PUBLIC FINANCIAL MANAGEMENT AND ADOPTION OF TREASURY SINGLE ACCOUNT (TSA) IN AKWA IBOM STATE CIVIL SERVICE

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Abstract
The management of the finances of the Federal Government of Nigeria has always taken the center stage of every administration in this country. Before the introduction and formal adoption of the Treasury Single Account (TSA) policy in Nigeria, it is on record that Nigeria ran over 3,657 different bank accounts across various banks in the country. Most corruption cases in Nigeria cannot but are traceable to this fact. Investigation shows that some of these accounts were forgotten by government and exploited by few individuals in government and in the banks where such accounts were domiciled. The experiences of Akwa Ibom State were not far-fetched from what was obtainable in the Nigeria's situation. The Akwa Ibom State Government, as a matter of policy also decided to mop-up all its financial resources from all its various bank accounts across the State to a particular single account called Treasury Single Account (TSA) in the Zenith Bank Plc. The main objective of this study was to investigate whether the adoption of the Treasury Single Account (TSA) has caused unemployment through the down-sizing of bank staff strength; discouraged competition in other banks, and created "new monopoly" in the specified bank of domiciliation of the Treasury Single Account (TSA). The Historical and Descriptive research designs were used. The findings of the study among others showed that the adoption of the TSA has encouraged financial transparency in Akwa Ibom State civil service. It was recommended that all the bank workers that were retrenched when the TSA policy was adopted should be re-absorbed in the bank of domiciliation of the TSA.

Keywords: Public Financial Management, Treasury Single Account (TSA), Financial Improprieties and Misappropriation, New Monopoly.

Introduction

The concept of Public Financial Management is pivotal or paramount in all spheres of economic endeavours in our contemporary society today, be it in the developed, developing or even in the underdeveloped worlds. Like Ime T. Akpan has stated in his foreword in Nwaeze (2009), "its topical and sensitive objectives are to ensure that public funds are frugally managed according to laid down principles". Interestingly, every administration, be it public or private is faced with the issues of financial management in government, institutions or corporate organizations. In the light of this, every administrator is duty-bound to manage the scarce resources at his disposal in such a manner as it is equitable and in accordance with the laid down principles. But, in this study our focus will be particularly on the public sector financial management which comprises basically the governments, civil service and public institutions or agencies. However, the introduction of the Treasury Single Account (TSA) was formulated by the administration of former President Goodluck Jonathan whose administration began from 2009 to 2015, but the policy was later adopted by the present administration of President Mohammadu Buhari who took over power on May 29, 2015 and his first tenure will end on 29th May, 2019, the essence of our time frame as reflected in the topic above. The reason why Jonathan's administration could only formulate this policy but could not implement it fully might be immaterial to dwell on in this study. But, it seems that the Buhari's administration has more political will to enforce the TSA in the Nigeria's financial system.

Meanwhile, it is important to note that the full meaning of as well as literature on Treasury Single Account (TSA) will be given its pride of place as we progress in this study. But it would be recalled that TSA is purely a new financial concept in Nigeria that has helped to stem down financial improprieties, misappropriations, embezzlements, frauds, as well as corruption, at least to a large extent in our corporate financial system. The introduction and adoption of Treasury Single Account

(TSA) in the Nigerian public financial management system has gone a long way to seal several loopholes and leakages through which public finds were usually diverted for personal use, thereby rendering those fraudsters frustrated. But despite the numerous advantages of TSA, many Nigerians seem not to have come to terms with the new policy, especially the corrupt leaders. However, it should be noted that the Federal Government of Nigeria controls the Treasury Single Account (TSA) through the Federal Ministry of Finance which is headed by the Minister of Finance who is presently Mrs. Kemi Adeosun. The Ministry of Finance ensures that a special account called Consolidated Revenue Account (CRA) is opened in the Central Bank of Nigeria into which all monies belonging to the Federal Government are paid into and all expenditures of government are also made from the same single bank account.

In the case of Akwa Ibom State where this study is based, the administration of Governor Udom Emmanuel since its inception in 2015 had also adopted this policy in totality. Therefore, the Commissioner for Finance, Mr. Linus Nkan in a similar manner with the Federal Government through the State Ministry of Finance in collaboration with the State Executive Council had decided to make use of the Zenith Bank Plc. as the sole custodian of all the finances of Akwa Ibom State Government, irrespective of the sources from which such revenue are generated.

In the course of this study, it will be established whether the adoption of the Treasury Single Account (TSA) as a means of managing government public financial resources has survived the credibility test. In other words, whether TSA has lived up to expectation or whether it has rather created "**new monopoly**" and discouraged competition within the banking sector, or, whether TSA has improved the economic status of the state. This study will further find out whether TSA is the reason for the cutting down of some workers' salaries, down-sizing of bank staff and resistance to lift band for new employment in both the public and private sectors in the state.

It is interesting to note that the constitution has made provision for the operation of one single, consolidated revenue account in Nigeria. Section 80 (1) 1999 Constitution of the Federal Republic of Nigeria (as amended) provides "all revenues or other moneys raised or received by the Federation (not being revenues or other moneys payable under this Constitution or any Act of the National Assembly into any other public fund of the Federation established for a specific purpose) shall be paid into and form one Consolidated Revenue Fund of the Federation." However successive governments have operated numerous accounts used to collect and spend public funds in flagrant disregard to this provision of the constitution in the Nigerian law, but the Buhari administration in Nigeria as well as Udom Emmanuel's in Akwa Ibom State have paid strict adherence to the constitutional provision.

In 2012 the government ran a pilot scheme for Treasury Single Account using 217 Ministries, Departments and Agencies to test the scheme. Over N450 billion was saved by the scheme and the government was motivated to implement TSA. The Remita e-collection platform was developed for the implementation of the TSA scheme and banks were directed to integrate the software into their core banking systems and train their staff on how to use it. But, this was not the case.

However, on the introduction of the Treasury Single Account (TSA) in the public financial management sector in Nigeria, the first directive by the Buhari administration was that all the funds belonging to the Federal Government be mopped up and transferred into a single account in a specified bank while all the other bank accounts should forthwith be closed permanently. That singular policy directive crumbled many banks; exposed their nakedness as to their levels of dependence on public funds for survival instead of depending on their own investments. This therefore seems to be what led to the down-sizing and laying-off of many bank workers in the country, the effect of which was on the economy of the country as those who once had jobs and means of livelihood were once again thrown into the labour markets as unemployed and re-dependent citizens.

However, in Akwa Ibom State, the government of Udom Gabriel Emmanuel also adopted the policy of Treasury Single Account (TSA) system by ordering similar transfers of all the State

Government's funds to a single account. It is clear that the Akwa Ibom State government makes use of the Zenith Bank for the implementation of the Treasury Single Account (TSA).
Having said that further investigations on this topic will help to find out if Ime T. Akpan's position as encapsulated in his forward in Nwaeze (2009) will be true when he observed as "unsatisfactory public financial management in Nigeria". "Notably the control of local governments in Nigeria by national and state governments is not only as old as the system itself; it also borders most significantly on fiscal policies. For instance, during the colonial rule, local government control, done through the deconcentrated agents of regional governments – the Residents left no room for the local populace to contribute anything except their dues and taxes into the coffers of the colonial masters (Awofeso, 2004:66). The native authorities (as local administration was then caprices of their boss at the expense of the local people's developmental well-being (Awofeso, 2004:127). In short, the idea of fiscal autonomy, or the likes, appeared unimaginable then".

