA model of its choice. The choice of a TSA model shall be informed and guided by the availability of clear operational process and basic technology infrastructure that supports the implementation of the model of choice.
- Each state government shall inform the Governor of the Central Bank of Nigeria of its decision to introduce the TSA scheme, detailing the state preferred TSA model (banking structure) and level of preparedness to commence, operate and support the scheme, which shall include but not limited to protect organization and resourcing, operational process work flow, available technology infrastructure etc.
- Each state Government shall ensure that all legal framework, extant laws, cash management process and policies, financial regulations, Treasury circulars etc are put in place to guide the TSA operation, as well as ensure that clear information is regularly issued to relevant internal and external stakeholders before, during and after the commencement of the TSA scheme.
- Each state government shall maintain contractual Agreements, with parties involved in the design, delivery and ongoing support of the TSA scheme. Such agreement shall define the terms and the role and responsibilities of the state government and the relevant parties. Such stakeholder may include, but not limited to the CBN, deposit money Banks, Payment Technology, Solution provider etc.
- Each state government shall have a clear and unambiguous position of all outstanding debts owned Deposit Money Banks (inclusive of debts incurred by its MDAs) before the commencement of the TSA scheme where a state is unable to fully liquid its debits with DMBs before the commencement of the TSA. It shall put in place a firm repayment schedule before commencing the TSA scheme, with the CBN.

Again, it is required that Ministries, Departments and Agencies MDAs at the level of State should:

- close all DMBs accounts as directed by the State Treasury
- transfer balances at DMB to CBN through designated electronic channel.
- guide payers on e-collection processes including how to pay
- monitor transaction to confirm that payments are made.
- deliver relevant services upon confirmation of payment
- cooperate with State Treasury for the purpose of IGR monitoring.
- participate and complete all configuration processes.
- have appropriate access to the TSA infrastructure
- register/create and classify all payers appropriately.
- pre-assign unique payment code to each payer to foster seamless revenue payment and case reconciliation process.
- view all categories of payment due and made to them.
- generate various reports
- reconcile the TSA sub-account assigned to them (CBN Guidelines on TSA, 2016:2).

The Practice of Treasury Single Account and Public Revenue Challenges in Enugu State

Prior to the introduction of Treasury Single Account in Enugu public service system, there were obvious infractions in the financial management system. Hence, the state government considered it imperative to ensure enhanced internally generated revenue performance and efficient public financial management through the adoption of unified remittance structure otherwise known as Treasury Single Account in revenue governance in credence to the development priorities of the state. "With reference to the Secretary to 'the State Government's circular No AGI EN.267/v/286 of 11th October 2016 and further to circular letter referenced AGIEN/S.355/23967 29th August 2016 which popularized the practice of Treasury Single Account in all Ministries, Departments and Agencies (MDAs). This action was taken by Enugu state government in cognizance of certain irregularities observed in Enugu State public service (Office of the Accountant-General of Enugu State, 2017). In line to this development, Enugu State government mandate all revenue that accrue to the state government be paid into the State Government's Pay - Direct Account in the nearest commercial bank to the payers. The payer shall indicate the revenue name (description), the MDA, institution, Parastatals while filling appropriate form in the

Bank to enable them obtain e-receipts. In case of doubt, payers like students, parents etc should refer to their institution for guidance. In addition, it is also important to note that all expenditure accounts should/must derive their funding from the pool Accounts currently domiciled with the First Bank of Nigeria in strict compliance to the TSA model which the state government is irrevocably committed to. However, any Ministry, Department, Agency and institution including Parastatals for whatsoever reasons that wish to operate a Bank Account outsides the Defined Framework must see and obtain approval from the Executive Governor of the state to open and operate such account. In keeping with this, all revenue account or expenditure accounts currently being operated outside the above framework should be closed forth with and all balances therein transferred to Enugu State Government. IGR Reserve Account, No 202913939376 with First Bank of Nigeria (Office of the Permanent Secretary to the Accountant-General of Enugu State, 2017). To further underscore the essence of Treasury Single Account system, The Executive Governor of Enugu state in his budget speech on 2018 Appropriation Bill declared, The adoption of the e-payment system has helped in no small measure in plugging major avenues of revenue leakage. This coupled with our determination to aggressively exploit other venues of revenue generation that had been left untapped in the past years without imposing unnecessary burden on the residents of Enugu state. This has therefore provided opportunity for exploring and expanding other sources of revenue during the fiscal year under review.

