

# EFFECTS OF TREASURY SINGLE ACCOUNT ON ECONOMIC GROWTH IN NIGERIA

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**Abstract:** This study assesses the Effects of Treasury Single Account on Economic Growth in Nigeria. The research design adopted for this study is Ex post facto research design. The study relies mainly on secondary data gathered from various issues of statistical bulletin of the Central bank of Nigeria, the budget office of the federation (BOF) and Office of the Accountant General of the federation. The data consist of annual time series from 2015 to 2023. The study adopts totally collected federal oil revenue, totally collected federal non-oil revenue and federal government retained revenue as proxies for treasury single account and Gross Domestic Product (GDP) as a proxy for economic growth. The data collected were analyzed using Simple and Multiple regression analysis methods of Ordinary Least Square technique with the aid of SPSS. Test of statistical adequacy, such as the t-statistic, F-statistic, adjusted R-square, Durbin-Watson were executed to find the relative acceptability, significance of the variables and the dependability of model estimation factors. Analysis of variance (ANOVA) was used to test the hypothesis. The study revealed that Treasury Single Account (TSA) have positive significant effect on gross domestic product (GDP) in Nigeria. The study concluded that there is significant effect of totally collected federal oil revenue on gross domestic product in Nigeria; that there is significant effect of totally collected federal non-oil revenue on gross domestic product in Nigeria and that there is significant effect of federal government retained revenue on gross domestic product in Nigeria. It was recommended that: the federal government should revitalize the moribund oil refineries in Nigeria; the federal government should open up other development sectors of the economy that can lead to economic growth and diversify its revenue sources by creating enabling economic and secured environment that will boost local industries and attract foreign direct investment which will also lead to economic growth.

**Keywords:** Treasury Single Account, Economic Growth.

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## 1. INTRODUCTION

A Treasury Single Account (TSA) is a unified structure of government bank accounts that gives a consolidated view of government cash resources. Based on the principle of unity of cash and the unity of treasury, a TSA is a bank account or a set of linked accounts through which the government transacts all its receipts and payments. TSA facilitates better fiscal and monetary policy coordination as well as better reconciliation of fiscal and banking data, which in turn improves the

quality of fiscal information. The purpose is to ensure that there is effective management of the treasury and to block revenue leakages as a result of corrupt practices. (Lienert, 2009).

In 2015 the central bank of Nigeria issued a directive conveyed in a CBN circular no. BPS/CSO/CON/DIR/01/079 and addressed to all Deposit Money Banks (DMB). The circular was entitled "Commencement of federal government's independent revenue e-collection scheme under the single treasury account (TSA) initiative" (Kanu, 2016).

According to Agabi, (2017), following the introduction of the Treasury Single Account (TSA) policy of the Federal Government, in August 2015 all accounts of the Projects with the Commercial Banks were transferred to a pool account with the Central Bank of Nigeria (CBN), known as the Treasury Single Account (TSA). Whilst the project was conceived by ex-President Goodluck Jonathan's regime, however it was implemented during former President Muhammadu Buhari regime. Following this directive, the Office of the Accountant General of the federation (AGF) was given the statutory mandate to drive the implementation of the policy with support from the CBN (Agabi, 2017).

Before the introduction of Treasury Single Account in Nigeria, Government Ministries, Departments and Agencies which generate revenues, have the multiplicity of accounts in commercial banks, use part of the revenue generated to fund their operations and then remit the surplus to the federation account. As a result, agencies pay into government account what they deem fit. Under this situation, some ministries became richer than a government (Kanu, 2016).

The major objective of government is to drive the economy to the path of economic growth and development. Due to this fact, governments over the years have come up with certain policies aimed at achieving development. Treasury Single Account (TSA) was one of such policies that the government have put in place to achieve this objective (Okoh, Mustapha and Ahmed, 2021).

### **Statement of the Problem**

The essence of establishing Fiscal Responsibility Commission was to ensure the promotion and enforcement of the Nation's Economic objectives which in turn will enthrone accountability and transparency. Unfortunately, Government Ministries, Departments and Agencies which generate revenues, have opened multiplicity of accounts in commercial banks, used part of the revenue generated to fund both the government operations and their personal projects. As a result, agencies pay into government account what they deem fit. Under this situation, some persons and ministries became richer than the government. The result of this situation led to leakages of funds, embezzlement of public funds and the inability of a government to know the exact amount in its account (Okoh, Mustapha and Ahmed, 2021).