Statement of the Problem

Public Financial Management which is as old a system as the colonial administration in Nigeria has always been limping from the days of the colonial masters up to Nigeria's Independence and to date. The colonial masters used Indirect Rule system in which traditional chiefs were made Tax masters to collect taxes and other revenue from citizens on behalf of the whites. The question is, "were all the revenue remitted to the colonial masters by the local tax masters"? After independence in 1960, Nigeria had adopted several financial measures and methods to foster public financial management, but unfortunately, all these methods seemed to have failed. Apart from the indirect rule system of the colonial masters, it is on record that Nigeria had also used Direct Labour method in attempt to curtail excessive spending and wastages while carrying out government projects. But, how conserved was this method to the system? Government also used the Contract System method where private companies were awarded contracts or jobs to either supply goods and services or construct infrastructural projects, respectively on government's behalf. Although, this system is still in force today, does it work as intended or has public officers seen the method as an avenue for exploitation? Many public officers have now used their private companies to quote for jobs, award the contracts to themselves indirectly, execute the jobs and amass the wealth to them.
Akwa Ibom State like Nigeria had come up with the policy of Public Private Partnership (PPP) also in attempt to reduce government's participation in matters of revenue generation in the state. In this case, private companies would always be invited to participate in some sectors of government's agencies either as consultants or investors in order to generate sufficient revenue, thereby paying a certain percentage of the revenue to government. Typical examples of this situation are the former Le'Meridien and Gulf Resort, Uyo in Akwa Ibom State which was recently reported by the State Governor, Mr. Udom Gabriel Emmanuel of not remitting government quotas of the revenue generated in the resort to government's account ever since they were engaged in that hotel. This situation had led to the revocation of the contract and dismissal of the foreign partners, thereby handing over the facility to the State Ministry of Commerce and Tourism to directly manage the business for the government. The state government through the Ministry of Commerce and Tourism then thought that the best way to start the operations of the hotel was to change the name of the Resort from the former Le'Meridien and Gulf Resort to Ibom International Hotels and deployed workers from other agencies of government to work there. Another very good example of the failed Public Private Partnership (PPP) business of government in Akwa Ibom State is the Ibom Specialist Hospital, Uyo. The government soon realized that the consultants to the specialist hospital were making so much money due to the influx of patients to the hospital for treatment of various health problems as well as the huge funding by State Government. But, according to Governor Udom Emmanuel who expressed surprise at their attitudes, "no remittance had ever been made by the consultants to government purse". On that note, the State Government ordered the termination of terms of agreement with those partners and closed down the specialist hospital until further notice.
There are various other forms of public financial management methods which may not be necessary to be reflected in this study due to limited space. But it is of utmost importance to discuss elaborately the Treasury Single Account (TSA) system newly introduced into Nigeria as well as Akwa Ibom

State financial systems in this research. Before now it was reported that the Federal Government maintained over 3,657 accounts across various banks in the country (The Nation News Paper, Monday, 7th June, 2010). With over 3,657 accounts spread across various banks in Nigeria, one would imagine the level of financial impropriety, fraud, embezzlements and corruption that this can bring to a country. The government of President Muhammadu Buhari frowned seriously on this situation and called for very serious accountability in the public sector. It might not be surprising that in some cases, some of those government accounts were forgotten or abandoned by government. In such a case, what will be the state of such accounts? This study will investigate to know what will be the actual state of such public accounts.

Objectives of the Study

The objectives of this study will be basically in two parts, namely: the main objective and the subsidiary objectives.

Main Objective:

The main objective of this study will be to ex-ray the general workability of public financial management and to assess the adoption of Treasury Single Account (TSA) in Nigeria with particular reference to Akwa Ibom State Civil Service within a time frame between 2015 and 2018.

Subsidiary Objectives:

The subsidiary objectives will be focused on the following:

(i) To clarify the concepts of Public Financial Management as well as Treasury Single Account (TSA);

(ii) To ascertain whether there is a role conflict between public financial management and Treasury Single Account (TSA) as they are both means of financial management to government;

(iii) To ascertain the extent to which the adoption of Treasury Single Account (TSA) has fought against fraud and corruption in the public sector, in general and in the banking sector, in particular.

(iv) To establish whether the adoption of Treasury Single Account (TSA) as a means of public financial management has rather caused workers' loss of jobs as many banks seemed to have been left with no other option than to embark on down-sizing of their work force.

(v) To find out if Treasury Single Account (TSA) has rather encouraged "new monopoly" in the specified bank of public funds domiciliation and discouraged competition in other banks in Akwa Ibom State.

Significance of the Study

This study will make serious significance in Akwa Ibom State civil service especially with the present economic realities in Nigeria. In any country where there is recession, for such recession to be averted, it calls for good and prudent leadership, especially as it bothers on the management of its public funds.

This study will expose the various avenues of financial impropriety in both the public and banking sectors. This work will also educate the public of the meaning and usefulness of the Treasury Single Account (TSA) and further highlight the possible dangers that may ensue with its use. The research will recommend ways to check the excesses of the managers of government funds – both government officials and the management staff of the bank of domiciliation of those government funds. The study will enhance the performance of public policy makers and provide some useful guides toward prudent management of the Treasury Single Account (TSA) vis-a-via public financial management as a whole. The research will be useful to scholars and researchers as reference point to class work and further researches. The significance of this research is quite enormous, but the above list is yet, in-exhaustive.

Literature Review

Public finance is the study of the role of the government in the economy. It is the branch of economics which assesses the government revenue and government expenditure of the public authorities and the adjustment of one or the other to achieve desirable effects and avoid undesirable ones. The purview of public finance is considered to be threefold: governmental effects on (1) efficient allocation of resources, (2) distribution of income, and (3) macroeconomic stabilization. Government can pay for spending by borrowing (for example, with government bonds), although borrowing is a method of distributing tax burdens through time rather than a replacement for taxes. A deficit is the difference between government spending and revenues. The accumulation of deficits over time is the total public debt. Deficit finance allows governments the smooth tax burdens over time, and gives governments an important fiscal policy tool. Deficits can also narrow the options of successor governments.

Public Finance is closely connected to issues of income distribution and social equity. Governments can reallocate income through transfer payments or by designing tax systems that treat high-income and low-income households differently. The public choice approach to public finance seeks to explain how self-interested voters, politicians, and bureaucrats actually operate, rather than how they should operate.

Public finance through state enterprise: Public finance in centrally planned economies has differed in fundamental ways from that in market economies. Some state-owned enterprises generated profits that helped finance government activities. The government entities that operate for profit are usually manufacturing and financial institutions, services such as nationalized healthcare do not operate for a profit to keep costs low for consumers. The Soviet Union relied heavily on turnover taxes on retail sales. Sale of natural resources, and especially petroleum products, were an important source of revenue for the Soviet Union.

In market-oriented economies with substantial state enterprise, such as in Venezuela, the state-run oil company PSDVA provides revenue for the government to fund its operations and programs that would otherwise bring profit for private owners. In various mixed economies, the revenue generated by state-run or state-owned enterprises is used for various state endeavors; typically the revenue generated by state and government agencies goes into a sovereign wealth fund. An example of this is the Alaska Permanent Fund and Singapore's Temasek Holdings. In Akwa Ibom State, we have Akwa Ibom State Water Company as a typical example of a public enterprise in the State. Various market socialist systems or proposals utilize revenue generated by state-run enterprises to fund social dividends, eliminating the need for taxation altogether.

Public finance, according to the traditional definition of the subject, it is that branch of Economics which deals with, the income and expenditure of a government. In the words of **Adam Smith:** "The investment into the nature and principles of state expenditure and state revenue is called ***public finance***".

The earlier economists were perfectly justified in giving this definition of the science of public finance because the functions of the public authorities in those days were simply to raise revenue by imposing taxes for covering the cost of administration and defense. The **scope of the science of public finance** now-a-days has widened too much. It is due to the fact that modern states have to perform multifarious functions to promote the welfare of its citizens. In addition to maintaining law and order within the country and provision of security from external aggression, it has to perform many economic and commercial functions. Due to the increased activities of the state, there has taken place a vast increase in the expenditure of the public authorities. The sources of revenue have also increased. Taxes are levied not for raising the revenue alone but are used as an important instrument of economic policy. Public finance now includes the study of **financial administration and control** as well. We, therefore, agree with **Professor Bastable** when he defines public finance as that: "Branch of economics which deals with income and expenditure of public authorities or the state and their mutual relation as also with the financial administration and control the term public authorities includes all bodies which help in carrying on the administration of the state". The study of public finance is split up into four parts; (1) Public Expenditure (2) Public Revenue, (3) Public Debt and (4) Budgeting etc.

Management *(or **managing**)* is the administration of an organization, whether it is a business, a not-for-profit organization, or government body. Management includes the activities of setting the strategy of an organization and coordinating the efforts of its employees (or of volunteers) to accomplish its objectives through the application of available resources, such as financial, natural, technological, and human resources. The term "management" may also refer to those people who manage an organization.

Social scientists study management as an academic discipline, investigating areas such as social organization and organizational leadership. Some people study management at colleges or universities; major degrees in management include the Bachelor of Commerce (B.Com.) and Master of Business Administration (MBA.) and, for the public sector, the Master of Public Administration (MPA) degree. Individuals who aim to become management specialists or experts, management researchers, or professors may complete the Doctor of Management (DM), the Doctor of Business Administration (DBA), or the PhD in Business Administration or Management.