Subsequently, it is pertinent to examine the state public finance framework as embellished in successive budgets to illuminate the challenges of public revenue.

Table 1: Comparative Indicators of 2016 and 2017 Budgets in Enugu State

ITEMS	2016	2017	%
Apporiation Law			
Budget size	N 85, 179, 449, 000	N 105, 719, 471, 000	
Recurrent Expenditure	N 43, 735, 931, 000	N 55, 197, 939, 000	
Capital Expenditure	N 41, 443, 518, 000	N 50, 521, 532, 000	
Statutory Allocation	44, 215, 000, 000	42,205, 000,000	59.13%
Independent Revenue	18, 882, 415, 000	16, 266, 614, 000	22.79%
50% Refund from Paris and London Club).		12, 900, 266, 000	18.07%
Total Recurrent Revenue	63,097,415,000	71, 371,880,000	100.00%
Recurrent Expenditure			
Personnel Cost	28, 733, 291, 948	38, 101, 346, 438	69.03%
Overhead	8, 640, 986, 875	11, 310, 391, 978	20. 49%
Subvention	6, 361, 652, 177	5, 786, 200, 584	10.48%
Capital Receipts			
Transfer from Consolidated Revenue Fund	19, 361, 484, 000	16, 173, 941, 000	32.01%
Aids and Grants	3, 531, 794, 000	3, 990, 000, 000	7.9 %
Public Private Partnership	5, 952, 000, 000	1,000, 000, 000	1.98%
50% Refund from Paris and London Club.		12, 900, 266, 000	25. 53%
Domestic loans/borrowing	7, 900, 000, 000	12,000,000,000	23. 75%

Source: Adapted from Enugu State Appropriation Bills, 2016 and 2017.

It showed that 2017 budget size represents 24% increase (N20, 540, 022, 000) to 2016 budget. This is intended to boast state internally generated revenue and explore opportunities to complement Federation Account Allocation. And, it was then anticipated that the practice of TSA at the level of the MDAs will certainly meet this fiscal expectations of the state. Furthermore, the 2017 recurrent expenditure of N55, 197,939, 000 represents 52% to N 43, 735, 931, 000 in 2016 Budget. And, 50, 521, 532, 000 of capital budget represents 48% to N 41, 443, 518, 000 for capital expenditure in 2016. Similarly, in 2017, the state government expects a Recurrent expenditure of N 71, 371, 880, 000 as against N63, 097, 415, 000. This is line in with current efforts to ensure a realistic budget thereby limiting the expectations in case of further drops in oil revenue. Government therefore intends to realize this amount through more aggressive internally generated revenue drive and this is estimated at N 42, 205,000, 000 which represents 59.13%, a refund of N 12,900,266,000 from Paris and London Club for excess deductions of external loans which represents 18.07% of the total recurrent revenue and the balance of N12, 900, 266, 000 was appropriated for capital development (Report of Enugu State Government of Nigeria, 2018). However, this anticipation was drastically reserved by the socio-economic realities of year 2017. Hence, the 2017 fiscal year has been characterized by an elongation of biting economic crunches which had beset our economy in the preceding years, commencing from the drastic fall in the price of crude oil in the world oil market coupled with other macro-economic variables. This gradually dragged our economy into fifteen (15) months recession (Enugu State Ministry of Information, 2018).