Budgets were therefore prepared using false projection leading to poor implementation. However, the greatest beneficiaries of this situation were the banks that relied on the deposits from the ministries (public money) and government in turn borrow from banks with high- interest rate. Above all, banks no longer care to mobilize money from other sectors of the economy. The balances of account of the government with the banks lay idle in the banks. All these stunted the growth of the economy (Kanu, 2016).

### **Objectives of the Study**

The main objective of this study is to assess the effects of treasury single account on economic growth in Nigeria. The specific objectives of this study include the following to:

1. Find out the effects of totally collected federal oil revenue on gross domestic product in Nigeria.
2. Examine the effects of totally collected federal non-oil revenue on gross domestic product in Nigeria.
3. Examine the effects of federal government retained revenue on gross domestic product in Nigeria.

### **Conceptual framework**

#### **Treasury Single Account**

Treasury Single Account has three important features: First, the government banking arrangement is unified, to enable ministry of finance (Mof) (or treasury) conduct oversight of government cash inflows and cash outflows of these bank accounts. A unified structure of government bank accounts allows complete trade of all cash resources, including on a real-time basis if electronic banking is in place. The TSA structure can contain ledger sub-accounts in a single banking institution (not necessarily a central bank), and can accommodate external zero-balance accounts (ZBAs) in a number of commercial banks. Secondly, no other government agency operates bank accounts outside the oversight of the treasury. Options for

accessing and operating the TSA are mainly dependent upon institutional structures and payment settlement systems. Thirdly, the consolidation of government cash resources should be comprehensive and encompass all government cash resources, both budgetary and extra-budgetary. This means that all public monies irrespective of whether the corresponding cash flows are subject to budgetary control or not should be brought under the control of the TSA. The cash balance in the TSA main account is maintained at a level sufficient to meet the daily operational requirements of the government (IMF, 2010).

The first phase of the treasury single account policy was implemented in 2012 with 217 ministries and government agencies as a case study. This saved about #500 billion naira from the reckless spending of the MDA's. By this, government was motivated from the achievement of this policy and it urged all banks to employ the technological platform that will aid the treasury single account policy (Okure, Chijioke, Temilulowa, & David, 2015). The different accounts types include the main account, subsidiary or sub-accounts, transaction account, imprest account, transit and correspondence accounts for different transaction purposes (Udo, 2016).

The federal government of Nigeria commenced the full operation of TSA on Monday 17th of September, 2015. About #1.2 trillion was moved from Nigerian banks to the central bank of Nigeria. The introduction of TSA arose mixed feelings from several scholars about its effects. Onasanya (as in Chidioko, 2015) is of the view that liquidity in the financial sector shrank as a result of adopting TSA. This was because public accounts previously kept in commercial banks have now been moved to the central bank. Nigerian public funds at all levels have not been adequately accounted for by previous regimes (Ekubiat and Ime, 2016). Pattanayak and Fainboim, (2010), in their view stated that the primary objective of treasury single account is to ensure effective aggregate control over government cash balances.

### **Main Objectives of TSA**

The primary objective of a TSA is to ensure effective aggregate control over government cash balances. The consolidation of cash resources through a TSA arrangement facilitates government cash management by minimizing borrowing costs. In the absence of a TSA, idle balances are maintained in several bank accounts. Effective aggregate control of cash is also a key element in monetary and budget management, (IMF, 2010).

There are other objectives for setting up a TSA. They include: minimizing transaction costs during budget execution, notably by controlling the delay in the remittance of government revenues (both tax and nontax) by collecting banks, and making rapid payments of government expenses; facilitating reconciliation between banking and accounting data; efficient control and monitoring of funds allocated to various government agencies; and facilitating better coordination with the monetary policy implementation, (IMF, 2010).

### **Benefits of TSA**

- a. **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. The TSA arrangement needs to ensure that treasury-related revenue and disbursement floats in the banking sector are kept at the minimum level. This is achieved through lower costs of borrowing (to finance public expenditure) and higher investment returns (from surplus government cash). For a detailed discussion on cash management related issues. In many countries where line ministries have cash holding accounts at the central bank, the treasury does not perform daily clearing of the balances in these accounts and despite a positive balance with the central bank, the government might have to borrow from the financial markets to meet its day-to-day cash needs. Therefore, daily consolidation of cash balances is also needed even when line ministries' accounts are held with the central bank, (IMF, 2010).
- b. **Improves appropriation control.** The TSA ensures that the MoF has 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, (IMF, 2010).
- c. **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, (IMF, 2010).