Larger organizations generally have three levels of managers, which are typically organized in a hierarchical, pyramid structure: namely; senior managers, middle managers and lower managers. Senior managers, such as members of a Board of Directors and a Chief Executive Officer (CEO) or a President of an organization. They set the strategic goals of the organization and make decisions on how the overall organization will operate. **Senior managers** are generally executive-level professionals, and provide direction to middle management who directly or indirectly report to them. **Middle managers,** examples of which would include branch managers, regional managers, department managers and section managers, provide direction to front-line managers. Middle managers communicate the strategic goals of senior management to the front-line managers. **Lower managers**, such as supervisors and front-line team leaders, oversee the work of regular employees (or volunteers, in some voluntary organizations) and provide direction on their work. In smaller organizations, an individual manager may have a much wider scope. A single manager may perform several roles or even all of the roles commonly observed in a large organization.

Views on the definition and scope of management include: According to Henri Fayol, "to manage is to forecast and to plan, to organise, to command, to co-ordinate and to control." Fredmund Malik defines it as "the transformation of resources into utility." Management included as one of the factors of production – along with machines, materials and money. Ghislain Deslandes defines it as “a vulnerable force, under pressure to achieve results and endowed with the triple power of constraint, imitation and imagination, operating on subjective, interpersonal, institutional and environmental levels”. Peter Drucker (1909–2005) saw the basic task of management as two folds: marketing and innovation. Nevertheless, innovation is also linked to marketing (product innovation is a central strategic marketing issue). Peter Drucker identifies marketing as a key essence for business success, but management and marketing are generally understood as two different branches of business administration knowledge.

Management (according to some definitions) has existed for millennia, and several writers have produced background works that have contributed to modern management theories. Some theorists have cited ancient military texts as providing lessons for civilian managers. For example, Chinese general Sun Tzu in his 6th century BC work *The Art of War* recommends being aware of and acting on strengths and weaknesses of both a manager's organization and a foe's. The writings of influential Chinese Legalist philosopher Shen Buhai may be considered to embody a rare premodern example of abstract theory of administration.

Various ancient and medieval civilizations produced "mirrors for princes" books, which aimed to advise new monarchs on how to govern. Plato described job specialization in 350 B.C., and Alfarabi listed several leadership traits in A.D. 900. Other examples include the Indian *Arthashastra* by Chanakya (written around 300 BC), and *The Prince* by Italian author Niccolò Machiavelli (c. 1515). Written in 1776 by Adam Smith, a Scottish moral philosopher, *The Wealth of Nations* discussed efficient organization of work through division of labour. Smith described how changes in processes

could boost productivity in the manufacture of pins. While individuals could produce 200 pins per day, Smith analyzed the steps involved in manufacture and, with 10 specialists, enabled production of 48,000 pins per day.
Classical economists such as Adam Smith (1723–1790) and John Stuart Mill (1806–1873) provided a theoretical background to resource-allocation, production, and pricing issues. About the same time, innovators like Eli Whitney (1765–1825), James Watt (1736–1819), and Matthew Boulton (1728–1809) developed elements of technical production such as standardization, quality-control procedures, cost-accounting, interchangeability of parts, and work-planning. Many of these aspects of management existed in the pre-1861 slave-based sector of the US economy. That environment saw 4 million people, as the contemporary usages had it, "managed" in profitable quasi-mass production.
By about 1900 one finds managers trying to place their theories on what they regarded as a thoroughly scientific basis (see scientism for perceived limitations of this belief). Examples include Henry R. Towne's *Science of management* in the 1890s, Frederick Winslow Taylor's *The Principles of Scientific Management* (1911), Lillian Gilbreth's *Psychology of Management* (1914), Frank and Lillian Gilbreth's *Applied Motion Study* (1917), and Henry L. Gantt's Charts (1910s). J. Duncan wrote the first College Management-textbook in 1911. In 1912 Yoichi Ueno introduced Taylorism to Japan and became the first management consultant of the "Japanese-management style". His son Ichiro Ueno pioneered Japanese quality assurance.
The first comprehensive theories of management appeared around 1920. The Harvard Business School offered the first Master of Business Administration degree (MBA) in 1921. People like Henri Fayol (1841–1925) and Alexander Church described the various branches of management and their inter-relationships. In the early 20th century, people like Ordway Tead (1891–1973), Walter Scott and J. Mooney applied the principles of psychology to management. Other writers, such as Elton Mayo (1880–1949), Mary Parker Follett (1868–1933), Chester Barnard (1886–1961), Max Weber (1864–1920), who saw what he called the "administrator" as bureaucrat), Rensis Likert (1903–1981), and Chris Argyris (born 1923) approached the phenomenon of management from a sociological perspective.

Peter Drucker (1909–2005) wrote one of the earliest books on applied management: *Concept of the Corporation* (published in 1946). It resulted from Alfred Sloan (chairman of General Motors until 1956) commissioning a study of the organisation. Drucker went on to write 39 books, many in the same vein.
H. Dodge, Ronald Fisher (1890–1962), and Thornton C. Fry introduced statistical techniques into management-studies. In the 1940s, Patrick Blackett worked in the development of the applied-mathematics science of operations research, initially for military operations. Operations research, sometimes known as "management science" (but distinct from Taylor's scientific management), attempts to take a scientific approach to solving decision-problems, and can apply directly to multiple management problems, particularly in the areas of logistics and operations.
Some of the more recent developments include the Theory of Constraints, Management by Objectives, reengineering, Six Sigma and various information-technology-driven theories such as Agile Software Development, as well as Group-management Theories such as Cog's Ladder.
As the general recognition of managers as a class solidified during the 20th century and gave perceived practitioners of the art/science of management a certain amount of prestige, so the way opened for popularised systems of management ideas to peddle their wares. In this context many management fads may have had more to do with pop psychology than with scientific theories of management. Towards the end of the 20th century, business management came to consist of six separate branches, namely: financial management; human resource management; information technology management (responsible for management information systems); marketing management; operations management and production management; strategic management.

In the 21st century, observers find it increasingly difficult to subdivide management into functional categories in this way. More and more processes simultaneously involve several categories. Instead,

one tends to think in terms of the various processes, tasks, and objects subject to management. Branches of management theory also exist relating to nonprofits and to government: such as public administration, public management, and educational management. Further, management programs related to civil-society organizations have also spawned programs in nonprofit management and social entrepreneurship. Note that many of the assumptions made by management have come under attack from business-ethics viewpoints, critical management studies, and anti-corporate activism.
As one consequence, workplace democracy (sometimes referred to as Workers' self-management) has become both more common and advocated to a greater extent, in some places distributing all management functions among workers, each of whom takes on a portion of the work. However, these models predate any current political issue, and may occur more naturally than does a command hierarchy. All managements embrace to some degree a democratic principle – in that in the long term, the majority of workers must support management. Otherwise, they leave to find other work or go on strike. Despite the move toward workplace democracy, command-and-control organization structures remain commonplace as *de facto* organization structure. Indeed, the entrenched nature of command-and-control is evident in the way that recent layoffs have been conducted with management ranks affected far less than employees at the lower levels. In some cases, management has even rewarded itself with bonuses after laying off lower-level workers.

Financial Management refers to the efficient and effective management of money (funds) in such a manner as to accomplish the objectives of the organization. It is the specialized function directly associated with the top management. The significance of this function is not seen in the 'Line' but also in the capacity of the 'Staff' in overall of a company. It has been defined differently by different experts in the field.
The term typically applies to an organization or company's financial strategy, while personal finance or financial life management refers to an individual's management strategy. It includes how to raise the capital and how to allocate capital, i.e. capital budgeting. Not only for long term budgeting, but also how to allocate the short term resources like current liabilities. It also deals with the dividend policies of the share holders.
"Planning is an inextricable dimension of financial management. The term financial management connotes that funds flows are directed according to some plan." – by James Van Horne. "Financial management is that activity of management which is concerned with the planning, procuring and controlling of the firm's financial resources." – by Deepika &Maya Rani. "Financial Management is the Operational Activity of a business that is responsible for obtaining and effectively utilizing the funds necessary for efficient operation." – by Joseph Massie. "Business finance deals primarily with rising administering and disbursing funds by privately owned business units operating in non-financial fields of industry." – by Kuldeep Roy. "Financial Management is an area of financial decision making, harmonizing individual motives and enterprise goals." – by Weston and Brigham. "Financial management is the area of business management devoted to a judicious use of capital and a careful selection of sources of capital in order to enable a business firm to move in the direction of reaching its goals." – by J.F.Bradlery. "Financial management is the application of the planning and control function to the finance function." – by K.D. Willson. "Financial management may be defined as that area or set of administrative functions in an organization which relate with arrangement of cash and credit so that organization may have the means to carry out its objective as satisfactorily as possible." – by Howard & Opton. Business finance can be broadly defined as the activity concerned with planning, raising, controlling and administering of funds and in the business. "– by H.G Gathman & H.E Dougall. Financial management is a body of business concerned with the efficient and effective use of either equity capital, borrowed cash or any other business funds as well as taking the right decision for profit maximization and value addition of an entity.- Kepher Petra; Kisii University. "Financial management refers to the proper and efficient use of money and it plays a significant role in analyzing to invest in profitable business enterprise. Return on Investment must be greater than the invested amount." "Financial management refers to the effective and efficient management of money and it is also the process of planning, controlling, leading, and directing of a firm's financial resources."