Table 2: Comparative Indicators of 2017and 2018 Budgets in Enugu State

ITEMS	2017	2018	%
Apporiation Law			
Budget size	N 105, 719, 471, 000	N 98, 563, 500, 000	
Recurrent Expenditure	N 55, 197, 939, 000	N 60,72 Billion	
Capital Expenditure	N 50, 521, 532, 000	N 37,84 Billion	
Statutory Allocation	42,205, 000,000	46, 063, 500, 000	55 %
Independent Revenue	16, 266, 614, 000	30, 000, 000, 000.	36%
50% Refund from Paris and London Club).	12, 900, 266, 000	8, 000, 000, 000	10%
Total Recurrent Revenue	71, 371,880,000	84, 063, 500, 000	100
Recurrent Expenditure			
Personnel Cost	38, 101, 346, 438	37, 500, 431, 000	62%
Overhead	11, 310, 391, 978	17, 234, 600, 000	28%
Subvention	5, 786, 200, 584	5, 981, 993, 000	10%
Sub Total	55, 197, 939, 000	60, 717, 024, 000	100
Capital Receipts			
Transfer from Consolidated Revenue Fund	16, 173, 941, 000	23, 346, 476, 000	61.69%
Aids and Grants	3, 990, 000, 000	2, 000, 000, 000	5.28%
Public Private Partnerhip	1,000, 000, 000	5, 000, 000, 000	1.32%
50% Refund from Paris and London Club.	12, 900, 266, 000	8, 000,000, 000	21. 14%
Domestic Loans/Borrowing Receipts	12, 900, 266, 000	2, 000, 000, 00	5.28%
International loans / Borrowing	4, 457, 325, 000	2, 000, 000, 000	5.28%
Total Receipt	**50, 521, 532, 000**	**37, 846, 467, 000**	**100**

Source: Adapted from Enugu State Appropriation Bills, 2017 and 2018.

As seen in the index of the table, N 98, 563, 500 was the budget size of 2018 fiscal year representing 6.77% less than 2017 budget of N 105, 718, 471.00. The reason for this slight short-fall is obvious in premising the expectations of the state to the realities of the current economic circumstances and gradually expand the subsequent annual budget in line with subsequent changes in economic variables. Out of the total budget of N 98.56 billion, the sum total of N60.72 billion representing 61. 6% of the total budget for recurrent expenditure. This is higher than 2017 figure of N55.2 billion by 9.08%. Capital expenditure stands at N37.84 billion representing 38.48% of the budget size and is lower than 2017 figure of N50.52 billion by 33.49%. From this development, expectations are high to meet the targets of enormous responsibilities of government through robust management of public revenue avenues. The fact from the index of the above table showed that state public revenue financing is replete with inadequacies which enormously emenate from the recessive realities of the national economy. It further underscored the need to ensure prudent management of state public finance through operational process of Treasury Single Account, TSA. However, there are issues and challenges trailing the practice of Treasury Single Account, TSA. It is observed that some MDAs in Enugu State public service still operate Revenue Bank Account that are not linked to the pool Account of the state government contrary to the extant rules and regulations. (Office of the Accountant-General of Enugu State, 2017). In reference to these challenges, it was reported that in the Year 2018, there was huge collection of revenue in the first half of 2018 and this was not represented in 2019. In Year 2019, the annual revenue budget of Enugu State Internal Revenue Service, ENIRS is N16 billion. Other generating MDAs in the state generated N5, 042, 606, 356 out of the Mid Year budget of N5.877 billion and this represents about 86%. The annual budget for other MDAs in the state is N 11.754 billion. One of the fundamental reason attributed to decline in the growth in revenue generation was no enforcement of LUC as envisaged in the first half of this year and the dwindling receipts from Back Duty Audit adding that most companies and institutions have been audited almost up to 2018. The initial bottlenecks in the automation of other revenue generating MDAs in some instances also led to the actual drops in the collection of those MDAs (First News, 2019:14). Sadly, the corona virus pandemic further worsen the public revenue prolife of the state in 2020. The unpleasant situation elicited the urgent need to revise the 2020 Budget estimates earlier signed into law to reflect socio-economic realities of the pandemic and, re-designed it to be more impactful to fiscal priorities of the state. In July 2020, the revised Budget of N146.3 brillion was signed into law. Succinctly, the earlier state Budget before the pandemic was N169, 557, 658, 300.00 with recurrent expenditure of N68, 790, 000, 000, 00 and capital expenditure of N100, 767, 658, 300.00 which were later revised to N 146, 374, 641, 080 representing 13.67 percent reduction. The revised 2020 Budget signed into law in July has the following indicators;

- Recurrent expenditure of N69, 790,000,000,00 (48%) and
- Capital expenditure of N76, 584, 641, 080 (52%).

