

IMPACT OF TREASURY SINGLE ACCOUNT POLICY ON RECREATION PARTICIPATION AMONG COMMERCIAL BANKS STAFF IN ILORIN, KWARA STATE

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Abstract

Generally Commercial Banks in Nigeria conducts various transactions on behalf of ministry, departments and agencies of government, through multiple accounts for different portfolios. This situation enables the banks to engage more man-power in managing the affairs of their operations and yet, the work load remains cumbersome to the extent of eating from part of the leisure hours of the staff in the form of over- time. This study was aimed at identifying the types of recreation activities engaged by commercial banks staff, their level of engagement before and after the implementation of the TSA policy, and to ascertain the impact of the policy on their recreational period. In order to achieve the above stated objectives, banks were randomly picked while 6 staff each was judgmentally picked and also 4 CBN staff and 16 staff of Kwara State Tourism Corporation were also judgmentally selected. The total staff strength of sampled commercial banks, CBN Ilorin branch and Kwara State Tourism Corporation were 162, 41 and 104, respectively. A total of 80 respondents were used for the study. Both primary and secondary methods of data collection were employed. Questionnaire and observation were also used as instruments to generate primary data while nominal row for staff in the identified institutions was used as secondary source to deduce staff strength. The research findings reveals that the bank staff engaged in several recreational activities such as sight viewing, football, cinema, basketball, horse riding, badminton among others. Furthermore, their level of engagement in these activities was highly occassional before the TSA implementation and daily after the implementation of the TSA Policy. It further reveals that reduction in the work load of staff and staff retrenchment were the major impact of the TSA implementation with mean values of 4.38 each while adding to existing workload and reduction in recreation hours was the least impact with mean value of 1.62. Conclusively, TSA policy has significant impact on the recreation period of commercial banks staff. They participate in recreation activities on daily basis after the implementation as against their participation before the implementation of the TSA policy, which was on occational basis. Therefore TSA policy should further be sustained in order to guarantee more recreational hours/time to commercial banks staff particularly in Ilorin Metropolis.

Keywords: TSA, Banks Commercial, Participation, and Recreation.

Introduction

The Central Bank of Nigeria introduced the Treasury Single Account Policy to promote transparency and facilitate compliance with sections 80 and 162 of the 1999 Constitution. According to Laolu Akande, the Senior Special Assistant to the Vice President on Media and Publicity, stated that henceforth, all receipts due to the Federal Government or any of its agencies must be paid into TSA or designated accounts maintained and operated in the Central Bank of Nigeria (CBN), except otherwise expressly approved

The order on TSA, which came into effect on August 11, 2015 marks the beginning of MDAs' retirement of revenues due to the Federal Government into a unified account maintained by the Central Bank of Nigeria (CBN). The payment of government revenue into multiple bank accounts operated by MDAs in commercial banks, as obtained under the old order, was clearly against the Nigerian Constitution which, in Sections 80 and 162, directed that all federally-collected revenues should be paid into the Federation Account. It was a flagrant breach of the constitution that underscores the rot in the management of the country's finances. It is heartening that this will now be history, going by the efforts of the new administration to implement the TSA policy that was reportedly first recommended by the Federal Government's Economic Reform and Governance Programme in 2004, but dumped in 2005, following intense pressure from the banking industry. TSA also 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 were designed to address impediments to effective and efficient cash management. The banking sector is the engine of any nation's economy.

In Nigeria, commercial banks have been the custodians of government funds. Therefore, with the maintenance of a single account, banks will be deprived of the free flow of funds from ministries. Indeed, it is estimated that commercial banks hold about N2.2 trillion public sector funds at the beginning of the first quarter of 2015 (Obinna, 2015). The Federal Government's directive to all revenue-generating agencies to close their accounts with commercial banks by February 28, 2015 and transfer same into a Consolidated Revenue Fund of the Federation and Treasury Single Account as a new electronic revenue collecting platform introduced recently by President Buhari has continued to generate debate across the country (Eme and Chukwurah, 2015).