Objectives of financial management: Profit maximization happens when marginal cost is equal to marginal revenue. This is the main objective of Financial Management. Wealth maximization means maximization of shareholders' wealth. It is an advanced goal compared to profit maximization. Survival of company is an important consideration when the financial manager makes any financial decisions. One incorrect decision may lead company to be bankrupt. Maintaining proper cash flow is a short run objective of financial management. It is necessary for operations to pay the day-to-day expenses e.g. raw material, electricity bills, wages, rent etc. A good cash flow ensures the survival of company. Minimization on capital cost in financial management can help operations gain more profit. There are several types of profits before interest, depreciation and taxes, profit before taxes, profit after taxes, cash profit etc

Scope of financial management: Estimating the Requirements of Funds: Businesses make forecast on funds needed in both short run and long run, hence, they can improve the efficiency of funding. The estimation is based on the budget e.g. sales budget, production budget. Determining the Capital Structure: Capital structure is how a firm finances its overall operations and growth by using different sources of funds. Once the requirement of funds has estimated, the financial manager should decide the mix of debt and equity and also types of debt.

For new enterprises, it is important to make a good estimation on costs, sales. Consideration on appropriate length sources of finances can help businesses avoid the cash flow problems even the failure of setting up. There are fixed and current sides of assets balance sheet. Fixed asset refers to assets that cannot be converted into cash easily, like plant, property, equipment etc. A current asset is an item on an entity's balance sheet that is either; cash, a cash equivalent, or which can be converted into cash within one year. It is not easy for startups to forecast the current asset, because there are changes in receivables and payables.

Public Finance Management: A collection of sufficient resources from the economy in an appropriate manner along with allocating and use of these resources efficiently and effectively constitute good financial management. Resource generation, resource allocation and expenditure management (resource utilization) are the essential components of a public financial management system.

The following subdivisions form the subject matter of public finance:

i. Public expenditure
ii. Public revenue
iii. Public debt
iv. Financial administration
v. Federal finance

Government expenditures: Economists classify government expenditures into three main types. Government purchases of goods and services for current use are classed as government consumption. Government purchases of goods and services intended to create future benefits – such as infrastructure investment or research spending – are classed as government investment. Government expenditures that are not purchases of goods and services, and instead just represent transfers of money – such as social security payments – are called transfer payments.

Government operations: Government operations are those activities involved in the running of a state or a functional equivalent of a state (for example, tribes, secessionist movements or revolutionary movements) for the purpose of producing value for the citizens. Government operations have the power to make, and the authority to enforce rules and laws within a civil, corporate, religious, academic, or other organization or group.

Income distribution: Some forms of government expenditure are specifically intended to transfer income from some groups to others. For example, governments sometimes transfer income to people that have suffered a loss due to natural disaster. Likewise, public pension programs transfer wealth from the young to the old. Other forms of government expenditure which represent purchases of goods and services also have the effect of changing the income distribution. For example, engaging in a war may transfer wealth to certain sectors of society. Public education transfers wealth to families with children in these schools. Public road construction transfers wealth from people that do not use the roads to those people that do (and to those that build the roads).
Government expenditures are financed primarily in three ways:

a. Government revenue

i. Taxes
ii. Non-tax revenue (revenue from government-owned corporations, sovereign wealth funds, sales of assets, or seigniorage)

b. Government borrowing

Money creation: How a government chooses to finance its activities can have important effects on the distribution of income and wealth (income redistribution) and on the efficiency of markets (effect of taxes on market prices and efficiency). The issue of how taxes affect income distribution is closely related to tax incidence, which examines the distribution of tax burdens after market adjustments are taken into account. Public finance research also analyzes effects of the various types of taxes and types of borrowing as well as administrative concerns, such as tax enforcement.

c. Government Taxes

Tax and fiscal capacity: Taxation is the central part of modern public finance. Its significance arises not only from the fact that it is by far the most important form of all revenues but also because of the gravity of the problems created by the present day tax burden. The main objective of taxation is raising revenue. A high level of taxation is necessary in a welfare State to fulfill its obligations. Taxation is used as an instrument of attaining certain social objectives i.e. as a means of redistribution of wealth and thereby reducing inequalities. Taxation in a modern Government is thus needed not merely to raise the revenue required to meet its ever-growing expenditure on administration and social services but also to reduce the inequalities of income and wealth. Taxation is also needed to draw away money that would otherwise go into consumption and cause inflation to rise.

A tax is a financial charge or other levy imposed on an individual or a legal entity by a state or a functional equivalent of a state (for example, tribes, secessionist movements or revolutionary movements). Taxes could also be imposed by a sub-national entity. Taxes consist of direct tax or indirect tax, and may be paid in money or as *corvée* labor. A tax may be defined as a "pecuniary burden laid upon individuals or property to support the government a payment exacted by legislative authority." A tax "is not a voluntary payment or donation, but an enforced contribution, exacted pursuant to legislative authority" and is "any contribution imposed by government; whether under the name of toll, tribute, tallage, gabel, impost, duty, custom, excise, subsidy, aid, supply, or other name."
There are various types of taxes, broadly divided into two heads – **direct** (which is proportional) and **indirect tax** (which is differential in nature):

1. Stamp duty, levied on documents
2. Excise tax (tax levied on production for sale, or sale of a certain good)
3. Sales tax (tax on business transactions, especially the sale of goods and services)
4. Value added tax (VAT) is a type of sales tax
5. Services taxes on specific services. Examples are:
   - Road tax; Vehicle excise duty (UK), Registration Fee (USA), Regco (Australia), Vehicle Licensing Fee (Brazil) etc.

- Gift tax
- Duties (taxes on importation, levied at customs)
- Corporate income tax on corporations (incorporated entities)
- Wealth tax
- Personal income tax (may be levied on individuals, families such as the Hindu joint family in India, unincorporated associations, etc.)

Government debt: Governments, like any other legal entity, can take out loans, issue bonds and make financial investments. Government debt (also known as public debt or national debt) is money (or credit) owed by any level of government; either central or federal government, municipal government or local government. Some local governments issue bonds based on their taxing authority, such as tax increment bonds or revenue bonds. As the government represents the people, government debt can be seen as an indirect debt of the taxpayers. Government debt can be categorized as internal debt, owed to lenders within the country, and external debt, owed to foreign lenders. Governments usually borrow by issuing securities such as government bonds and bills. Less creditworthy countries sometimes borrow directly from commercial banks or international institutions such as the International Monetary Fund or the World Bank.
Most government budgets are calculated on a cash basis, meaning that revenues are recognized when collected and outlays are recognized when paid. Some consider all government liabilities, including future pension payments and payments for goods and services the government has contracted for but not yet paid, as government debt. This approach is called accrual accounting, meaning that obligations are recognized when they are acquired, or accrued, rather than when they are paid. This constitutes public debt.

Seigniorage is the net revenue derived from the issuing of currency. It arises from the difference between the face value of a coin or bank note and the cost of producing, distributing and eventually retiring it from circulation. Seigniorage is an important source of revenue for some national banks, although it provides a very small proportion of revenue for advanced industrial countries.

Treasury is either a government department related to finance and taxation. A place or Schatzkammer where currency or precious items like gold, diamonds etc. are kept also refers to as a treasury. The head of a treasury is typically known as a treasurer. This position may not necessarily have the final control over the actions of the treasury, particularly if they are not an elected representative. The adjective for a treasury is normally treasurial. The adjective "tresorial" can also be used, but this normally means pertaining to a *treasurer*. As of the definition of a treasury from *thêsaurus* and in the context of the treasure obtained from war efforts the first recorded booty in history is a stele taken during 1160 BC. The earliest found artefacts made of silver and gold are from Lake Varna in Bulgaria dated 4250–4000 BC, the earliest of copper are dated 9000–7000 BC. And there was also silver weighing many thousands of talents and all the royal treasure amounting to a very great sum.

