Treasury Single Account as a Driver of Sustainability for Public Expenditure in Nigeria

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Abstract: The research work examined the impact of treasury single account on public expenditure in Nigeria. The objective of the study was to examine how Federal Government Deposit affects Total Capital Expenditure (TCE), Total Recurrent Expenditure (TRE), Total Federally Collection Revenue (TFCR), Total Public Borrowing (TPB) in Nigeria. This Study is predicated on the Musgrave and Rostow theory of public expenditure. Secondary data source was explored in presenting the facts of the situation. The secondary data were obtained from relevant literatures, Central Bank of Nigeria Statistical Bulletin and National Bureau of Statistics publications among other. Data were tested using the Ordinary Least Square Linear Regression model. From the Central Bank of Nigeria Statistical Bulletin and National Bureau of Statistics, information concerning Federal Government Deposit, Total Capital Expenditure, Total Recurrent Expenditure, Total Federally Collection Revenue, Total Public Borrowing in Nigeria were extracted. The findings show that all the coefficients of the explanatory variables in the models are all statistically significant to Federal Government Deposit (FGD) except public borrowing. The study concluded that, government borrowing is a devil that government must live with in other to enhance investment, social and economic development of the country. The study then recommends among others, that to ensure sustainable in treasury single account, all funds mobilized and disbursed to all tiers of government must be sufficient, efficiently and judiciously utilized and prudent with their spending. The government should pay attention and do everything possible to prevent mismanagement of funds and income leakages in all MDAs.

Keywords: Treasury Single Account; Public Expenditure; Federal Government Deposit; Public Borrowing

JEL Classification: P24

1. Introduction

The Nigerian economy is facing numerous challenges owing dwindling in the growth and stability of its economy. As an emerging economy, high Governance failure in the country occasioned by increased level of corruption as prevented the country from maintaining sustainable economic growth and stability. This has put the economy of the Nation into the state of comatose. The public sector is an integral part of the Nigerian economy aimed at ensuring stability and productive development as well as bringing prosperity in the populace of the country (Lienert, 2009).

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Nigeria is equally facing the challenges of resource allocation which is a significant factor determining public sector financial management. Nigeria Government controls cash resources via a unified structure of government banking. This type of banking arrangements should by designed to effectively minimize the cost of Government borrowing and in the other hand, maximize the opportunity cost of cash resources. Also, such arrangement should ensure that cash received is available for government's expenditure programmes and for making payments in a timely manner.

Previous governments in Nigeria operated different types of accounting systems at Government Ministries, Departments and Agencies. This was routinely engaged to aid receipt and revenue allocation (Adeolu, 2015).

Cash management arrangements through Government bank accounts is important in ensuring efficient management and control of government's cash resources. This requires public finance administrators to ensure that all cash receipts are available for achieving Government's budgeted programs and making cash payments in an efficient manner such that the cost of Government borrowing is minimized and the opportunity cost of cash resources maximized (Adeosun, 2016).

Common with many emerging markets and low-income countries such as Nigeria are porous systems for handling government receipts and payments. In this system, the ministry of finance/treasury lacks a centralized control of public sector cash resources. This usually results in cash lying idle in numerous bank accounts held by spending agencies for extended periods. They are usually not aware of these cash; hence such Government borrow to implement the budget which as well gives. In such a porous system, warrants funds provided for budgetary appropriations to be routinely augmented by additional cash replenishments that become available through various ingenious, largely extra budgetary, measures (Eric, 2013). This institutional deficiency is weak for efficient public finance management. This is because idle cash balances with banks do not earn market-related remuneration, while the government incurs avoidable borrowing costs on funds raised to cover perceived cash shortages. Also, these idle government cash balances in the vaults of deposit money banks provide free (or low-cost) cash flow which the banks can use to extend credit to the same government. Furthermore, even when government monetary policy targets this extra liquidity through open market operations it comes with huge costs on the Central Bank and/or public treasury (Saleh, 2015).