Significantly, Enugu State government granted tax relief and incentives to tax payers in the state. The COVID-19 tax relief and incentives approved by the State Government are as follows:

- The deadline for the submission of “form A” for employees and Annual Returns in accordance with section 41 (3) and 8 (121-3) of the Personal Income Tax Act (PITA) 2011 as amended for companies and institutions operating in Enugu State was extended to 30th July, 2020.
- ii. A waiver of penalty and interest charged for late remittance of Pay as You Earn (PAYE) deductions is hereby granted from January to December 2020 for all sectors.
- A 50% discount on all assessed Capital Gain Tax (CGT) from June till December 2020.
- A 50% discount on all Personal Income Tax Assessment issued to owners of school and hotels for year 2020.

- A 50% discount on all assessed land use charge payment for year 2020. The discount expires on 31st of December, 2020.
- A waiver of penalty and interest on land use charge for years 2018 and 2019 once payment is made before December, 2020.
- All esteemed tax payers are advised and encouraged to obtain their Enugu State Benefit Number (ESBN) as it remains the unique identity prerequisite for obtaining electronic Tax Clearance Certificate (e-TCC). And, ESBN is free for collection (Eugu State Internal Revenue Service, 2020:2) cited in Ugwuozor and Madubuegwu (2020:154).

Accordingly, these measures taken was intended to reflect changes corresponding adjustments in the expenditure (recurrent and capital) and cushion the recessive consequences of the COVID-19 pandemic on economy and social welfare of the state. However, the pandemic and its fiscal mitigating measures adversely affected the state public revenue. In view of this enormous challenges, the Treasury Single Account mechanism therefore resonates the optimism at this critical time to boast state revenue in response to emerging needs and expectations of the people. However, as earlier noted, the practice of Treasury Single Account is fraught with challenges which were embellished in the questionnaire instrument and responses of the respondents.

METHODOLOGY

The Research Design

The study is a survey design. The design is appropriate to establish and measure views, plights and expectations of target respondents (public servants) on the issues and challenges bedeviling the practice of Treasury Single Account in Enugu public service.

Area of Study

Enugu state Ministries, Departments and Agencies, MDAs.

Population of the Study

Accordingly, the statistics of Enugu work force is in stream of hundreds of thousands. However, the researchers decides to establish a sample size from target respondent population of 800 public servants.

Sample Size and Sampling Technique

The sample size is 400 drawn from the target respondents of 800 public servants. The researchers adopted Taro Yamani sampling technique to determine the sample size. The procedure is explicit below:

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

When n = Sample Size

N = population

∑ = margin of error

I = constant

e = 0.05

$$n = \frac{800}{1+800(0.50)^2}$$

$$n = \frac{800}{1+800(0.0025)}$$

$$n = \frac{800}{1+1} = \frac{800}{2}$$

$$= 400$$

Therefore the sample size is 400.

Instrument for Data Collection

The discourse explored the import of primary and secondary sources of data. To accentuate the imperative of survey design, the researchers designed a questionnaire instrument to sample the views of respondents for data collection. The questionnaire instrument is divided into two sections:

Section A is the socio - demographic data of the respondents.

Section B is the substantive issues.

Method of Data Analysis

Data was analyzed using the likert mean rating scale. Likert mean scale assigned numerical values to determine the strength and weakness of the opinion sampled.

In the following order:

Strongly agree	- 4 points
Agree	- 3 points
Disagree	- 2 points
Strongly disagree	- 1 points

For the decision rule, the acceptance of the questionnaire item is the calculated mean of 2.5 and above, then it is rejected when it is less than 2.5. The researcher equally employed the cumulative grand mean to determine the strength or weakness of the general opinion of the respondents.

Data Presentation.

The presentation and analysis of data from 400 questionnaire distributed, 389 were correctly filled and returned which represents 97.3%.

Table 3. Section A: The social characteristics and data of the respondents.