- d. **Enables efficient cash management.** A TSA facilitates regular monitoring of government cash balances. It also enables higher quality cash outturn analysis to be undertaken (e.g., identifying causal factors of variances and distinguishing causal factors from random variations in cash balances), (IMF, 2010).
- e. **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, (IMF, 2010).
- f. **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, (IMF, 2010).
- g. **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, (IMF, 2010).
- h. **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, (IMF, 2010).

### **Government Revenue**

Government Revenue Financial resources of government constitute the bulk of its revenue and this relate to monies mobilized or generated in the economy. Government revenue can be defined as public receipts, which the government collects from all sources, except loans and borrowing (Ihimodu; 1995). It is different from public receipt, in that, the latter refers to government revenues and borrowings. This implies that in addition to government revenues, public receipts comprises of nonrevenue aspects, which increase government debt obligations. Thus, public receipts consist of public borrowings, taxes, grants and gifts, administrative and business revenues. Tax and non-tax revenues are the major sources of government revenue in Nigeria. The primary function of taxation is to provide funds for public services. Because of the peculiar nature of the economy, the sources take the form of oil and nonoil revenue. Notwithstanding the distinction, oil and non-oil revenues still forms integral part of tax revenue (Obiechina, 2010).

### **Totally Collected Federal Oil Revenue and Totally Collected Federal Non-Oil Revenue**

Totally collected federal oil revenue is made up of the following revenues: crude oil sales, gas sales (NLNG feedstock sales and upstream liquid gas), royalties oil and gas, rent, gas flared penalty, petroleum profit tax and gas revenue while totally collected federal non-oil revenue is made up of value added tax, corporate tax, company income tax, capital gain tax, stamp duties, customs (import and excise duties) and special levies (OAGF, 2024).

### **Federal Government Retained Revenue**

These are revenues, which fall within the Federal Government jurisdiction of administration and collection. The Federal Government does not have exclusive right over the federally collected revenue; it shares some of it with other components of the federating units. The revenue shared among the three tiers of government is pooled into the federation account, which was formerly, the Distributable Pool Account (DPA). The bulk of federally-collected revenue comes from the oil revenue item. Prior to the emergent of oil as the major source of federally-collected revenue from the 1970s, the non-oil revenue, which was dominated by agriculture, was the largest source. For example, in 1970, the oil revenue constitutes about 26.0 per cent of the total federally-collected revenue, while the non-oil revenue constitutes was 74.0 per cent. However, by 2008, the oil revenue constitutes 83.0 per cent of the total federally-collected revenue, while the non-oil was 17.0 per cent. The total federally-collected revenue was N634.0 million in 1970 and by 2008, it has risen to N7,866,590.10 million. The implication of the continued oil dominance of the total federally collected revenue is that fluctuations in the international oil prices would impact on the government's ability to spend on goods and services, especially, where government did not resort to either domestic or external borrowing to bridge the fiscal deficit gap (Obiechina, 2010).

### **Gross Domestic Product**

Anidiobu, Agu and Ezinwa, (2016) define Gross Domestic Product as an aggregate measure of production equal to the sum of the gross values added of all resident and institutional units engaged in production (plus any taxes, and minus any subsidies, on products not included in the value of their outputs).

Anidiobu and Okolie (2016) are of the view that Gross Domestic Product (GDP) is a monetary measure of the market value of all final goods and services produced in a period (quarterly or yearly) of time. Nominal GDP estimates are commonly used to determine the economic performance of a whole country or region, and to make international comparisons. Nominal GDP per capita does not, however, reflect differences in the cost of living and the inflation rates of the countries; therefore using a basis of GDP per capita at purchasing power parity (PPP) is arguably more useful when comparing differences in living standards between nations (Anyafu, 2007).

Onyiah, Ngwoke and Nwangwu (2024) define gross domestic product as the total market value of all final goods and services produced in a country in a given year, equal to the total consumer investment and government 'spending plus the value of exports minus the value of imports.