These revenues were initially deposited in various accounts of the commercial banks (through multiple account system) across the country which provides adequate funds to the banks and strengthens their lending capacity and perhaps increases the work load of their personnel and as such affects their recreation hour. Recreation participation is crucial to all humans irrespective of his/ her career, as it develop the physical and mental ability of the participant. The implication of the TSA policy is that banks will no longer have access to the float provided by the accounts they maintained for the Ministries, Departments, and Agencies, which therefore reduces the availability of funds and engagement of the staff in commercial banks (Onuorah and Chigbu, 2016).

With this comes better cash management practices since the Treasury can at all times have an overall view of government's cash position, as against the fragmented positions of different Ministries, Department and Agencies (MDAs), which need to be laboriously pooled together to get the overall picture. This will reduce the cost of borrowing by government and its agencies, as the government will likely be in the surplus at most times of the year. Take the example of the practice before the TSA, MDA 'A', based on budgetary releases could have surplus cash (meaning cash that is not immediately required) in its bank accounts whilst, MDA 'B', which needs immediate cash for urgent transactions is cash starved and has little or nothing in its account. Although, MDA 'B' has approvals in the budget for transaction, it has no immediate cash. MDA 'B' is likely to borrow from a bank at an interest to carry out the urgent assignment, thereby incurring costs to Treasury, whilst treasury finances lie idle in MDA 'A'. This would no longer happen.

Meanwhile, recreation is carried out basically during leisure hours where individuals or groups engaged in various kinds of activities based on the available facilities for refreshment, entertainment and excitement, which could either be in-door or outdoor (as the case may be) and which to a large extent, depends on individual choice.

Statement of the Problem

Most commercial banks across the country transact with government Ministries, Departments and Agencies through the multiple accounts they operate with the banks. It is perceive that this situation enables the banks to engage more man-power in managing the affairs of their operations. Bu the work load remains cumbersome, thus depriving staff of likely available

leisure hours. However, with the introduction of TSA policy, multiple accounts operations by MDA's in particular was eliminated, which is believed will allow banks staff more time for leisure and recreation activities.

Objectives of the Study

The study seeks to assess the impact of TSA policy on recreation participation among commercial staff in Ilorin, Kwara State.

Specific objectives are to:

- i. examine the various forms recreation activities engaged in by commercial bank staff in Ilorin, Kwara State.
- ii. assess the level of participation before and after the implementation of the TSA policy.
- iii. ascertain the impact of the policy on their recreational period.

Hypothesis

The study was based on the following predictions;

- Ho: Commercial banks staff has no significant relationship with recreation participation.
- Ho: TSA policy has no significant impact on staff level of participation in recreation activities.
- Ho: TSA policy has no significant impact on the recreation period of commercial banks staff in Ilorin, Kwara State.

Literature Review

According to Onyekpere (2015) a TSA is a unified structure of government bank accounts 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 payments and gets a consolidated view of its cash position at any given time. This presidential directive would end the previous public accounting situation of several fragmented accounts for government revenues, incomes and receipts, which in the recent past has meant the loss or leakages of legitimate income meant for the federation account. The TSA is a process and tool for effective management of government's finances, banking and cash position. In accordance with the name, it pools and unifies all government accounts

through a single treasury account. The advantages and benefits of the TSA are legion. The consolidation into a TSA paves way for the timely capture and payment of all due revenues into government coffers without the intermediation of multiple banking arrangements. This prevents revenue leakages in terms of revenue loss and mismanagement by operators of all revenue-generating agencies.

The Treasury Single Account, a single pool for harvesting revenue inflows of MDAs was not Buhari's idea. It was conceived by the immediate administration of President Goodluck Jonathan, but it remained a mere policy on paper due to lack of political will on the part of past administration to enforce it. (Okerekeoti and Okoye, 2017). This assertion was further affirmed that, with Buhari on board as President, the enforcement has become a compulsory policy that all the revenue generating MDAs must comply with. They have been mandated to channel their earnings into a single account to be domiciled with the Central Bank of Nigeria (CBN). Federal Government's seriousness about enforcing TSA was conveyed in a circular entitled, "Re: Introduction of Treasury Single Account (TSA) (e-Collection of Government Receipts)" (Eme and Chukwurah, 2015).

