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Assessing the Impact of the Treasury Single Account on Government Revenue and Expenditure Control in Nigeria.

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ABSTRACT: This study evaluates the impact of the Treasury Single Account (TSA) on government revenue performance and expenditure control in Nigeria. Introduced as a public financial management reform, the TSA was designed to consolidate government funds, reduce financial leakages, and enhance fiscal discipline across ministries, departments, and agencies (MDAs). Despite its adoption, questions remain regarding its actual effectiveness in improving fiscal outcomes. The study adopts a descriptive research design, drawing on secondary data from academic literature, policy documents, and government reports. A qualitative content analysis approach, supported by comparative assessment, was used to examine patterns in revenue management and expenditure control following TSA implementation. Findings show that TSA has significantly improved revenue visibility and financial oversight by eliminating fragmented accounts and enhancing the traceability of government inflows. The policy also improved expenditure control through centralised authorisation processes, thereby boosting budget execution and reducing off-budget spending. However, the results indicate that while TSA enhances the structure and control of public financial management, its impact on overall revenue performance remains inconsistent. Furthermore, institutional resistance, weak enforcement mechanisms, and technical capacity constraints continue to limit the full effectiveness of TSA implementation. The study concludes that TSA is more effective as a financial control mechanism than as a direct driver of revenue growth. It recommends strengthening institutional capacity, improving compliance systems, and emphasizing implementation frameworks to maximize the benefits of TSA in Nigeria's public sector.

KEYWORDS: Treasury Single Account, Revenue Performance, Expenditure Control, Public Financial Management, TSA Implementation.

I. INTRODUCTION

Nigeria's public financial management system has historically been characterised by fragmented revenue collection, weak expenditure control, and persistent financial leakages across ministries, departments, and agencies (MDAs). Prior to the introduction of the Treasury Single Account (TSA), government funds were dispersed across multiple accounts, creating inefficiencies in revenue tracking and increasing the risk of misappropriation (Iloeje & Okwo, 2022; Ogoun & Zuode, 2020). These structural weaknesses undermined fiscal discipline and limited the government's ability to manage public resources effectively.

In response, the Federal Government of Nigeria introduced the Treasury Single Account (TSA) as a central financial reform to consolidate all government revenues into a unified account maintained by the Central Bank of Nigeria. The policy was designed to enhance transparency, improve cash management, and eliminate leakages within the public sector. Existing studies have shown that TSA has contributed to improved financial oversight and accountability by enabling real-time monitoring of government inflows and outflows, thereby strengthening public fund management systems (Oyelola et al., 2024; Ordu, 2023). Similarly, Babatunde (2022) reports that TSA implementation has significantly improved budget execution and cash management efficiency, suggesting that the policy plays a critical role in enhancing expenditure discipline.

While some studies emphasize its effectiveness in reducing leakages and strengthening financial control, others suggest that its influence on government revenue performance is less conclusive. For instance, Ubesie et al. (2024) report divergent outcomes across revenue streams: non-oil revenue increased significantly following TSA implementation, while oil revenue declined notably. This indicates that although TSA may improve the structure and transparency of revenue management, it does not automatically translate into increased aggregate revenue generation (Uche & Orji, 2023).

Furthermore, challenges related to institutional resistance, limited technical capacity, and weak enforcement mechanisms continue to constrain the TSA framework's full effectiveness. These issues suggest that the success of TSA extends beyond policy design and depends heavily on the operational capacity and compliance behaviour of implementing institutions (Iloeje & Okwo, 2022; Ordu, 2023).

Based on these outcomes, there remains a need for a more focused assessment of TSA's actual contribution to government revenue performance and expenditure control in Nigeria. Accordingly, this study aims to evaluate the impact of the Treasury Single Account (TSA) on revenue performance and expenditure control within the Nigerian public sector. The scope of the study is limited to secondary data drawn from relevant academic studies, policy documents, and government reports covering the post-TSA implementation period, with comparative insights drawn from pre-TSA conditions where applicable.

II. METHODOLOGY

A. Research Design

This study adopts a descriptive research design, using secondary data analysis, to evaluate the impact of the Treasury Single Account (TSA) on government revenue performance and expenditure control in Nigeria. The design is appropriate for examining existing financial and institutional evidence without manipulating variables, allowing for the identification of trends and patterns across the pre- and post-TSA periods. This approach is widely used in public financial management studies where policy impacts are assessed using documented data (Siedlecki, 2020).

B. Data Sources and Population

The study draws on secondary data obtained from academic journals, government reports, policy documents, and institutional publications relevant to TSA implementation in Nigeria. These sources collectively constitute documented evidence on public-sector financial performance, revenue trends, and expenditure control mechanisms.

A total of 30 relevant documents were selected to form the study dataset. These sources provide a broad representation of expert analyses and empirical findings on TSA, ensuring that the study captures both institutional perspectives and observed fiscal outcomes.

C. Sampling Technique

Purposive sampling was employed to select only sources directly related to TSA implementation and its fiscal implications. The selection criteria focused on relevance, recency, and empirical contribution, ensuring that included studies provided substantive insights into revenue performance, expenditure management, or financial control within the Nigerian public sector. This approach allows the inclusion of information-rich sources best suited to addressing the research objective (Campbell et al., 2020).

D. Data Collection Procedure

Data were collected through systematic retrieval of relevant documents from academic databases, government portals, and institutional repositories. Only credible and verifiable sources were included to ensure data integrity. The collection process focused on identifying studies that provide evidence on revenue trends, expenditure control, and fiscal discipline under the TSA framework.