Financial fraud in the public sector is growing faster than the rate of economic growth and development and so various measures have been opted out to combat the effect. Previous administrations have introduced a number of measures to enhance efficient public fund management in Nigeria, some of these measures introduced include the integrated personnel and payroll information system in the public (IPPIS) which is to block ghost workers' syndrome. Treasury Single account etc to mention a few (Emme, 2015).

Treasury Single account (TSA) is a financial policy used in several countries all over the world. It was introduced by the federal government of Nigeria in 2015 to integrate all inflows from all agencies of government into a single account at the Central Bank of Nigeria. TSA was introduced so as help to monitor and consolidate government revenue, and also reduce the level of corruption in Nigeria. TSA is a relatively new public accounting system; it uses a single account or a set of linked accounts by the government. The primary purpose is to control the government revenue and make sure that all the payments have been made through a Consolidated Revenue Account (CRA).

Corrupt practices (lack of transparency, accountability and mismanagement of public fund) in Nigeria has led to the introduction of the Treasury Single Account (Kanu, 2016). This policy was implemented

to drastically reduce the proliferation of numerous bank accounts operated by various MDAs as well as increase transparency and accountability among all organs of the governments. The TSA is a financial tool designed to unify various government accounts in a single pool for efficient cash management (Okwe, 2015). The TSA is intended to efficiently and effectively manage government revenue generation and system that provides and enforce sufficient self–control mechanism on revenue generation and budget implementation using a daily return from account balances of various MDAs into a central account (Oyedele, 2016).

In the last decade, the Nigerian on the expenditure side of the budget has improved geometrically from billion naira to trillion naira. Hence, it would not be surprising if the Nigerian economy continually experience deficit on the records of balance of payment.

Hence, this study was designed to investigate the impact of treasury single account on public expenditure in Nigeria by critically the impact of treasury single account on public expenditure in Nigeria. Single treasury account will be better captured with federal government deposit while public expenditure will be better captured through capital expenditure and recurrent expenditure and also examined the long run relationship between treasury single account and public expenditure in Nigeria

2. Review of Related Literature

2.1. Concept of Treasury Single Account

A Treasury Single Account (TSA) is a unified structure of government bank accounts that gives a consolidated view of government cash resources. Based on the principle of unity of cash and the unity of treasury, a TSA is a bank account or a set of linked accounts through which the government transacts all its receipts and payments (Lienert, 2009). Treasury Single Account is a public accounting system under which all government revenue, receipts, and income are collected into one single account, usually maintained by the country's apex bank e.g. Central Bank of Nigeria and all payments should be done through this account as well.

Due to the inefficient management of funds by individual entrepreneurs and government, the TSA was designed by the Federal Government of Nigeria to structurally conjoin bank accounts of MDAs that provides a centralized view of government cash resources (Isa, 2016). Kanu, (2016) explained that the TSA was implemented to complement the various public sector initiatives established to improve the quality of the nation's public funds management, such as the Government Integrity Finance Management Information, the Automated Accounting Transaction and Reporting System Integration Payroll Personal Information System (IPPIS) and others. Williams (2013) opined that the TSA was designed to effectively manage the daily, weekly, monthly and annually (actual and forecast) patterns of government cash flows and the proper operation of the treasury function and to ensure effective aggregate control over government cash balances (Schmitz & Wood, 2016 & Systemsdpece, 2015).

Also, the TSA helps to consolidate cash resources by minimizing the cost of borrowing. Previously, the absence of TSA increased the level of idle balances in several bank accounts but this is disadvantageous because an effective aggregate control of cash is a key element in monetary and budget management. Other importance of TSA includes the minimization of budget transaction costs, cost of budget execution and controlling the delay in the remittance of government revenues, facilitating the reconciliation between banking and accounting data, efficient control and monitoring of funds allocated to various government agencies as well as ensure better coordination of monetary

policy implementation (Oyedokun, 2016; Pattanayak & Fainboim, 2015).