For Chukwu (2015), A Treasury Single Account (TSA) is a network of subsidiary accounts all linked to a main account such that, transactions are effected in the subsidiary accounts but closing balances on these subsidiary accounts are transferred to the main Account, Ministries, Agencies and Departments (MDAs) will maintain their individual accounts with the commercial banks, but daily funding of their disbursements are made from the central or main account, which is resident with the Central Bank, just as their closing balances at the end of day are transferred to the main account. The TSA is principally a cash management tool for efficient management of the Government's cash position. Prior to the implementation of the TSA, government was incurring finance cost on debit balances in some MDA's accounts while it was earning close to nothing on the credit balances of other MDAs. With the TSA, the net balances on all the MDA accounts will now reside with the Central Bank; hence, the government will avoid incurring interest costs when it has positive net position.

According to (Yusuf and Chiejina, 2015) a Treasury Single Account is a unified structure of government bank account enabling consolidation and optimal utilisation 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 payments and gets a consolidated view of its cash position at any given

time. A TSA therefore is considered a prerequisite for modern cash management and is an effective tool for the ministry of finance/treasury to establish oversight and centralized control over government's cash resources. The TSA provides a number of other benefits and thereby enhances the overall effectiveness of a public financial management (PFM) system. The establishment of a TSA should, therefore, receive priority in any PFM reform agenda.

Benefits and Challenges of TSA

The TSA provides a number of other benefits and thereby enhances the overall effectiveness of a public financial management (PFM) system. The establishment of a TSA should, therefore, received priority in any PFM reform agenda. According to the directive, this measure is specifically to promote transparency and facilitate compliance with sections 80 and 162 of the 1999 Constitution.

In a statement by Akande (2015), the Senior Special Assistant to the Vice President on Media and Publicity, all receipts due to the Federal Government or any of its agencies must be paid into TSA or designated accounts maintained and operated in the Central Bank of Nigeria (CBN), except otherwise expressly approved. The presidential directive, in the view of analysts, would end the previous public accounting situation of several fragmented accounts for government revenues, incomes and receipts, which in the recent past has meant the loss or leakages of legitimate income meant for the federation account. President Buhari had earlier promised state governors at the inaugural meeting of the National Economic Council (NEC), in June, that all revenues prescribed for lodgement into the federation account will be treated as such under his watch and that he will ensure strict compliance with all relevant laws on accounting, allocation and disbursement.

Since then the presidency has worked with relevant agencies of the federal government to evolve this policy directive. This directive applies to fully funded organs of government like the Ministries, Departments, Agencies and Foreign Missions, as well as the partially funded ones, like Teaching Hospitals, Medical Centre, Federal Tertiary Institutions among others Agencies like the Central Bank of Nigeria, Securities and Exchange Commission, Corporate Affairs Commission, Nigeria Ports Authority, Nigeria Communications Commission, Federal Airports Authority of Nigeria, Nigeria Civil Aviation Authority, Nigerian Maritime Administration and Safety Agency,

Nigeria Deposit Insurance Corporation, Nigeria Shippers Council, Nigeria National Petroleum Corporation, Federal Inland Revenue Service, Nigeria Customs Service, Mining, Minerals and Sustainable Development, Department of Petroleum Resources are also affected. For any agency that is fully or partially self-funding, Sub-Accounts linked to TSA are to be maintained at CBN and the accounting system will be configured to allow them access to funds based on their approved budgetary provisions.

In November 2013, The Central Bank of Nigeria (CBN) called for an urgent implementation of the Treasury Single Account (TSA) in order to properly manage the country's revenue. The CBN stated this in a communiqué at the end of its 235th Monetary Policy Committee (MPC) meeting where it noted that "a TSA is an essential tool for consolidating and managing governments' cash resources. In countries with fragmented government banking arrangement, the establishment of a TSA receives priority in the public financial management reform agenda".