E. Validity of Data

Validity was ensured by using credible, authoritative sources, including peer-reviewed journals and official government publications. To enhance robustness, the study employed triangulation by comparing findings across multiple sources. This approach minimises bias and strengthens the accuracy of interpretations by ensuring consistency across independent studies.

F. Reliability of Data

Reliability was achieved by using published, widely cited secondary data covering the period from 2015 to 2024. These sources are consistently used in public financial management research and provide stable, verifiable information. The use of standardised and documented data enhances the reproducibility of the study.

G. Method of Data Analysis

Data were analyzed using qualitative content analysis, supported by comparative trend assessment. Relevant data from selected sources were categorized into key themes, including revenue performance, expenditure control, and financial discipline. The analysis involved systematically comparing findings across studies to identify recurring patterns, convergences, and contradictions in TSA outcomes.

In addition, a pre- and post-TSA comparison framework was adopted where applicable, enabling the study to assess changes in revenue behavior and expenditure control following TSA implementation. This analytical approach ensures that conclusions are drawn not only from descriptive evidence but also from comparative evaluation of fiscal performance over time.

III. RESULTS AND DISCUSSION

The findings indicate that the implementation of the Treasury Single Account (TSA) has led to measurable improvements in government revenue monitoring and expenditure control in Nigeria. The consolidation of public funds into a single account enhanced the visibility of government inflows, reducing the fragmentation that previously characterized revenue management across ministries, departments, and agencies (MDAs). This improvement in financial visibility supports findings by Nsofor et al. (2024), who noted that TSA enhances oversight of public funds and reduces inefficiencies associated with fragmented account systems.

Evidence from the study shows that prior to TSA implementation, multiple accounts operated by MDAs created gaps in revenue tracking, which facilitated leakages and weakened fiscal coordination. Following TSA adoption, revenue inflows became more traceable, allowing for improved oversight and more accurate estimation of government earnings. This aligns with existing studies that link TSA frameworks with stronger revenue consolidation and reduced diversion of public funds (Okwueze et al., 2018; Fashakin & Audu, 2024; Victor & Joshua, 2024).

In terms of expenditure management, the results reveal that TSA strengthened centralized control over government spending. The requirement for all payments to pass through a unified system introduced additional layers of authorization and monitoring, which helped reduce discretionary and off-budget expenditures. This contributed to better alignment between actual spending and approved budgetary allocations. The findings support earlier work suggesting that TSA enhances expenditure discipline by limiting unauthorized access to public funds (Dorcas et al., 2021; Babatunde, 2022), particularly through improved budget execution and cash management practices.

However, the results also show that improvements in expenditure control were not uniform across all MDAs. Institutional resistance, particularly from agencies that previously exercised financial autonomy, slowed compliance and, in some cases, created operational delays. In addition, technological and capacity constraints affected the efficiency of TSA implementation, especially in agencies with limited digital infrastructure. These challenges are consistent with prior observations that public financial reforms in Nigeria are often constrained by institutional inertia and weak administrative capacity (Simpasa, 2024).

While the TSA reduced opportunities for direct revenue diversion, the findings suggest that it has not completely eliminated inefficiencies in public financial management. Some MDAs continue to exploit procedural loopholes, indicating that policy design alone is insufficient without strong enforcement mechanisms. Furthermore, evidence from Ubesie et al. indicates that the impact of TSA on revenue is not uniformly positive: oil revenue declined post-implementation, while non-oil revenue improved significantly. This suggests that TSA enhances revenue structure and diversification rather than guaranteeing overall revenue growth.

Overall, the study demonstrates that TSA has improved revenue consolidation and introduced a more controlled expenditure environment. However, its effectiveness is constrained by institutional, technological, and compliance-related factors that must be addressed to achieve sustained fiscal discipline.

IV. CONCLUSION AND POLICY IMPLICATIONS

This study set out to evaluate the impact of the Treasury Single Account (TSA) on government revenue performance and expenditure control in Nigeria. The findings show that TSA has played a significant role in improving the structure of public financial management by enhancing revenue consolidation and strengthening expenditure control mechanisms. The centralisation of government funds has reduced fragmentation, improved financial visibility, and limited opportunities for revenue diversion across MDAs.

However, the results also demonstrate that improvements in revenue performance are not consistent across sectors. While TSA has contributed to increased non-oil revenue and improved financial tracking, it has not led to a uniform increase in overall government revenue. This suggests that TSA is more effective as a control and monitoring mechanism than as a direct driver of revenue growth. In addition, persistent institutional and operational challenges, such as resistance from MDAs, weak enforcement, and inadequate technical capacity, continue to constrain its full potential.

From a policy perspective, the findings highlight the need to move beyond policy adoption towards effective implementation. First, the government should strengthen institutional enforcement mechanisms to ensure full compliance with TSA regulations across all MDAs. Second, there is a need to invest in digital infrastructure and capacity building to support real-time financial operations and improve system efficiency. Third, sector-specific strategies should be developed to address revenue disparities, particularly in the oil sector, where TSA has not yielded expected gains. Finally, continuous monitoring and periodic evaluation of TSA performance are necessary to identify emerging gaps and sustain long-term fiscal discipline.

Overall, TSA remains a critical reform tool in Nigeria's public financial management system, but its effectiveness depends on the strength of supporting institutions and the consistency of its implementation.

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