	RESPONSES	VARIABLES	FREQUENCY	PERCENTAGE
1.	Distribution of the respondents by gender	Male	217	55.8
		Female	172	44.2
		Total	389	100
2.	Distribution of the respondents by educational qualification	M.sc	72	18.5
		B.sc	103	26.5
		HND	97	24.9
		OND	96	24.7
		NCE/TTC/FSLC	21	5.4
		Total	389	100
3.	Distribution of the respondents by grade-level in public service	Level 9	138	35.5
		Level 7	227	58.4
		Level 5	09	2.3
		Level 4	13	3.3
		Level 2	02	0.5
		Total	**389**	**100**

The table showed the social characteristics and data of the respondent Enugu public servants. In this regard, the distribution of the respondents by sex or gender indicated that 217 (55.8%) were Male and 172 (44.29%) were Female. Subsequently, the distribution of the Enugu respondent by educational qualification indicates that 72 possess M.Sc representing 18.5%, 103 of the respondent have B.sc (26.5), 97 with HND constituting 24.9, 96 also possess OND indicating 24.7 and 21 with NCE, TTC and FSLC constituting 5.4%. In addition, distribution of Enugu respondent public servants by basis of grade-level showed that 35.5% were in grade level 9, 58.4% in grade level 7 while 2.3%, 3.3% and 0.5% were within grade levels 5, 4 and 2 respectively.

Section B: Substantive Issues

Research Question 1: What are the challenges bedeviling the practice of Treasury Single Account in Enugu State public service?

Table 4: Responses on the challenges militating against the practice of Treasury Single Account in Enugu State public service.

S/N	QUESTIONNAIRE ITEM	RESPONSES						
		SA	A	D	SD	EFX	X	Decision
1	Some Government MDAs are reluctant and deliberately fail to comply to operational procedure of TSA.	121 484	117 351	89 178	62 62	1075	2.7	Accepted
2	Difficulty in automation of revenue channels in some MDAs posed as ICT challenge.	123 492	145 435	109 218	12 12	1157	2.9	Accepted
3	The revenue collection software of some parastalas in Enugu are not linked to TSA collection platform.	175 700	85 255	76 152	53 53	1160	2.9	Accepted
4	Intermittent network failure in Remitta operation and delay payment.	152 608	99 297	109 218	29 29	1152	2.9	Accepted
5	Infractions and violation of TSA guidelines by revenue collecting MDAs.	`101 404	55 165	176 352	57 57	978	2.5	Accepted

Source: Field Survey, 2021.

Grand mean $\sum \frac{x}{n} = \frac{2.7+2.9+2.9+2.9+2.5}{5}$ 13.9 /5 = 2.7

Research Question 2: What are the factors responsible for the challenges militating against the practice of Treasury Single Account in Enugu state public service?

Table 5: Responses on Factors responsible for the challenges militating against the practice of Treasury Single Account in Enugu State public service.

S/N	QUESTIONNAIE ITEM	RESPONSES						
		SA	A	D	SD	EFX	X	Decision
1	Failed or weak statutory supervision and sanctions.	154 616	187 561	48 96	- -	1,273	3.2	Accepted
2	Poor ICT awareness and advocacy on the e-payment platforms.	127 508	89 267	111 222	62 62	1059	2.7	Accepted
3	Poor revenue prolife of some MDAs.	190 760	100 300	97 194	2 2	1,256	3.2	Accepted
4	Corruption in public service.	94 376	61 183	131 262	103 103	924	2.3	Rejected
5	Tech failure and upgrade challenges	134 536	104 312	116 232	35 35	1115	2.8	Accepted

Source: Field Survey, 2021.

Grand mean $\sum \frac{x}{n} = \frac{3.2+2.7+3.2+2.3+2.8}{5}$ 14.2/5 = 2.8

Research Question 3: What are the effects of challenges of Treasury Single Account in Enugu state public service?

Table 6: Responses on the effect of challenges of Treasury Single Account in Enugu state public service?