The CBN lamented that the "erosion of the fiscal buffers through the depletion of the Excess Crude Account (ECA) has further exposed the economy to vulnerabilities while the fall in oil revenue has left capital inflows as the only source of external reserves accretions"(CBN,2014). It also expressed concern that the federal government's debt had also risen phenomenally along with its deposits at the deposit money banks. This, it said, showed the federal government as a net creditor to the system. "This underscores the urgent need for the immediate implementation of the Treasury Single Account. The continued delay in returning government accounts to the Central Bank is adding to the huge cost of government debt due to poor cash flow management" (CBN,2014) the MPC statement added. Recently, the Office of the Accountant -General of the Federation (OAGF) directed all Ministries, Departments and Agencies (MDAs) of the Federal Government yet to comply with the Treasury Single Account (TSA) regime domiciled at the Central Bank of Nigeria (CBN) to embrace the policy not later than 28th February, 2015. By implication, the MDAs were directed to close all the revenue accounts they maintain in different Banks in the country and transfer the proceeds to the TSA.

This no doubt was a move to actualize the promise by the then federal government through the Coordinating Minister of the Economy and Minister of Finance, Dr. Okonjo-Iweala in December, 2014 to block avenues of revenue leakages to shore up government revenue in the face of dwindling earnings due to falling oil prices.

Methodology

The study populations are commercial banks staff (162), CBN Ilorin staff (41) and Kwara State Tourism Corporation members (104), these includes both male and female. Primary and secondary sources of data collection were used for the study. Observation and questionnaire served as instruments for the collection of primary data while staff nominal row served as the secondary source. Judgmental sampling technique was adopted to sample respondents from the above identified sources. Ten banks were randomly picked while 6 staff each was purposively selected and four CBN staff with sixteen Kwara State Tourism Corporation staff was also selected. CBN was included on the fact that it is the initiator of the TSA policy and Kwara State Tourism Corporation is the institution regulating tourism activities in the state. The key respondents were the commercial banks staff and they constitutes the majority among the respondents (60 respondents in all) A total of 80 respondents were sampled, while descriptive and inferential statistics was used for data analysis with the aid of SPSS software.

Results and Discussions

Table 1: Recreation activities engaged by the commercial banks staff

Variables	Yes (Frequency)	Percentage (%)	No (Frequency)	Percentage (%)
Sight viewing	53	71.62	21	28.38
Football	39	52.70	35	47.30
Cinema	47	63.51	27	36.49
Basketball	13	17.57	61	82.43
Horse riding	2	2.70	72	97.30
Cycling	5	6.76	69	93.24
Badminton	8	10.81	66	89.19
Others	47	63.51	27	36.49

Source: Author's computation

Table 1 above reveals that majority of the respondents (71.62%) acknowledged that most commercial bank staff engage in sight viewing while the least (2.70%) engage in horse riding. Other activities commercial banks staff engages in include Cinema (63.51%), football (52.70%), basketball (27.5%) amid other forms of leisure and recreation. This implies that the

staff usually engaged in recreation activities and with much emphasis to sight viewing, cinema and football.

Table 2: Level of engagement before the implementation of the TSA

Variables	Frequency	Percentage (%)
Daily	5	6.76
Twice a week	8	10.81
Weekly	18	24.32
Occasionally	43	58.11

Source: Author's computation

Table 2 reveals that majority of the respondents (58.11%) confirmed that they engage in recreational activities occasionally, while the least (6.76%) confirmed that they engage in recreational activities on a daily basis before the implementation of the TSA. Others include weekly (24.32%) and twice a week (10.81%) , this finding shows that commercial banks staff recreate occasionally before the implementation of the TSA policy.

Table 3: Level of engagement after the implementation of the TSA

Variables	Frequency	Percentage (%)
Daily	40	54.05
Twice a week	19	25.68
Weekly	9	12.16
Occasionally	6	8.11

Source: Author's computation

Table 3 reveals that majority of the respondents (54.05%) confirmed that they engage in recreational activities on a daily basis, while the least (8.11%) confirmed that they engage in recreational activities only occasionally after the implementation of the TSA. Others include twice a week with 25.68% and weekly with 12.16%. This indicated that the implementation of TSA policy has enabled more recreational periods for the staff and they recreate on daily basis as against occasional basis before TSA implementation.