2.2. Concept of Public Expenditure

2.2.1. Public Expenditure

The concept of public expenditures arises from the thinking that expenditures undertaken by the government is public. Government expenditure is otherwise known as government spending or public sector spending or government purchases. It is the expenses incurred by Central, State and Local governments of a country. Samira (2016) view government expenditure as spending incurred by government authorities like central, state and local governments to satisfy the collective social needs of the citizens and it otherwise known as public expenditure. According to Barro and Grilli (1994), public expenditure includes all government spending and investment but excludes transfer payments made by the state authorities Modebe et al. (2012) posit that public expenditure can be for the acquisition of goods and services for current use to directly satisfy personal or collective needs of the members of the society or it can be for provision and production of goods and services intended to create future benefits such as infrastructure investment and the spending can symbolize transfers of funds, such as salaries and administration expenses .

According to Modebe et al (2012), capital expenditure has an everlasting effect on the nation and helps in provision of more efficient and productive economy unlike current expenditure . Public expenditure could be capital or recurrent. Oziengbe (2013) defined capital expenditure as spending that attracts future needs, as there could be some gap between when it is incurred and when it takes effect on the economy . Oni, Aninkan and Akinsanya (2014) described capital expenditure as expenditure on the creation or acquisition of fixed assets (new or second-hand). Capital expenditure is spending on assets. It is the purchase of items that will last and will be used time and time again in the provision of a good or service. For instance, the building of a new hospital, the acquisition of new computer equipment or ICT infrastructure networks, construction of new roads and among others.

Recurrent expenditure refers to spending on goods and services acquired such as office stationeries and operational cost associated to it, wages and salaries as well as transfer payments (usually classified as current grants and subsidies) Current expenditure is spending on items that are consumed and only last a short period of time i.e. cost of an items used up in the provision of goods or services [17]. In the case of the government, current expenditure would include wages and salaries and expenditure on consumables - stationery, drugs for health service, bandages and so on.

Samira (2016) classified government expenditure into various categories. He stated that classification of government expenditure refers to the systematic arrangement of different items on which the government incurs expenditure. Samira classified government spending into functional; recurrent and capital expenditure; transfer and non-transfer expenditure; productive and unproductive expenditure; development and non-development expenditure; and grants and purchase prices

Functional Classification: This is classified on the basis of the function performed by the government such as defense, social welfare, agriculture, infrastructure and industrial development. The spending expended on such roles fall under this category. This kind of classification provides a clear idea about how the government funds are spent.

Transfer and Non-Transfer Expenditure: A.C. Pigou, a British economist classified public expenditure as transfer expenditure and non-transfer expenditure. Transfer expenditure relates to the expenditure

against which there is no corresponding return. Such expenditure includes national old age pension schemes, interest payments, subsidies, unemployment allowances, welfare benefits to weaker sections, etc. According to Abuh (2018), by incurring such expenditure, the government does not get anything in return, but it adds to the welfare of the people, especially belonging to the weaker sections of the society. Such spending mostly resulted to redistribution of financial incomes within the citizens. Thus, non-transfer expenditure links to expenses which results in the formation of income or output. The non-transfer expenditure includes developmental as well as non-developmental expenditure that leads to the creation of productivity directly or indirectly. This could be informing of economic infrastructure such as power, transport, irrigation, etc., social infrastructure such as education, health and family welfare, internal law and order and defense, public administration, etc. By incurring such expenditure, the government creates a healthy condition or environment for economic activities. Due to economic growth, the government may be able to generate income in the form of duties and taxes.

Productive and Unproductive Expenditure: This classification was made by the Classical economists on the basis of creation of productive capacity. According to Samira (2016), expenditure on infrastructural development, public enterprises or development of agriculture increases productive capacity in the economy and bring income to the government are classified as productive expenditure. Unproductive expenditure are the expenditures in the nature of consumption, such as defense, interest payments, expenditure on law and order, public administration, do not create any productive asset which can bring income or returns to the government.

