

Office of the Accountant-General of the Federation

Federal Ministry of Finance

2-Day Retreat on TSA

**Theme: One Year Anniversary of Treasury Single Account:
Benefits, Challenges and Way Forward**

Communiqué

The first Anniversary of Treasury Single Account (TSA) was celebrated by The Office of the Accountant-General of the Federation with a 2-Day Retreat on TSA with the **Theme: One Year Anniversary of Treasury Single Accounts: Benefits, challenges and way forward**; between Tuesday 14th to Wednesday 15th February, 2017. The Theme of the Retreat was exhaustively discussed by paper presenters (drawn from both the Public and Private Sectors) and the participants drawn from Ministries, Departments and Agencies (MDAs), Deposit Money Banks (DMBs), Payment Service Providers, Professional bodies, Civil Society Organizations and the press.

2. The Guest of Honour, His Excellency the Vice President of the Federal Republic Nigeria; Professor Yemi Osinbajo, SAN, GCON; was represented by the Special Adviser to the President on Economic Matters (Office of the Vice-President), Dr. Adeyemi Dipeolu. The Senate President was represented by the Senate Leader, Senator Ahmed Lawan, while the Secretary to the Federal Government attended in person. The retreat was also attended by the Managing Directors of Access Bank Plc, Mr. Herbert Nwigwe and Union Bank Plc, Mr. Emeka Emuwa amongst other top dignitaries.

3. The Honourable Minister of Finance, Mrs. Kemi Adeosun delivered the welcome address while the Accountant-General, Alhaji Ahmed Idris gave the opening remarks. The Governor of CBN was represented by Mr. Moses Tule. Representatives of Governors of Anambra and Kaduna States presented papers on their experiences with Internally Generated Revenue management and TSA implementation in their respective states. There were several interactive sessions and panel discussions.

4. The revised TSA/e-Collection Guidelines and the TSA/e-Collection FAQs were also launched by the representative of the Vice President.

5. The objective of the retreat was to review the progress made in the full implementation of TSA which started about one year and a half ago; with special emphasis on its benefits, challenges and examine the way forward in order to make the project realise its overall objectives.

6. The Retreat observed that TSA has been beneficial to all Stakeholders and the country as a whole. TSA has largely achieved its principal objective of consolidating Federal Government banking arrangement and providing a single window for

determining government cash position. It has also assisted in blocking leakages and bringing about transparency and accountability in the management of public resources. Specifically, TSA has achieved the following:

- a) Enabled timely and complete view of cash position;
- b) Enabled efficient cash management through regular monitoring of balances;
- c) Total elimination of Ways and Means charges which stood at N4.7 billion/month pre-TSA;
- d) Elimination of idle funds hitherto with commercial banks;
- e) Ability to monitor the operations of all MDAs by the OAGF; and
- f) Improved IGR collection through direct remittance of all revenues to the TSA under the e-collection initiative.

7. It was noted however that there remain unresolved issues that need to be addressed. These include, but are not limited to the following: -

- a) Inadequate ICT infrastructure
- b) There are still residue of public funds with Commercial Banks
- c) Lack of framework for management of idle funds in the TSA
- d) Non-enforcement of spending limit on extra-budgetary funds and MDAs
- e) Lack of competition in the provision of payment gateway services for the TSA
- f) Difficulties in accessing bank statements online and non-implementation of auto reconciliation.
- g) Limited reporting and monitoring capabilities
- h) Non automation of foreign exchange transaction processing

8. To further strengthen and deepen the TSA, the Retreat resolved and recommended as follows:

- a) A call on all; the Public Sector, the Private Sector and indeed all Nigerians to rededicate themselves to the ongoing Public Financial Management reforms and the service of nation;
- b) Develop a framework for the monitoring and evaluation of TSA implementation;
- c) Improve the Legal framework for implementation of TSA and enforcement of sanctions on erring MDAs;
- d) Joint efforts by MDAs, CBN, Banks, and Payment Service Providers to clear all lingering issues. This exercise should be anchored by the Office of the Accountant-General of the Federation (OAGF);
- e) Address the issue of idle and investible funds with CBN by coming up with viable investment options. There is a need for key stakeholders to begin discussion the best model to adopt for utilization of idle TSA funds

- f) Enforcement: put structures in place to enforce compliance with the TSA guidelines;
 - g) Automation: ensure that processes are automated to enforce spending limits, increase revenue, block remaining areas of leakages and further improve the TSA experience;
 - h) Regular engagement with stakeholders: there should be constant interactions among all stakeholders in order to address the concerns of users in a timely fashion; and
 - i) People: recruit the right persons and give them the required training and capacity on continuous basis to enable them face the challenges of operations of the TSA.
9. Over all, the retreat was a success and has succeeded in bringing all key stakeholders together for two days of active engagement and sharing of ideas.

Ahmed Idris, FCNA
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14th March, 2017