### **Theoretical Framework**

#### **Theory of Public Finance Management**

The Theory of Public Finance management was propounded by Richard A. Musgrave in 1958. This theory talks about the raising and spending of public finance. According to Ntepkere and Olayinka (2020) in Smriti (2018), public finance is divided into four broad branches namely Public Expenditure, Public Revenue, Public Debt and Financial Administration. Public Expenditure talks about the various principles, effects and problems of expenditure made by public authorities. Public Revenue discusses the various ways of raising revenue by public bodies, especially through taxation. Financial Administration deals with the methods of budget preparation, various types of budgets, war finance and development finance. This theory would be adopted for this study because it encompasses Public Revenue and financial administration (Bailey, 2004).

This theory also assumes that all aspect of financial resources, mobilization and expenditure should be well managed by the government for the benefit of the citizens. It includes resources mobilization, prioritization of programmes, the budgetary process, efficient management of resources and exercising control to guide against threat. It encompasses all government activities to include its sources and uses of funds. The purpose of treasury single account primarily is to avoid misapplication of public fund (Grubber, 2005).

#### **Empirical Review**

Ivungu, Ganyam, Agbo and Ola (2020) embarked on a research on the effect of treasury single account (TSA) on corruption in the Nigerian public sector. The objective of the study was to ascertain if there exists a significant mean difference in corruption perception index (CPI) before and after treasury single account adoption in Nigeria. The study made use of the ex-post facto research design. The secondary method of data collection was used for the study. Data was obtained from Transparency International (2018), which includes 2012-2014 (pre treasury single account adoption) and 2016-2018 ( post treasury single account adoption). The study made use of descriptive statistics to compute a summary statistics for the study variable. It also employed the paired sample t-test statistics to test the hypothesis. The findings of the study revealed that there is no significant difference in the mean of corruption perception index (CPI) before and after treasury single account adoption in Nigeria. The study concludes that treasury single account has not significantly reduced corruption in the Nigerian public sector.

Ejoh, (2020), carried out a study on the implication of treasury single account on government revenue control among federal government parastatals in Nigeria. The objective of the study was to examine the impact of treasury single account policy on aggregate government cash control, idle government cash balance in several banks and availability of funds for capital projects. The paper used the descriptive survey and questionnaires were administered to 240 staffs selected from the Central Bank of Nigeria (CBN), office of the accountant general of the federation and the office of the auditor general of the federation, Abuja. The data was analyzed using the multivariate regression model. The findings indicated that treasury single account has a significant and positive impact on cash monitoring and control (aggregate cash control) and adequate funds for the government to implement its projects.

Folusho, Alani, Ayodeji and Adeola, (2019) carried out a study on the implementation effect of treasury single account on the economy of Nigeria: The perspective of banking sector. The objective of the study was to examine the implications of treasury single account from its domestication, identify its benefits, determine its challenges and ascertain its prospects considering its perspective of the banking sector employees. The descriptive research design was employed for the study using fifty (50) bank employees within Ondo State, southwestern Nigeria randomly selected. The descriptive statistics such as central tendency, measure of variability, kurtosis and skewness, using the statistical package for social sciences (SPSS). The calculated values range from 2.60 to 3.88, 0.72 to 1.28, -0.08 to -2.20, -1.73 to 4.09 for mean, standard deviation, skewness and kurtosis respectively. All calculated p-values range between (.000 - .003), which are less than the significance level of 0.05 (2 tailed). The null hypothesis was rejected and the alternative accepted which indicates that the application of treasury single account (TSA) had led to a reduction of monetary misappropriation and a drastic reduction of corrupt practices.

Ofurum, Oyibo & Ahuche (2018) examined the impact of treasury single account on government revenue and economic growth in Nigeria: A pre- post design. The objectives of the study were to examine the impact of treasury single account on government revenue; and also to determine the impact of treasury single account on gross domestic product. A pre- post design was used for the study. Data was sourced from the central bank of Nigeria statistical bulletin and economic reports. The study was analyzed using the difference in mean test which was carried out by SPSS. The study showed that the implementation of TSA has a negative and significant effect on federal collected revenue. It also revealed that GDP of the country significantly increased after the implementation of TSA.