S/N	QUESTIONNAIRE ITEM	RESPONSES						
		SA	A	D	SD	EFX	X	Decision
1	Non remittance of revenue to TSA account by defaulting MDAs.	126 504	163 489	- -	100 100	1093	2.8	Accepted
2	Short fall in government revenue to finance its programmes and projects.	125 500	89 267	105 210	70 70	1047	2.6	Accepted
3	Non proficient management and lack of transparency in MDAs finances.	267 1068	122 366	-	-	1434	3.6	Accepted
4	Unabating corruption and infractions in MDAs.	109 436	144 432	121 242	15 15	1125	2.8	Accepted
5	Vulnerability of defaulting MDAs to prosecution by Anti graft agencies.	258 1032	131 393	- -	- -	1425	3.6	Accepted

Source: Field Survey, 2021.

Grand mean $\sum \frac{x}{n} = \frac{2.8+2.6+3.6+2.8+3.6}{5}$ 15.4 /5 = 3.0

Data Analysis

In research question 1 as explicated in Table 4 also revealed opinions of the respondents on the challenges bedeviling the practice of the Treasury Single Account in Enugu state public service. Information elicited from respondents in a cluster of five questionnaire items contained in 1, 2, 3, 4 and 5 recorded mean above and within the 2.5 mean bar. It therefore implied that the respondents agreed that the practice of TSA in Enugu state public service is fraught with institutional, procedural and attitudinal deviences. To this extent, the calculated grand mean of 2.7 is in credence to this fact. In research question 2 as illustrated in Table 5 showed the views of the respondents on the factors responsible for the challenges identified in the practice of Treasury Single Account in Enugu State public service. Thus, the information elicited from the respondents in a cluster of five questionnaire items as contained in 6, 7, 8, 9 and 10 showed that all the items except item 10 recorded mean above 2.5 mean. However, this indication implied that there are multi-facted factors responsible for the challenges bedeviling the practice of Treasury Single Account which invariably have undermined efficiency and productivity in Enugu state public service. Thus the calculated grand mean of 2.8 is in support of this indication. In research question 3 as embellished in Table 6 showed the opinion of the respondents on the effects of challenges fraughting the practice of Treasury Single Account in Enugu state public service . Data culled from the respondents in a cluster of five questionnaire items as contained in 16, 17, 18, 19 and 20 were accepted by the respondents and represents mean bar above 2.5. This explicitly demonstrates that the problems identified in the implementation of Treasury Single Account have adverse effects on the revenue profile of the state amid other implications. The grand mean of 3.0 is an indication of these responses.

CONCLUSION AND RECOMMENDATIONS

The introduction of Treasury Single Account in Nigeria public finance management represents one of the lofty ideals of President Muhammadu Buharia administration aimed to stem the tide of reckeless waste of resources and other corrupt practices in Nigerian public service. Since the adoption of the e-payment platform in federal Ministries, Departments and Agencies in 2015, it has saved the nation trillions of dollars and boast the revenue profile of the federal government. This measure is also replicated at the level of state government. Enugu state is one of the federating states that has adopted and ensured full implementation of the Treasury Single Account, TSA. However, the study revealed that the practice of TSA is immersed in challenges which were exacerbated by certain factors contrary to law and precedents. Furthermore, the study also established certain plausible measures to mitigate these identified challenges and strengthen the practice of Treasury Single Account in Enugu public service for more transparency and accountability in the public financial management. Beyond these measures, the following recommendations are made to further strengthen the operational performance of Treasury Single Account for optimal benefits. First, Enugu State government should establish a multi sectoral committee to examine issues and difficulties bedeviling the practice of Treasury Single Account in Enugu State public service. The findings and recommendations of this committee will certainly strengthen the optimal performance of the Treasury Single Account, TSA in Enugu state. Secondly, there is need for statutory checks and sanction on any MDAs that failed to comply with the stipulated guidelines of Treasury Single Account. This need is obviously the task of the Office of the Accountant General, Ministry of Finance and Board of Internal Revenue Service to expedite actions for enhanced performance of Treasury Single Account in state public service. Similarly, the office of the state Accountant General should also ensure that revenue collection software of state MDAs are linked to TSA collection platform. This has become imperative in effort to mitigate financial excesses in state revenue administration. Furthermore, the Enugu State Assembly should enact laws compelling the state parastalas and institutions in Enugu State public service to ensure optimal practice or implementation of Treasury Single Account in the state public service. To this end, these measures underlined are imperative to ensure efficient practice of Treasury Single Account in Enugu state.

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