2.3. The Impact of Single Treasury Account on Public Expenditure

According to Sidney, (2015), government viewed single treasury account as an important instrument in instituting a formalized approach for the control of all financial resources through effectual cash policy and management. This is because treasury single account guarantees transparency and enables government to know the exact amount accrued to its coffer daily. From the context of Nigeria, it is expected that the operationalization of single treasury account would help to reduce corruption of financial leakages and embezzlement (Vahyala, Pwafeyeno & Minnessi, 2016).

As stated by Isa (2016), the implementation of single treasury account is expected to cut up revenue leakage and enables the Ministry of Finance to monitor the inflows and outflows of funds thereby augmenting the reduction in oil revenue due to falling oil prices. CBN (2015) supported the same view by saying that the implementation of single treasury account would especially assist the Ministry of Finance to trail funds flow as none of government agencies is permitted to keep any other bank account out of the oversight of the Ministry of Finance.

According to Igbekoyi and Agbaje (2016), the operationalization of single treasury account has positively impact the national economic planning, budget and budgetary processes and procedures by bringing irregularities and loopholes to a reduced rate in the MDAs and extra ministerial departments. Single treasury account ensures that the revenues received are readily available for governments expenditure programmes and also ensures timely payment (Adeolu, 2016). Also, Udoma (2015) opined that the maintenance of single treasury account will enhance the funding of government budget rather than depend on federal allocation because the aim of government will be achieved in an economy where the budget is fully funded.

3. Theoretical Review

Different school of thought have emerged on how the TSA can effectively reduce the menace in the public sector financial management. The origin of these differences has been traced to the theoretical exposition such as; Musgrave and Rostow theory of public expenditure, circumvention innovation theory, the Theory of Increasing Public Expenditure; and Meta Theory Model.

Musgrave and Rostow theory of public expenditure were adopted to form a solid foundation for the concept of TSA. These include Musgrave and Rostow theory of public expenditure. Meta theory, circumvention innovation theory, and the Wagner Theory of Increasing expenditure. There has been series of debate among scholars on the relationship between Treasury Single account and government expenditure. Some scholars are of the view that increase in government expenditure on socio-economic and physical infrastructures encourages economic growth. For instance, government expenditure on health and education raises the productivity of labour and increases the growth of national output. Also, expenditure on infrastructure such as roads, communications, power, etc, reduces production costs, increases private sector investment and profitability of firms and thus foster economic growth (Ogah, 2016; Oguntodu, Alalade, Adekunle & Adegbie, 2016)

3.1. Harrod-Domar Theory of Growth

The Harrod –Domar models are based on economic growth on the experiences of advanced economists. They are primarily addressed to an advanced capitalist economy and attempt to analyse the requirements of steady growth in such an economy. Harrod –Domar assign a key role to investment in the process of economic growth. But they lay emphasis on the dual character of investment. Firstly, it creates income, and secondly, it augments the productive capacity of the economy by increasing its capital stock. The former may be regarded as the demand effect and the later the supply effect of investment. Hence so long as net investment is taking place, real income and output will continue to expand. However, for maintaining a full employment equilibrium level of income from year to year, it is necessary that both real income and output should expand at the same rate at which productive capacity of the capital stock is expanding. Ultimately, it will adversely affect the economy by lowering incomes and employment in the subsequent periods and moving the economy into equilibrium path of steady growth.

4. Empirical Review

Garbade, Okechuikwu, E., Chuwurah. I., Daniel, C. & Iheanacho, N, 2015) documented that the full implementation of TSA as refocused bank towards their original objectives (collect and keep deposits and serve as financial intermediates). Allen and Nweze, (2016) believed equally that the TSA opens up the financial activities of government in a manner that prevents diversion or looting of government money. The authors submitted that the TSA goes a long way at ensuring budgeting process and implementation, contract awards are done in a transparent manner. Also, Larson (2017) noted that the TSA implementation have impacts beyond transparency and accountability. This is because it ushers into the economy an efficiency public finances and this in the long run leads to effectiveness of government spending (Obinna, 2016).