Table 4: Impact of TSA policy on the recreational period of commercial banks staff

Variables	SA	A	U	D	SD	X	Ranking
It added to existing load and reduces recreation hours	2 (2.70)	4 (5.41)	2 (2.70)	22 (29.73)	44 (59.46)	1.62	6th
It led to reduction accounts and work load	31 (41.89)	37 (50.00)	0 (0.00)	4 (5.41)	2 (2.70)	4.23	4th
It reduces the existing work load of staff	40 (54.05)	29 (39.19)	0 (0.00)	3 (4.05)	2 (2.70)	4.38	1st
It led to staff transfer to a less competitive environment	30 (40.54)	41 (55.41)	2 (2.70)	1 (1.35)	0 (0.00)	4.35	3rd
It led to the transfer of staff to a more competitive environment implying low recreation hours	2 (2.70)	1 (1.35)	10 (13.51)	31 (41.89)	30 (40.54)	1.84	5th
It led to the retrenchment of staff	36 (48.65)	35 (47.30)	0 (0.00)	1 (1.35)	2 (2.70)	4.38	1st

Source: Author's computation

Table 4 reveals that reduction in the work load of staff and staff retrenchment were the major impact of the TSA implementation with mean values of 4.38 respectively while adding to existing workload and reduction in recreation hours was the least impact with mean value of 1.62. Others included transfer of staff to a less competitive environment (4.35), reduction in bank accounts and hence reduction in workload (4.23) and transfer of staff to a more competitive environment (1.84). This finding signifies that TSA policy has led to staff retrenchment due to reduction in work load of the banks.

Hypothesis Testing

Impact of explanatory variables on the dependent variable

df = 5 R-Square = 0.0890

Variables	t-value	p-value
It added to existing load and hence reduces recreation hours	0.231	0.141
It led to the reduction of bank accounts and hence reduction in work load	-1.66	0.010
It reduces the existing work load of	0.025	0.004

staff

It led to the transfer of staff to a less competitive environment implying more recreation hours	0.341	0.185
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It led to the transfer of staff to a more competitive environment implying low recreation hours	0.214	0.126
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It led to the retrenchment of staff	0.044	0.030
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Source: Author's computation

From the above regression result the t-statistics reveals that; It led to the reduction of bank accounts and hence reduction in work load, It reduces the existing work load of staff, and it led to the retrenchment of staff were significant at 5%, while transfer of staff to a more competitive environment implying low recreation hours, it led to the transfer of staff to a less competitive environment implying more recreation time, it added to existing load and hence reduces recreation hours were insignificant. These results equally correspond with the result in the Likert Scale above.

Conclusion

It was deduced from the study that the major recreational activities engaged by the staff were sight viewing, football, cinema and others which may be table tennis, snooker among others. It was further deduced that staff participation in recreation activities before the implementation of the TSA policy was majorly on occasional basis and partially on weekly basis, implying that they have limited time for recreation at that period while after the implementation, their participation in recreation activities was basically on daily basis, which signifies that they have more time for recreation under the TSA policy. The policy therefore has positive impact on the recreation hours/time of the staff.

It was further deduced that the following variables: It led to the reduction of bank accounts and hence reduction in work load, It reduces the existing work load of staff, and it led to the transfer of staff to a less competitive environment implying more recreation time were significant at 5%, which signifies that the TSA policy has significant impact on the recreational participation of the staff in the highlighted areas. However, it added to existing load and hence reduces recreation hours, It led to the transfer of staff to a more competitive environment implying low recreation hours and it led to the retrenchment of staff were insignificant which indicate that the

TSA policy has no significant impact on the recreation hours/time of the staff in the above highlighted areas. The hypothesis outcome is similar to the result of objective three implying there is positive correlation in the two results.

Recommendations

We wish to recommend that the TSA policy should further be sustained in order to guarantee more recreational hours/time to commercial bank staff, as it has significant impact on their recreation hours and hence allows more recreational time.

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