Ajetunmobi, Adesina, Faboyode, & Adejana (2017) investigated the impact of treasury single account on the liquidity of banks in Nigeria. The objective of the study was to determine the impact of treasury single account implementation on the liquidity base of banks in Nigeria. Data was sourced from the annual report of banks. Descriptive statistics and paired sample t-test was used to analyze the data. The result showed that the implementation of treasury single account policy impacted negatively on the liquidity base of banks in Nigeria. Also there exists a significant difference in the profit after tax of banks in Nigeria before and after treasury single account adoption.

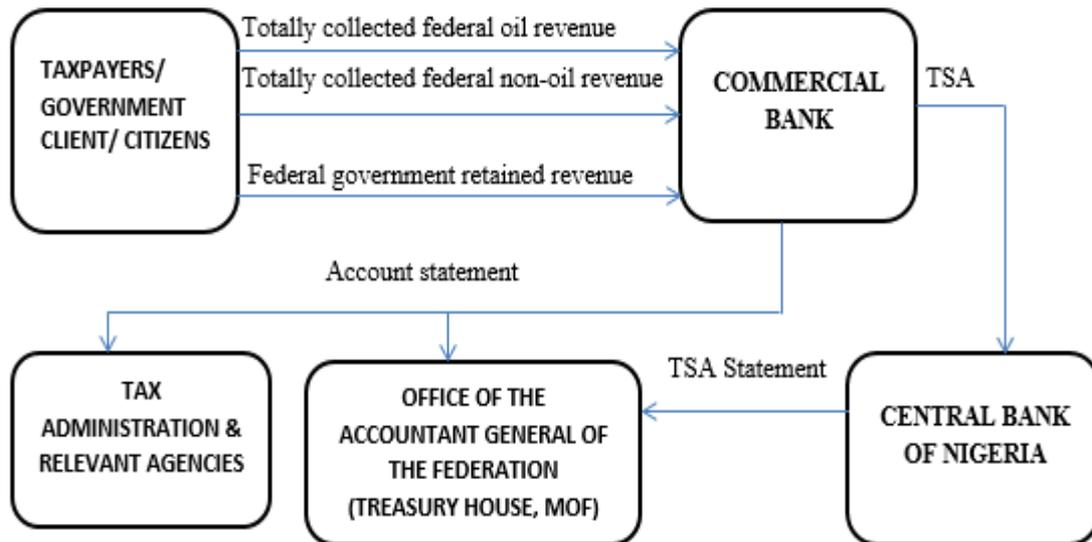
Ajala, Adesanya and Oyewole (2017) carried out a study on treasury single account and Nigeria public financial management. The general objective of the paper was to examine the nature, origin and challenges of treasury single account while the specific objectives were to examine the impact of treasury single account policy on public financial management, to determine the benefits of treasury single account and to highlight countries that have adopted treasury single account policy. The historical research design was used for the study. The sample size involved five countries which has long adopted the treasury single account policy. Secondary data was used for the study. The findings revealed that the introduction of treasury single account policy has helped to block all loopholes and leakages of financial resources and also ensure a robust financial system. It also found that treasury single account has helped to ensure proper cash management by eliminating idle funds usually left with different deposit money banks and in a way enhance reconciliation of revenue collection and payment.

Jat, (2016) carried out a study on the effects of treasury single account on the economic development of Nigeria. The objective of the study was to examine the effects of treasury single account on the economic development of Nigeria. The exploratory research design was used for the study. The study made use of secondary data which were obtained from the library and internet sources. The findings from the review shows that treasury single account policies which has to do with uniformity of record keeping and bank accounts, consolidation of government accounts, optimal utilization of government cash resources and minimization of fraud and corruption in the financial system amongst others, are perceived to have positive effects on economic development. It also found out that the implementation of treasury single account financial policies and principles will gradually impact on the variables of economic growth that are sure indicators of economic development in just a matter of time.

### **Research Gap in Literature**

The research gap this study intends to cover is the fact that other studies in the empirical review made use of pre treasury single account adoption, post treasury single account adoption, aggregate government cash control, idle government cash balance in several banks as a proxy for treasury single account. This study adopted totally collected federal oil revenue, totally collected federal non-oil revenue and federal government retained revenue as proxies for treasury single account and Gross Domestic Product (GDP) as a proxy for economic growth and also covered a period of 2015 – 2023.