Similarly, Ochenni (2016) opined that the TSA is paramount in the nation's revenue drive,

transparency and fight against corruption. However, the author believed the implementation of the policy affects banks' liquidity and employment. Kanu (2016) observed that the implementation of Treasury Single account in the public accounting system impacted negatively on the liquidity base and the performance of banking sector in Nigeria. Consolidation of cash resources through the TSA helps to avoid borrowing and paying additional interest charges to finance the expenditures of some agencies. Bashir (2016) said that the adoption of TSA is adapted towards plugging of financial loopholes, promoting transparency and accountability in the public financial system. Equally, the design of TSA depends on the technology used for interbank settlements and the electronic and/or manual system, used by the Central Bank for clearing of collections and payments with the commercial banks. In some cases, the banking system might also be moving to a Real Time Gross Settlements System (RTGS).

The effectiveness and efficiency of the TSA can be achieved some of the cash management policy such as the Government Integrated Financial Management Information System (an IT based system for budget management and accounting) are strictly implemented and monitored. The purpose is to enhance greater accountability and transparency across Ministries and Agencies. Ochenni (2016) observed that Integrated Personnel and Payroll Information System (IPPIS) is a centralized computer based payroll and management system aimed at elimination of payroll fraud; it has as its focus, the determination of the actual personnel cost at a glance. It also aimed at ensuring data integrity towards ensuring that personnel information is correct and intact.

5. Methodology

The descriptive survey design was adopted for this study. This means that the variables used in this study have been studied before, either independently as an exploratory study or with other variables. Secondary data Total Capital Expenditure (TCE), Total Recurrent Expenditure (TRE),Total Federally Collection Revenue (TFCR), Total Public Borrowing (TPB) covering the period of years 2010-2019 (10years) were sourced from the Central Bank of Nigeria Statistical Bulletin concerning;. Other secondary sources of data were relevant articles, journals and newspapers.

5.1 Model Specification

The following mathematical model was developed to analyze the impact of TSA on government expenditure in Nigeria using Total Capital Expenditure (TCE), Total Recurrent Expenditure (TRE), Total Federally Collection Revenue (TFCR), Total Public Borrowing (TPB) while the independent variables was Federal Government Deposit (FGD) used as proxy for Treasury Single account. The model employed is specified in equation 3.1

$$Y_{lt}=\alpha_{it} + \beta_1 TCE_{lt} + \beta_2 TRE_{lt} + \beta_3 TFCR_{lt} + \beta_4 TPB_{lt} + \varepsilon_{it}. \quad 3.1$$

where Y represents the Federal Government Deposit (FGD)

α= the constant term

TCE= Total Capital Expenditure proxy for infrastructural development and establishment of mega projects

TRE=Total Recurrent Expenditure proxy for salaries

TFCR= Total Federally Collected Revenue

TPB=Total Public Borrowing

β= the coefficient of the function

e = error term.

6. Results and Discussion of Findings

6.1. Descriptive Statistics

	FGD	TCE	TRE	TFCR	TPB
Mean	37456871	312255.7	5867533.3	556079.7	345698.0
Median	62293456	785348.7	3489522.5	567443.3	345234.3
Maximum	94100621	7204509.2	3743832.4	453465.1	596079.3
Minimum	34321693.	382388.7	5764395.5	456745.8	28758.00
Std. Dev.	57321744	456333.5	3345237.5	777229.2	973477.0
Skewness	0.5673445	0.273483	1.4562340	0.365747	2.987549
Kurtosis	3.211347	0.273780	4.3231145	2.342095	7.041135
Jarque-Bera	2.312660	2.238890	5.4522313	2.8904564	22.93272
Probability	0.312853	0.735223	4.0567341	3.9604054	0.000000
Sum	2.95E+22	23099551	42309567	4563453.2	33467512
Sum Sq. Dev.	1.64E+15	6.90E+31	3.22E+99	3.34E+22	1.33E+22
Observations	10	10	10	10	10

Source: Researchers' E-views Results, (2020).