Procopius of Caesarea *sees t*he term *treasury* as was first used in Classical times to describe the votive buildings erected to house gifts to the gods, such as the Siphnian Treasury in Delphi or many similar buildings erected in Olympia, Greece by competing city-states to impress others during the ancient Olympic Games. In Ancient Greece treasuries were almost always physically incorporated within religious buildings such as temples, thus making state funds sacrosanct and adding moral constraints to the penal ones to those who would have access to these funds.
The sovereigns' treasury within the palace in ancient Jerusalem is considered to be similar in nature to the temple treasury. The temple treasury of the settlement had appointed officials and functioned akin to a bank. ... In fact, practically in every city there are banking places for the holy money ... – *Philo*. In excavations of Persopolis a text containing information pertaining to the activities of a temple treasury were discovered dated to the fifth century BC. The texts written in the Elamite language name the treasurer as *ganzabara*. The ancient Roman word *aerarium* signified the treasury of the Senate; *fiscus* was used to indicate the imperial treasury used by Caesar.

Examples of Treasuries: In the United Kingdom, Her Majesty's Treasury is overseen by the Chancellor of the Exchequer. The traditional honorary title of First Lord of the Treasury is held by the Prime Minister. Her Majesty's Revenue and Customs administers the taxation system. In the United States, the Treasurer reports to an executive-appointed Secretary of the Treasury. The IRS is the revenue agency of the US Department of the Treasury.

i. Ministry of finance:

In many other countries, the treasury is called the "ministry of finance" and the head is known as the finance minister. Examples include Nigeria, Bangladesh, Belgium, Spain, Italy, New Zealand, Ghana, Canada, Malaysia, Singapore, India, Japan, the Netherlands, Pakistan and Zimbabwe. In some other countries, a "Treasury" will exist alongside a separate "Ministry of Finance", with divided functions. The government of Poland includes the Ministry of Finance as well as the Ministry of State Treasury, as does the government of Ukraine. It was the same in Italy before the creation of the united Ministry of Economy.

In the Australian federal government a treasurer and a finance minister co-exist. The Department of the Treasury is responsible for drafting the government budget, economic policy (except monetary policy), some market regulation and revenue policy (which is administered by the Australian Taxation Office). The Finance Minister, who manages the Department of Finance and Deregulation, is responsible for budget management, government expenditure and market deregulation.

ii. Literary treasury:

In a text known as the gnostic bible, dated somewhat uncertainly to centuries about the 4th BC, the Pistis Sophia apparently describes treasuries of punishment, of which there are twelve.

What is an Account? One definition of an account is a record in the general ledger that is used to collect and store debit and credit amounts. For example, a company will have a Cash account in which every transaction involving cash is recorded. If the company sells merchandise for cash, the Cash account will be debited and the Sales account will be credited. Another definition of an account is a record of a customer relationship. For example, if a company sells merchandise to a customer on credit, there seller will have an account receivable and the purchaser will have an account payable. The term *on account* means *not for cash*. For example, if a company purchases merchandise with the terms net 30 days, it means the company has 30 days in which to pay.

Treasury Single Account (TSA) is a financial policy in use in several countries all over the world. It was proposed and partially implemented by the federal government of Nigeria in 2012 under the Jonathan Administration - and fully implemented by the Buhari Administration, to consolidate all inflows from all agencies of government into a single account at the Central Bank of Nigeria.

Background of Treasury Single Account (TSA): Efficient management and control of government's cash resources rely on government banking arrangements. Nigeria, like many low income countries, employed fragmented systems in handling government receipts and payments. Establishing a unified structure as recommended by the IMF, where all government funds are collected in one account would reduce borrowing costs, extend credit and improve government's fiscal policy among other benefits to government. The IMF also recommends the establishment of a legal basis to ensure its robustness and stability. The introduction of the Treasury Single Account policy therefore was vital in reducing the proliferation of bank accounts operated by Ministries, Departments and Agencies (MDAs) towards promoting financial accountability among governmental organs. The compliance of the policy in Nigeria created challenges for majority of the MDAs. Commercial banks in Nigeria remitted over 2 trillion Naira worth of idle and active governments deposits with full implementation of this policy in 2016. Meanwhile, the bankers committee of the country has declared their support for the policy. Through Remita, the integrated electronic payments and collections platform developed by a company called **[http://www.systemspecs.com.ng System Specs]**, the TSA initiative has enabled the Federal

Government of Nigeria to take full control of over 3 trillion Naira ($15 billion) of its cash assets as at the end of the first quarter of 2016, (Vanguard, 4th May, 2016).

The effect of Treasury Single Account on the economy of Nigeria:

An excerpt from Communique No. 92 issued at the Monetary Policy Committee meeting held on the 18th and 19th of November 2013 reads; "The Federal Government debt has also risen phenomenally along with its deposits at the deposit money banks, showing the Government as a net creditor to the system. **This underscores the urgent need for the immediate implementation of the Treasury Single Account (TSA).** 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.

To my own understanding, Treasury Single Account (TSA) can be seen as a public accounting system under which all government revenue or income is collected into one single account called the treasury account (Treasury Single Account (TSA)). Treasury Single Account (TSA) can also be said to be an accounting system in which all government revenue (income) and payments (expenses) are done through a single account. The effect of TSA on the economy of Nigeria, therefore are:

1. **Allows complete and timely information on government cash resources:** In countries with advanced payment and settlement systems and an Integrated Financial Management Information System (IFMIS) with adequate interfaces with the banking system, this information will be available in real time. As a minimum, complete updated balances should be available daily.
2. **Improves appropriation control:** The TSA ensures that the full control over budget allocations, and strengthens the authority of the budget appropriation. When separate bank accounts are maintained, the result is often a fragmented system, where funds provided for budgetary appropriations are augmented by additional cash resources that become available through various creative, often extra-budgetary, measures.
3. **Improves operational control during budget execution:** When the treasury has full information about cash resources, it can plan and implement budget execution in an efficient, transparent, and reliable manner. The existence of uncertainty regarding whether the treasury will have sufficient funds to finance programmed expenditures may lead to sub-optimal behavior by budget entities, such as exaggerating their estimates for cash needs or channeling expenditures through off-budget arrangements.
4. **Enables efficient cash management:** A TSA facilitates regular monitoring of government cash balances. It also enables higher quality cash out-turn analysis to be undertaken (e.g., identifying causal factors of variances and distinguishing causal factors from random variations in cash balances).
5. **Reduces bank fees and transaction costs:** Reducing the number of bank accounts results in lower administrative cost for the government for maintaining these accounts, including the cost associated with bank reconciliation, and reduced banking fees.
6. **Facilitates efficient payment mechanisms:** A TSA ensures that there is no ambiguity regarding the volume or the location of the government funds, and makes it possible to monitor payment mechanisms precisely. It can result in substantially lower transaction costs because of economies of scale in processing payments. The establishment of a TSA is usually combined with elimination of the "float" in the banking and the payment systems, and the introduction of transparent fee and penalty structures for payment services. Many governments have achieved substantial reductions in their real cost of banking services by introducing a TSA.
7. **Improves bank reconciliation and quality of fiscal data:** A TSA allows for effective reconciliation between the government accounting systems and cash flow statements from the banking system. This reduces the risk of errors in reconciliation processes, and improves the timeliness and quality of the fiscal accounts.

8. **Lowers liquidity reserve needs:** A TSA reduces the volatility of cash flows through the treasury, thus allowing it to maintain a lower cash reserve/buffer to meet unexpected fiscal volatility.

Public Financial Management: Meaning and Scope:
Taking a cue from Nwaeze's thought on what public financial management means and its scope as chronicled in his Public Financial Management: *Theory and Practice,* "Public Financial Management can be defined as "an aspect of finance which studies the effective and efficient sourcing and utilization of the attainment of set objectives and goals". The subject is highly related to public finance. While public finance deals with the various sources and uses of funds in the government or public sector, including the problems that results from the power of government to tax and statutory limitations on how political units may raise funds and what the funds may be used for; the objectives of public financial management is to fulfill certain basic financial obligations within the sector, which are necessary for the achievement of higher level income and employment; to promote some redistribution through taxes and other spending activities of the government and to ensure realistic provision and distribution of certain demanded social goods and services to the public.
"The subject matter of public financial management today concentrates on the economic processes and activity of sourcing funds, utilizing and managing the funds effectively and efficiently in order to achieve the desired economic goals and objectives such as:
1. Resource allocation in the economy;
2. Economic stabilization through price stability, exchange rate stability, interest rate stability, etc;
3. Promotion of equity in income and wealth distribution in the economy;
4. Stimulation of growth and development in the economy to ensure high level employment, per capita income and standard of living.