## 2. CONCEPTUAL FRAMEWORK



Source: Researcher’s Construction (2024)

Fig. 1

## 3. METHODOLOGY

The study adopted *Ex-post facto* research design. The population of the study and the sample size comprised of the aggregate yearly totally collected federal oil revenue, aggregate yearly totally collected federal non-oil revenue, aggregate yearly federal government retained revenue and the Gross Domestic Product covering the period from 2015-2023. Secondary data were gathered from various issues of statistical bulletin of the Central bank of Nigeria of various publication years. Data were analyzed using Simple and Multiple regression methods of ordinary least square technique. Analysis of variance (ANOVA) was used to test the hypothesis. The sampling technique used was total population sampling. It is a type of purpose sampling technique that involves examining the entire population.

## 4. DATA PRESENTATION AND ANALYSIS

Data Presentation:

Table 1: Summary of federal government finances (N Billion)

Year	Totally Collected Federal Oil Revenue (TCFOR)	Totally Collected Federal Revenue (TCFNOR)	Federal Government Retained Revenue (FGRR)	Gross Domestic Product (GDP)
2015	3,830.1	3,082.4	3,431.0	95,177.74
2016	2,693.9	2,922.5	3,184.7	102,575.42
2017	4,109.7	3,335.1	2,847.3	114,899.25
2018	5,547.9	4,042.1	4,185.6	129,086.91
2019	5,105.1	4,721.4	4,840.0	145,639.14
2020	4,155.7	4,616.6	3,938.4	154,252.32
2021	4,146.6	6,320.5	5,044.9	176,075.50
2022	4,665.3	9,207.0	5,626.7	214,298.03
2023	5,663.6	12,587.5	7,436.8	52,103,927

Source: Central Bank of Nigeria, [www.cbn.gov.ng/publications/statistical](http://www.cbn.gov.ng/publications/statistical) federal Ministry of finance, Office of the Accountant General of the federation (OAGF), of the various years.

**DATA ANALYSIS**

**For The First Independent Variable Totally Collected Federal Oil Revenue (TCFOR)**

**Table 2: Model Summary of the first Independent Variable Totally Collected Federal Oil Revenue (TCFOR)**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.496 <sup>a</sup>	.246	.139	16076475.67344	.246	2.286	1	7	.174	1.324

a. Predictors: (Constant), TCFOR

b. Dependent Variable: GDP

Source: Researcher’s SPSS computation (2024)

**Table 3: Coefficients of the first Independent Variable Totally Collected Federal Oil Revenue (TCFOR)**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Correlations		
		B	Std. Error	Beta			Zero-order	Partial	Part
1	(Constant)	-35087649.714	27641232.303		-1.269	.245			
	TCFOR	9244.594	6113.828	.496	1.512	.174	.496	.496	.496

a. Dependent Variable: GDP

Source: Researcher’s SPSS computation (2024)

The table 2 of model summary of the multiple regression result R showed a weak relationship of totally collected federal oil revenue with gross domestic product (GDP) which is as weak as 49.6 percent. R Square, i.e. the squared value of the multiple regression coefficient value to be .246 meaning that, approximately 25% of the total variation GDP is explained by the model totally collected federal oil revenue while the remaining 75% is accounted for by factors not specified in the model. Adjusted R Square value is .139 (approximately 13.9 % model accuracy).

Based on the above analysis, there is significant weak relationship between totally collected federal oil revenue and gross domestic product because the R-square and adjusted R-square are below 50% at 5% level of significance as shown.

In table 3, the coefficient of totally collected federal oil revenue clearly has weak and significant effect on gross domestic product as indicated by coefficient (0.496) at 5% level of significant. This means that 1% increase in the totally collected federal oil revenue will induce 0.496% increase in gross domestic product and also 1% decrease in the totally collected federal oil revenue will induce 0.496% decrease in gross domestic product. In Table 2 the DW statistics is 1.324. Values below 2.0 mean there is positive autocorrelation and above 2.0 indicates negative autocorrelation. This shows that there is a positive autocorrelation between totally collected federal oil revenue and gross domestic product (GDP) in Nigeria. The result is in consonant with the findings of several scholars Akpokerere and Ekane, (2022) and Udeh (2021) but contradict with Akinleye, Olowookere and Fajuyagbe (2021), Ilori and Akinwunmi (2020), Ilori and Efuntade (2020). Akpokerere, Othuke and Ekane, (2022) did a study on oil and non-oil revenue and the Nigerian Economy from 1994 -2021. The study submitted that total oil revenue has a major significant effect on real gross domestic product in Nigeria.