7. Results and Discussion of Findings

7.1. Descriptive Statistics

Table 4.1 provides information on the descriptive statistics of Federal Government Deposit (FGD), Total Capital Expenditure (TCE), Total Recurrent Expenditure (TRE), Total Federally Collection Revenue (TFCR), Total Public Borrowing (TPB), covering the the period of years 2010-2019. The mean ± S.E were FGD for 37456871 ± 57321744, TCE was 312255.7 ± 456333.5, TRE was 5867533.3 ± 3345237.5, TFCR was 556079.7 ± 777229.2, 345698.0 ± 973477.0). The table further reveals that the Federal Government deposited a minimum value of 34321693.and maximum value of 94100621 over 25-year period. The standard deviation of total federally collected revenue is was affected by the extreme value in a slightly pattern.

There was a positive skewness (0.273483) in the total capital expenditure, indicating that the level of degree of departure from the mean of the distribution was positive. This indicates that there was a consistent increase in Total Capital Expenditure from 2010 to 2019 in Nigeria.

Though, as indicated by the Kurtosis of 0.273780 less 3 compare to skewness which is the normal value shows that the degree of peakedness within the period of this study were normally distributed as most of the values do not depart from the mean. The Jarque-Bera statistic shows that the JB statistics

is about 2.238890, and the probability of obtaining such a statistic under normality assumption is 0.299277 percent. We therefore, accept the hypothesis that states "total capital expenditure is normally distributed".

7.2. Test of Hypotheses

Hypothesis One H_0: total capital expenditure has no significant effect on federal government deposit in Nigeria.

Dependent Variable: FGD
Method: Least Squares
Date: 07/25/20 Time: 19:37
Sample (adjusted) 2010-2019
Included observations: 10

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	4.054410	1.33978.1	1.399703	1.316151
TCE	1.399703	0.080627	1.259684	1.72800
TRE	1.259684	1.315013	0.770988	3.20100
TFR	0.770988	2.068351	2.307478	1.07023
TPB	-1.453745	1.456345	1.453568	1.43789

R-squared	1.510518	Mean dependent var	2.294901
Adjusted R-squared	1.066229	S.D. dependent var	1.479502
S.E. of regression	4.054410	Akaike info criterion	7.162000
Sum squared residua	1.399703	Schwarz criterion	7.260800
Log likelihood	1.259684	Hannan-Quinn criter.	2.322293
F-statistic	177.098	Durbin-Watson stat	0.913624
Prob(F-statistic)	0.001		

Source: Researchers' E-views Result, (2020).

7.3. Discussion

From the regression result, the coefficient of determination (R^2) value of 1.510518 shows that at, 98.86percent, the explanatory variables explain changes in the dependent variable. This means that at 98.86percent, the independent variables explain changes in the Federal Government Deposit (FGD). This simply means that the explanatory variables explain the behaviour of the dependent variable at 98.86percent. The calculated F-statistics (0.77098) having significant level (0.001) which is less than 0.05 level of significance implies that the model is significant. The Durbin-Watson (DW) as shown in the regression analysis is 0.913624. From this, it shows that there is the presence of autocorrelation. The above model tested the effect of four different variables namely; Total Capital Expenditure (TCE), Total Recurrent Expenditure (TRE), Total Federally Collection Revenue (TFCR), Total Public Borrowing (TPB) on Federal Government Deposit (FGD).