"All these are aimed at meeting the welfare needs of the citizenry through adequate provision of social goods. The economic processes and activities involved in public financial management centre around:
(i) ***Financial planning*: This involves preparing a course of action, setting out desired objectives, determining strategy and alternative courses of action to achieve set objectives.
(ii) ***Financial decision*: This involves identification and selection of the appropriate (best) course of action that would help maximize objectives.
(iii) ***Financial control*: This involves establishing standards on which actual performance could be compared and corrective action taken on deviations or variances noticed".

Monopoly
Monopoly according to Oxford Advanced Learner's Dictionary (International Student's Edition) refers to the complete control of trade in particular goods or the supply of a particular service.

Civil Service
The Civil Service consists of employees in Akwa Ibom State government agencies other than the military and police. Most employees are career civil servants in the Nigerian ministries, progressing based on qualifications and seniority. Recently the head of the service has been introducing measures to make the ministries more efficient and responsive to the public.
The word civil is derived from an old french word "civil" which means "relating to law" and directly from Latin word "civilis" which means "relating to citizen". While the word service is derived from an old french word "servise" which means "aids". The Nigerian Civil Service has its origins in organizations established by the British in colonial times. Nigeria gained full independence in October 1960 under a constitution that provided for a parliamentary government and a substantial measure of self-government for the country's three regions. Since then, various panels have studied and made recommendations for reforming of the Civil Service, including the Morgan Commission

of 1963, the Adebo Commission of 1971 and the Udoji Commission of 1972-74. A major change occurred with the adoption in 1979 of a constitution modeled on that of the United States. The Dotun Philips Panel of 1985 attempted to reform to the Civil Service. The 1988 Civil Service Reorganization Decree promulgated by General Ibrahim Babangida had a major impact on the structure and efficiency of the Civil Service. The later report of the Ayida Panel made recommendations to reverse some of the past innovations and to return to the more efficient Civil Service of earlier years. The Civil Service has been undergoing gradual and systematic reforms and restructuring since May 29, 1999 after decades of military rule. However, the civil service is still considered stagnant and inefficient, and the attempts made in the past by panels have had little effect. Inspite of this posture, the Akwa Ibom State civil service as a major administrative apparatus of government still becomes a very useful tool in the Udom Emmanuel led administration in the implementation of TSA in Akwa Ibom State.

***Federation Account Allocation Committee* (FAAC)**

The administration of President Mohammadu Buhari in Nigeria and that of Mr. Udom Gabriel Emmanuel in Akwa Ibom State where the study is drawn from and the policy of Treasury Single Account (TSA) is in full force. It is important to note that TSA on the other hand, is what finances fiscal federalism and fiscal federalism serves as a conveyor belt from the TSA to all the component federating units in Nigeria. That makes fiscal federalism also relevant in this study.

In a sequential order, the Federation Account Allocation Committee (FAAC), as the name implies, is responsible for the allocation and sharing of all the accumulated funds in the consolidated Revenue Account of the Federal Government to States, Local Government Areas and other agencies of government, even though, the funds allocated to the Local Government Areas by Federation Account Allocation Committee (FAAC) are often trapped in most States where Joint Account policy is being practiced to the determent of the development of the Local Government Areas.

Nigeria as a federal state is made up of three tiers of governments. Accordingly, the constitutional assignment of responsibilities to each of the tiers in both the exclusive and concurrent lists carries financial burden (Edame, 2004) in Kubiat *et al.* (2016). Observably, due to the about eighty (80) percent financial dependent nature of the federating units (states and local governments) on the federal government, those units become financially vulnerable, or what Edame calls “unviable political entities”. This problem is found to be more peculiar to local governments; and worsened by the unnecessary interferences of excessive control by the state governments as already stated above.

Joint Account Allocation Committee:

According to the Public Financial Management Review of 148 Local Governments under the Conditional Grant Scheme of June, 2013 “the 1999 constitution provides for the creation of the State Joint Local Governments Account into which all allocations to the Local Governments Councils of the state from the federation account and from the government of the state are to be paid. It also provides for each state to pay such proportion of its total revenue on such terms and in such manner as may be prescribed by the National Assembly into the same account, (it is currently 10%). The joint account was conceived as a means of ensuring better management of the finances of the Local Governments (LGs). It was rightly intended to help achieve some measure of coordinated fiscal planning, discipline and efficiency at the Local Governments level by giving State Governments (SGs) a supervisory role over the federation revenue allocations to the Local Governments (LGs). To give State Government legitimacy to control the revenues accruing into the account, the constitution requires states to enact laws that regulate its operations.

“This study revealed that this arrangement has been vulnerable to several abuses by some State Governments (SGs). In the first instance, since these accounts were established under the control of the State Governments (SGs), Local Governments Areas (LGAs) lose a degree of autonomy and control over their financial management. Some State Governments (SGs) had enacted laws that give them power to make spurious deductions from Joint Account Allocation Committee (JAAC) at the detriment of the Local Governments (LGs). Some of these deductions include payment of primary school teachers" salaries, 1% training fund deduction given to the LG service commission, deduction of varying degrees for traditional rulers, deductions for state/Local Governments (LGs) joint projects which, in most cases, are not under the control of Local Governments (LGs), and other sundry deductions for state political events. In some states, the Local Governments (LGs) are only left with monies for operational costs and payment of staff salaries after the various deductions made at the Joint Account Allocation Committee (JAAC) level". In some states like Akwa Ibom State, findings show that the states even take over the payment of Local Government workers salaries.

State and Local Governments (LGs) Conflicts:

Local Governments (LGs) often accuse the State Governments (SGs) of their undue influence and incessant interference in the running of affairs of that tier of government. In fact there are many State Government agencies that have varying roles to play in the financial management of Local Governments (LGs). This multiplicity of roles over Local Governments financial management sometimes brings conflicts and confusion in running the affairs of these Local Governments (LGs). Some of these agencies include the Ministry of Local Governments and Chieftaincy Affairs, State Accountant-General, Auditor-General for Local Governments, the State Joint Account Allocation Committee (JAAC), the Office of the Deputy Governor and the House of Assembly. Before 2015, it was largely observed that Akwa Ibom State Government under the pretext of Joint Account Allocation Committee (JAAC), at one time or the other, used the Local Government funds, bought and shared to the 31 Local Government Areas such equipments as Tractors, Graders, etc. as well as vehicles such as Prado Jeeps, Hillux Vans (as back-ups for the Chairmen's Jeeps) and Ambulances for the different Primary Health Centers. Also, between 2015 and date, it is clear that the Udom Emmanuel's led administration has hinged on the Local Government funds to carryout road grading in the different Local Government Areas as though it were done by the Local Government Councils. By this practice, the Financial and General Purpose Committee (FGPC) which is the highest decision making body at the third tier of government is rendered incapacitated, as the committee has no sufficient money upon which to appropriate in the Local Government Councils. Little wonder why the council areas, in recent times, could be so filthy and over-grown with grasses without being attended to. All that is sent to the Local Government Areas from the Joint Account Allocation Committee (JAAC) is basically administrative costs, or what is called running cost.

Theoretical Framework

Various thoughts have been advanced as to what Theoretical Framework is all about. But, for purposes of summary and precision, Nnabugwu (2006) avers that "theoretical framework necessarily flows logically from what has been done previously in the problem area, and in particular it discusses the relationship among the variables that are deemed to be integral to the dynamics of the situation being investigated. In this way, theoretical framework clarifies the frame of reference on what the study relies".

But, according to Dionco-Adetayo (2003) cited in Nnabugwu (2006), "developing a theoretical framework helps the researcher to formulate his postulations and test certain relationships of variables so as to improve understanding on a particular situation contributing to the body of knowledge".

Nnabugwu (2006) provides some useful descriptions of a theory based on an "under-living fact that political theory enables us to understand, explain, appraise and predict political phenomenon by establishing relationship with man's needs, desires and opinions". He also upheld the "definitional views that seek to explain political theory. Whereas, Brechi (1959) sees it as conceptual framework, Blum (1978) holds that it enables one to understand politics and explain it as briefly as possible; cited in Nnabugwu (2009).

Based on the foregoing definitions or descriptions of a theoretical framework as well as those of a theory, this study has adopted two most appropriate theories as theoretical frames for this research. These include: **Musgrave Theory (Income Theory)** and **Wagner's Theory of Increasing State Activities.**

The recent paradigm shift in Public Administration as a discipline from the social sciences to management has actually justified the research on the above topic being carried out by a Public Administration scholar. Therefore, let us consider the theories one by one.

a. ***Musgrave Theory (Income Theory):*** Musgrave theory is also known as income theory. However, in considering Treasury Single Account (TSA) as a variable in the above topic, two concepts are readily suggested, namely. **Income** and **expenditure**. Therefore, while the Musgrave theory will address public income into the TSA. Wagner's theory of increasing State Activities will deal with governments or public expenditure. This is because government activities can synonymous with government operations as discussed earlier.