**FOR THE SECOND INDEPENDENT VARIABLE TOTALLY COLLECTED FEDERAL NON-OIL REVENUE (TCFNOR)**

**Table 4: Model Summary of the Second Independent Variable (totally collected federal non-oil revenue)**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.799 <sup>a</sup>	.638	.587	11136316.88403	.638	12.353	1	7	.010	1.880

a. Predictors: (Constant), TCFNOR

b. Dependent Variable: GDP

Source: Researcher’s SPSS computation (2024)

**Table 5: Coefficients of the Second Independent Variable totally collected federal non-oil revenue**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Correlations		
	B	Std. Error	Beta			Zero-order	Partial	Part
1 (Constant)	-18044948.944	7762313.034		-2.325	.053			
TCFNOR	4241.960	1206.932	.799	3.515	.010	.799	.799	.799

a. Dependent Variable: GDP

Source: Researcher’s SPSS computation (2024)

The table 4 of model summary of the multiple regression result R showed a positive relationship of totally collected federal non-oil revenue on gross domestic product (GDP) which is as strong as 79.9 percent. R Square, i.e. the squared value of the multiple regression coefficient value to be .638 meaning that, approximately 64% of the total variation GDP is explained by the model totally collected federal non-oil revenue while the remaining 36% is accounted for by factors not specified in the model. Adjusted R Square value is .587 (approximately 58.7% model accuracy).

Based on the above analysis, there is significant positive relationship between totally collected federal non-oil revenue and Gross Domestic Product (GDP) because the R-square and adjusted R-square are above 50% at 5% level of significance as shown.

In table 5, the coefficient of totally collected federal non-oil revenue clearly has significant effect on gross domestic product as indicated by coefficient (0.799) at 5% level of significant. This means that 1% increase in the totally collected federal non-oil revenue will induce (0.799)% increase in gross domestic product and also 1% decrease in the totally collected federal non-oil revenue will induce (0.847)% decrease in gross domestic product. Durbin-Watson (DW) is a test for auto correlation in a regression model’s output. In Table 4 the DW statistics is (1.880). Values below 2.0 mean there is positive autocorrelation and above 2.0 indicates negative autocorrelation. This shows that there is a positive autocorrelation between totally collected federal non-oil revenue on gross domestic product (GDP) in Nigeria. The result is in consonant with the findings of several scholars Akpokerere and Ekane, (2022) and Udeh (2021) but contradict with Akinleye, Olowookere and Fajuyagbe (2021), Ilori and Akinwunmi (2020). Akpokerere, Othuke and Ekane, (2022) did a study on oil and non-oil revenue and the Nigerian Economy from 1994 -2021. The study submitted that total non-oil revenue has a major significant effect on real gross domestic product in Nigeria.

**FOR THE THIRD INDEPENDENT VARIABLE FEDERAL GOVERNMENT RETAINED REVENUE (FGRR)**

**Table 6: Model Summary of the third Independent Variable federal government retained revenue (FGRR)**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.771 <sup>a</sup>	.595	.537	11788954.19593	.595	10.269	1	7	.015	1.684

a. Predictors: (Constant), FGRR

b. Dependent Variable: GDP

Source: Researcher’s SPSS computation (2024)

**Table 7: Coefficients of the third Independent Variable federal government retained revenue**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Correlations		
	B	Std. Error	Beta			Zero-order	Partial	Part
1 (Constant)	-36197573.956	13716309.507		-2.639	.033			
FGRR	9350.200	2917.749	.771	3.205	.015	.771	.771	.771

a. Dependent Variable: GDP

The table 6 of model summary of the multiple regression result R showed a positive relationship of federal government retained revenue on gross domestic product (GDP) which is as strong as 77.1 percent. R Square, i.e. the squared value of

the multiple regression coefficient value to be .595 meaning that, approximately 60% of the total variation GDP is explained by the model federal government retained revenue while the remaining 40% is accounted for by factors not specified in the model. Adjusted R Square value is .537 (approximately 53.7% model accuracy).