In order to obtain the regression result, the Ordinary Least Square (OLS) technique with the help of the Econometric Views (E-views) software was used. The result obtained from the regression shows that there is negative but insignificant impact of Total Public Borrowing (TPB) on Federal Government Deposit (FGD) with a coefficient of -1.453745. Hence, Total Public Borrowing is

negatively insignificant to Federal Government Deposit in Nigeria.

Also, the regression result shows that Total Capital Expenditure (TCE) has a positive impact on Federal Government Deposit (FGD) with a coefficient of 1.399703. The coefficient of Total Capital Expenditure is statistically significant as shown by both the corresponding standard error and t-values. Thus, Cumulative Total Capital Expenditure is elastic to Federal Government Deposit. This positivity of the coefficient of government expenditure conforms to the economic a priori expectation of a positive impact of total capital expenditure on federal government deposit. Furthermore, the result obtained from the regression shows that total recurrent expenditure (TRE) has a positive impact on federal government deposit. This is indicated in its positive coefficient of 1.259684. However, total recurrent expenditure is elastic to federal government expenditure since the standard error and t-values revealed that the coefficient is statistically significant.

The F-statistics of 177.098 shows overall significance of the regression model. F-sig. level of .001 is less than 0.05 which suggests that H_0 is not true. Therefore, federal government deposit has significant and positive effect on recurrent expenditure, thus Treasury Single account is an instrument for government expenditure which enhance economic growth in Nigeria.

7.4. Findings

This study has revealed the effect of the Treasury Single Account (TSA) on the government expenditure in Nigeria with a special interest how government manage capital expenditure, recurrent expenditure, also the total revenue generated through treasury single account. It was discovered through the analysis carried out that TSA exerts a positive significant impact on all the explanatory variables covered by this study except public borrowing which has a negative significant impact. The corollary of this discovery is that has not negatively affected federal government deposit (FGD) in Nigeria except for public borrowing. The reason for this might be attributed to the effort of the government to refocus on the original purposes for which they were set up to collect mobilize fund to enhance economic growth of the country and also engage in intermediation to create wealth and jobs for the economy

8. Conclusion

The Ordinary Least Square(OLS) regression analysis was carried out, to determine the impact of government expenditure indicators on Federal Government Deposit (FGD). Hence, Federal Government Deposit (FGD) was regressed on Total Capital Expenditure (TCE), Total Recurrent Expenditure (TRE), Total Federally Collection Revenue (TFCR), Total Public Borrowing (TPB). The results of the findings show that all the coefficients of the explanatory variables in model 1 are all statistically significant to federal government deposit, except public borrowing. This means that public borrowing do not contribute significantly to federal government deposit during the period under analysis. The implication of this is that public borrowing through the relevant authorities has not been effectively utilized to bring about significant decrease in government expenditure during the period under analysis. However, the research findings still support the notion that Treasury Single account are tools of public expenditure to enhance economic development of the country. The study concludes that Treasury Single account has a significant positive impact on government expenditure.

8.1. Recommendations

1. The implementation of Treasury Single account will be progressive for the economy in general as this will enhance transparency, limpidity and accountability more than ever before.

2. Government should engross in immense public enlightenment and clarification around the significance of the policy to nurture its success as this will prevent high level of financial leakages

3. The ability of the Federal Ministry of Finance and the CBN should be overhauled and encourage by the government to cope with challenges so as to strengthen the system in other to avoid mismanagement of fund in all MDAs with the compliance of the provisions of the TSA.

4 The government should shelter as soon as probable the appropriate statutory support to aid the appropriate regulatory atmosphere which

5 the tiers of governments in Nigeria should reduce public borrowing as it has a significant inverse effect on the public expenditure of the country, because this study showed the in the long run public spending of Nigeria negatively influence the growth of the economy. That is increase in total public borrowing hinders economic growth in Nigeria. In other words, economic growth tends to reduce as government becomes more indebted to local and external borrowers.

6 The federal government should prudently manage the financial resources generated from taxes and also reduce drastically waste of public funds.

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