The focus of Musgrave theory is that the income elasticity of demand for public goods and services is the major determinant of rapid growth in public expenditure. He further grouped consumers into three based on per capita income as follows:

(i) Those at lower level of per capita income typical of a developing economy. At this level, the demand for public goods and services tend to be generally low as nearly all available income is devoted to satisfying basic needs. Therefore, public expenditure is low.

(ii) As per capita income starts to rise, citizens will increase their demand for public goods such as education, health, electricity, etc. This will compel the government to provide more public goods and so increase expenditure on them.

(iii) At a very high level of per capita income typical of developed countries, basic needs have been satisfied and sometimes by the private sector. The demand for public goods drop and thus government reduce expenditure on public goods.

b. ***Wagner's Theory of Increasing State Activities:*** Over one hundred years ago, Adolph Wagner, a leading German economist of the day, formulated a "law of increasing state activities" otherwise called the functional theory which pointed to the growing importance of government activity and expenditure as an "inevitable" feature of a "progressive state". He studied the German economy over time and observed a correlative growth of national economy and public expenditure in the economy. According to Wagner, there are inherent tendencies for the activities of different tiers of government – Federal, State and Local Governments to increase both intensively and extensively. There was a functional relationship between the growth of an economy and the growth of government activities so that the later grows faster than that of the economy.

The theory was able to explain government expenditure according to functions. In addition, he was able to explain the influence of industrial development on government functions and expenditure. In accordance to the views expressed by Wagner, government functions include:

(i) Administrative and practical functions;
(ii) Cultural and welfare functions;
(iii) Direct provision of social and public goods, etc.

Wagner argued that the development of the industrial sector will bring a structural change which will compel government to spend more money in carrying out the itemized functions above. Wagner's theory was supported by other writers like T. S. Nitti. Nitti showed that the law also applies to various other countries like it does to Germany. This is the more reason why the theory is applicable to Nigeria vis-à-vis Akwa Ibom State civil service.

Research Hypotheses

1. Public Financial Management serves as a panacea for transparent utilization of public funds in Akwa Ibom State civil service.
2. The adoption of Treasury Single Account (TSA) in Akwa Ibom State civil service has reduced the level of fraud and corruption in the civil service.

3. Treasury Single Account (TSA) has exposed the depth of financial improprieties and has saved public funds in Akwa Ibom State civil service.
4. Treasury Single Account (TSA) seems to encourage "new monopoly" in the specified Bank of Public Funds domiciliation and discourage competition in other banks in Akwa Ibom State.

Method of Data Collection

The study adopted historical and descriptive methods of enquiry thereby gathering data from secondary sources. Although, this study relied on the historical and descriptive research designs to gather it's data, according to Nnabugwu (2009), "… there are … two different or broad types of research design, namely: experimental and quasi or non-experimental research designs".

Since this study is social science oriented, it behooves on the researcher to adopt the non-experimental research design sine investigations are not going to be subjected to laboratory conditions like the experimental research design. Nnabugwu (2009) has further asserted that, "Arising from the specificities or character of social realities, and the attendant limitations, social science research designs are often non-experimental. They are non-experimental because the conditions for their experimentation are hardly controlled. This, according to him, "in turn, is because it is difficult to eliminate or control every stimulus in social science inquiry …" Also called quasi-experimental research design, non-experimental research design focuses on the main points or strengths of experimentation while at the same time avoiding their weaknesses …"

Having said that, secondary sources of data collection with which the research had drawn the data for this study, "refers to the information that are collected or generated not from the original sources, but from published or unpublished works. The essential feature of secondary data is that they are sourced or generated from documents mostly from the library, internet or archives (Nnabugwu, 2009).

In line with the above definition of secondary sources of data, this study drew its data from newspapers, magazines, books, journals, internet, monographs, etc.

"The subject matter of public financial management today concentrates on the economic processes and activity of sourcing funds, utilizing and managing the funds effectively and efficiently in order to achieve the desired economic goals and objectives such as:

1. Resource allocation in the economy;
2. Economic stabilization through price stability, exchange rate stability, interest rate stability, etc;
3. Promotion of equity in income and wealth distribution in the economy; and,
4. Stimulation of growth and development in the economy to ensure high level employment, per capita income and standard of living.

Empirical Verifications

Ekubiat and Esara (2016) in Journal of Finance and Accounting, abstracted that the "Federal Government of Nigeria has implemented Treasury Single Account (TSA) to properly manage the scarce financial resources but State Government of Nigeria have been left out. Incidentally the above assertion is made by researchers who are indigenes of Akwa Ibom State, but they seem not to be aware that Akwa Ibom State Government under the administration of Udom Gabriel Emmanuel whose tenure this study is researching on has totally and completely imbibed the TSA using the Zenith Bank as its bank of domiciliation of all funds of the State Government. "Nigeria's Public Funds at all levels have been wrongly accounted-for by previous administrations. But to avert this threat coupled with the present country's dwindling economy, Federal Government of Nigeria has implemented Treasury Single Account (TSA) but State Governments of Nigeria have been left out". But despite that, Ekubiat *et al.* (2016) have actually attempted quite an impressive search on the adoption of Treasury Single Account (TSA) as far as its benefits, challenges, prospect and misappropriation of funds are concerned. "Nevertheless, in 2012, the Federal Government of Nigeria ran a pilot scheme for a treasury single account using 217 Ministries, Departments and Agencies (MDAs). The result showed that, Nigeria was saved of about N500 billion in frivolous spending. This report motivated the government to fully implement Treasury Single Account (TSA) and directives given to Deposit Money Banks (DMB) to implement the technology platform that will help the accommodation of the Treasury Singly Account Scheme. The study disclosed that President Mohammed Buhari directed all government revenues to be remitted to a Treasury Single Account (TSA) in consonance and in compliance with the provisions of the 1999 constitution. This implies that the Deposit Money Banks will continue to maintain revenue collection accounts for Ministries, Departments and Agencies but all monies collected by these banks will have to be remitted to the Consolidated Revenue Accounts with the Central Bank of Nigeria (CBN) at the end of each banking day. In other words, Ministries, Departments and Agencies (MDAs) accounts with Deposit Money Banks must be zerorized at the end of every banking day by a remittance to the Treasury Single Account (TSA) of all revenue collected. Ekubiat *et al.* declared that the implication for the banks is that, there will no longer have access to the float provided by the accounts they maintained for the Ministries, Department and Agencies. The accounts with deposit money banks will be maintained for transaction purposes, for funds inflows and outflows of the Treasury Single Account. Ekubiat *et al.* further stated that over the years, Nigeria's public funds have not been properly accounted-for. To eliminate or minimize this menace, in 2015, the Federal government of Nigeria implemented the TSA. Although, a state government is defined as the separate institutional unit that exercise some government functions between those of the federal government and above those units at local government level, excluding the administration of social security funds (Eurostat Glossary), the State Governments of Nigeria have been left-out of which federal government is a system, interrelated parts of other units or tiers of government. As it seemed in his view that there was no study to examine the adoption and full implementation of Treasury Single Account (TSA) by State Governments of Nigeria; its benefits, challenges and prospects, Ekubiat *et al.* therefore, projected his study to examine the benefits of adoption of Treasury Single Account (TSA) by State Governments in Nigeria including other sub-objectives as: (i) to determine the challenges and prospects of adoption of Treasury Single Account (TSA) by the state governments; (ii) to proffer away forward towards successful implementation of Treasury Single Account (TSA) by the states governments.

Furthermore, in their assessment of the implication of Treasury Single Account (TSA) adoption on public sector accountability and transparency, Ikpekoyi and Agbaje (2017) assert that government is saddled with the responsibility of being accountable to its citizenry through effective and efficient service delivery as such giving credence to governments' adoption of TSA. "Government is saddled with the responsibility of being accountable to its citizenry through effective and efficient service delivery. In order to achieve this goal, government enacted the Treasury Single Account (TSA) policy for mobilization of government revenue. The objective of the study conducted by Ikpekoyi *et al.* was to assess the implication of adoption of TSA on accountability and transparency in the Nigerian public sector; with a view to finding out if the policy is capable of promoting government accountability function".

Arsalan and Shaikh in their recognition of the fact that public financial management is concerned with aspects of resource mobilization and expenditure management in public sector, therefore, submit that "Public Financial Management (PFM) is concerned with aspects of resource mobilisation and expenditure management in the public sector".