Based on the above analysis, there is significant positive relationship between federal government retained revenue and Gross Domestic Product (GDP) because the R-square and adjusted R-square are above 50% at 5% level of significance as shown.

In table 7, the coefficient of federal government retained revenue clearly has significant effect on gross domestic product as indicated by coefficient (0.771) at 5% level of significant. This means that 1% increase in the federal government retained revenue will induce (0.771)% increase in gross domestic product and also 1% decrease in the federal government retained revenue will induce (0.847)% decrease in gross domestic product. Durbin-Watson (DW) is a test for auto correlation in a regression model's output. In Table 6 the DW statistics is (1.684). Values below 2.0 mean there is positive autocorrelation and above 2.0 indicates negative autocorrelation. This shows that there is a positive autocorrelation between federal government retained revenue on gross domestic product (GDP) in Nigeria.

The result is in consonant with the findings of several scholars Akpokerere and Ekane, (2022) and Udeh (2021) but contradict with Akinleye, Olowookere and Fajuyagbe (2021), Ilori and Efuntade (2020). Akpokerere, Othuke and Ekane, (2022) did a study on oil and non-oil revenue and the Nigerian Economy from 1994 -2021. The study submitted that total revenue has a major significant effect on real gross domestic product in Nigeria.

**TEST OF HYPOTHESES**

**Hypothesis One**

**ANOVA of Hypothesis One**

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	590923052327371.100	1	590923052327371.100	2.286	.174 <sup>b</sup>
1 Residual	1809171490551937.800	7	258453070078848.250		
Total	2400094542879309.000	8			

a. Dependent Variable: GDP

b. Predictors: (Constant), TCFOR

Source: Researcher's SPSS computation (2023)

**Decision:** Since the F cal. (2.286) is greater than the Sig. value (.174) at 5% level of significance and 2 degree of freedom, we reject the null hypothesis and accept the alternate hypothesis that there is significant effect of totally collected federal oil revenue on gross domestic product in Nigeria.

**Hypothesis Two**

**ANOVA of Hypothesis Two**

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	1531971666687880.000	1	1531971666687880.000	12.353	.010 <sup>b</sup>
1 Residual	868122876191429.100	7	124017553741632.730		
Total	2400094542879309.000	8			

a. Dependent Variable: GDP

b. Predictors: (Constant), TCFNOR

Source: Researcher's SPSS computation (2023)

**Decision:** Since the F cal. (12.353) is greater than the Sig. value (.010) at 5% level of significance and 2 degree of freedom, we reject the null hypothesis and accept the alternate hypothesis that there is significant effect of totally collected federal non-oil revenue on gross domestic product in Nigeria.

**Hypothesis Three**

**ANOVA of Hypothesis Three**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1427238455642425.000	1	1427238455642425.000	10.269	.015 <sup>b</sup>
	Residual	972856087236884.000	7	138979441033840.580		
	Total	2400094542879309.000	8			

a. Dependent Variable: GDP

b. Predictors: (Constant), FGRR

Source: Researcher’s SPSS computation (2023)

**Decision:** Since the F cal. (10.269) is greater than the Sig. value (.015) at 5% level of significance and 2 degree of freedom, we reject the null hypothesis and accept the alternate hypothesis that there is significant effects of federal government retained revenue on gross domestic product in Nigeria.

**5. SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATION**

After discussing the results for the study, the findings were summarized that Treasury Single Account (TSA) as proxied by totally collected federal oil revenue, totally collected federal non-oil revenue and federal government retained revenue have positive significant effect on Gross Domestic Product (GDP) in Nigeria. Based on the results of the analysis and through proof of the hypotheses of the issues raised regarding the totally collected federal oil revenue, totally collected federal non-oil revenue and federal government retained revenue for 2015 – 2023 period, the following conclusions are drawn that there is significant effect of totally collected federal oil revenue on gross domestic product in Nigeria; that there is significant effect of totally collected federal non-oil revenue on gross domestic product in Nigeria and that there is significant effect of federal government retained revenue on gross domestic product in Nigeria. Based on the findings of this study, the following recommendations were made:

- i. The federal government should revitalize the moribund oil refineries in Nigeria.
- ii. The federal government should open up other development sectors of the economy that can lead to economic growth.
- iii. The federal government should diversify its revenue sources by creating enabling economic and secured environment that will boost local industries and attract foreign direct investment which will lead to economic growth.

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