Since the private sector lacks the moral sentiment and incentives of a responsible government to provide for various segments of the economy, including the underprivileged, the public sector's role is significant. Expenditure on public services accounts for more than one third of the Gross Domestic products (GDP) in most countries, hence interest and expectations of these services are high and management of public funds needs to be able to withstand scrutiny from all quarters.

The author further stated that the objectives of Public Financial Management in a business enterprise, effective management of finances aid the achievement of business objectives. Similarly, sound public financial management is critical to the achievement of the aims of the public sector through its role in improving the quality of public service outcomes; operational and strategic decision-making; long term sustainability of public services; building public trust in the performance of the sector; and ensuring the efficient and effective use of public funds. Optimal public financial management would additionally display flexibility that allows the targeted sectors to adjust easily and in the desired manner with the public sector induced changes. ACCA has identified four key objectives that effective public financial management should cover:

- aggregate financial management - fiscal sustainability, resource mobilisation and allocation
- operational management - performance, value for money and strategic financial planning and management
- governance - transparency and accountability
- Fiduciary risk management - controls, compliance and oversight (Parry 2010)"

On his part, Ekpo, N. B. while carrying out a study investigated the effects of financial regulations on fiscal management in Nigeria. The motivation was the claim that nonconformity with applicable financial regulations by public officers is the major factor in the current precarious fiscal position of the country which is also applicable to Akwa Ibom State civil service 2015 – 2018. With the revised 2009 financial regulations and other extant acts, the researcher obtained data through personal interviews with 172 career public servants and political office holders in government ministries, departments and agencies using the ex-post facto research design. He came to a conclusion that public servants, particularly political office holders pay inadequate attention to financial regulations in their official duties: public funds are appropriated with impunity, contracting and procurement procedures are largely circumvented, internal audit functions of checks and balances are undermined, while the use of accounting manual appears relatively unpopular.

Justifications/Criticisms of TSA

According to Vanguard Newspaper of 4th May, 2016, "The operation of the Treasury Single Account (TSA) in Nigeria has not been without controversies. On Tuesday, 10th November, 2015, Dino Melaye, a Nigerian senator representing Kogi West, raised a motion that the operation of the Treasury Single Account (TSA) be investigated for possible corruption. He claimed that "the appointment of REMITA, an e-collection agent, is a gross violation of section 162 (1) of the Nigerian Constitution and the Banks and other Financial Institutions Act." He claimed that the constitution only recognised a banking institution to be the collector of government funds, that Remita was not a bank. The provision of the Constitution cited by Melaye states, "the federation shall maintain a 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 foreign affairs and the residents of the FCT, Abuja." According to Melaye, the total inflow of 1% commission charged and received by System Specs for all revenue collected on behalf of the government from the various ministries, departments and agencies to be 25 billion Naira as of November, 2015 was frauded and must be returned to the account of the Central Bank of Nigeria. The senate consequently ordered its committee on finance and public accounts to "commence an investigation into the use of Remita (which it erroneously described as an e-collection agent) since the inception of the TSA policy.

Ayo Fayose, Governor of Ekiti State, introduced a political angle to the controversy when he alleged that the funds collected through of TSA were used to finance governorship elections in Bayelsa and Kogi States by the All Progressives Congress, apart from enriching "a single company in one month." 25 billion Naira is the negotiated commission of one per cent of 2.5 trillion Naira - total amount of monies collected by Remita for the Federal Government of Nigeria. However, the Federal Government of Nigeria through the office of The Minister of Information and Culture, Lai Mohammed debunked the opinion that the TSA policy was not intended to loot the Nigeria treasury. The minister in his statement attempted to absolve the administration of President Muhammadu Buhari when he claimed that the TSA contract was signed during the administration of President Jonathan. The CBN in an attempt to justify their position released a letter to the press titled "Commencement of Federal Government independent revenue collection under the Treasury Single Account (TSA) initiative". In the letter, the CBN debunked all the allegations made by Melaye as being misleading. At the height of the controversy, the Central Bank of Nigeria (CBN), instructed System Specs to return of all the revenues made so far on the contract, a directive, which System Specs obeyed without delay as a "business decision".

In a letter reportedly written to President Muhammadu Buhari by John Obaro, Founder and Managing Director of System Specs, developers of the Remita application, the allegation that System Specs pocketed 25 billion Naira was refuted. Obaro explained that the one per cent commission was negotiated prior to the signing of the contract; and the one per cent commission was shared by System Specs, participating commercial banks and the Central Bank of Nigeria in the ratio of 50:40:10 respectively. According to findings by Premium Times, 'Remita' is not "an agency" but an application/software for executing payment instructions and collection of government revenue. The software facilitates the payment of government revenue from financial institutions to a TSA in the CBN. The report cited holes in Melaye's accusations and termed them "misleading." The Joint Senate investigative committee absolved System Specs of any wrongdoing as "the committee could not ascertain the deduction/collection of twenty-five billion Naira (N25 billion) by System Specs as 1% fee charged for the use of its Remita platform within the period under investigation." This was contained in section 6.1.16 on pages 16 and 17 of the committee's report".

Conclusion

In conclusion, the study on Public Financial Management and adoption of Treasury Single Account (TSA) in Akwa Ibom State civil service from 2015 to 2018 has proven to be a worthwhile research. The study was set to investigate the general workability of public financial management and to assess the adoption of Treasury Single Account (TSA) in Nigeria with particular reference to Akwa Ibom State civil service within the above stated period under review. The problem was to ascertain whether the adoption of the Treasury Single Account (TSA) into the Akwa Ibom State civil service within the stated period has curbed financial impropriety and corruption in the public and private sectors in Akwa Ibom State thereby saving public funds from further misappropriation, fraud and outright embezzlement. Among other subsidiary objectives was to establish whether the adoption of the Treasury Single Account (TSA) as a means of public financial management has rather caused workers' loss of jobs as many banks seemed to have been left with no other option than to embark on down-sizing and retrenchment of their workers. And closely related to that was to find out if Treasury Single Account (TSA) operations in the banking sector had rather encouraged "new monopoly" in the specified bank of public fund domiciliation and discouraged competition in other banks in Akwa Ibom State.

In our findings, it was observed that the problem which motivated the research had been solved. It was also found out that the intentions imbibed in the research objectives and hypotheses were upheld.

Specifically, it was generally found out that after the Federal Government had in 2012 had conducted a successful pilot scheme on TSA in 217 Ministries, Departments and Agencies (MDAS) according to Ekubia *et al.* (2016), Treasury Single Account (TSA) in the entire public financial management in Nigeria and in Akwa Ibom State civil service in particular as adopted has worked as proposed.

Furthermore, while the concepts of public financial management and Treasury Single Account (TSA) were properly clarified to the understanding of a layman, it was found out that there was no role conflict between the two financial concepts. It was found out that all public monies are duly paid into and transferred (through Remita, a platform set up by **System Spec**, the consultant that managed the TSA for government) at the federal level to the Central Bank of Nigeria, thereby closing all the avenues that were hitherto being exploited by fraudsters.

Finally it was found out that Zenith Bank Plc. which was the managers of TSA in Akwa Ibom Sate has become exceedingly rich and financially monopolistic, almost competing with the Akwa Ibom State branch of the Central Bank of Nigeria (CBN). All the other banks that used to stay afloat because of huge amounts of public funds domiciled in their banks e.g. First City Monument Bank

(FCMB), Heritage Bank, etc. on withdrawals of those public funds by the government from them had embarked on retrenchment of workers and folding up of some of their branches in Uyo. For example, the FCMB branch in Aka Road, Uyo and Heritage Bank had sacked most of their staff members and closed down those branches.

It was finally found out that the level of competition among the banks have actually reduced as these other banks have no much money to trade on and compete among themselves. The banks that depended largely on government accounts rarely had their personal investments, hence, the collapse of many banks due to the adoption of Treasury Single Account (TSA) in Akwa Ibom State by the Udom Emmanuel led administration.

Recommendations

At the end of the research, the following recommendations were advanced:

1. Government should persist in the implementation of the Treasury Single Account (TSA) policy as this is a better way out of uncontrollable financial impropriety, fraud, corruption and embezzlement.
2. Government should evolve a control mechanism to check the excesses of the managers of Treasury Single Account (TSA) beginning from the public officials in the Ministries, Departments and Agencies (where these monies are generated) to the consultant down to the bank where these public funds are domiciled.
3. Government should evolve a means of re-absorbing the retrenched bank workers into the civil service or should formulate and implement a policy that will ensure their re-absorption into the bank of public funds domiciliation.
4. Government should ensure the total spending of the government income in the TSA on a monthly basis in order to reduce the level of monopolistic tendencies by the bank of public funds domiciliation.

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