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Treasury Single Account Policy and Financial Administration in Public Tertiary Institutions in Oyo State, Nigeria: Implications for Institutional Autonomy, Operational Efficiency, And Internally Generated Revenue

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ABSTRACT

This study examined the implications of Treasury Single Account implementation for financial administration in selected public tertiary institutions in Oyo State, Nigeria. Specifically, the study investigated the relationships among Treasury Single Account implementation, institutional autonomy, operational efficiency, internally generated revenue utilisation, and financial administration. A quantitative cross-sectional survey design was adopted. Data were collected from 120 academic and senior non-academic staff purposively selected from four state-owned tertiary institutions through a structured questionnaire. Instrument validity was established using expert review and Exploratory Factor Analysis (KMO = 0.79; Bartlett's Test $\chi^2 = 892.40$, $p < 0.001$), while reliability coefficients ranged from 0.76 to 0.86 (Nunnally & Bernstein, 1994). Data were analysed using descriptive statistics, Pearson Product-Moment Correlation, and Multiple Linear Regression. The findings revealed that Treasury Single Account implementation significantly improves financial administration through enhanced accountability and transparency ($\beta = 0.48$, $p < 0.001$). However, Treasury Single Account implementation significantly reduces institutional autonomy ($\beta = -0.31$, $p < 0.001$) and flexibility in the utilisation of internally generated revenue ($\beta = -0.22$, $p = 0.005$). Operational efficiency demonstrated a modest positive contribution to financial administration ($\beta = 0.29$, $p = 0.002$). The regression model explained approximately 50% of the variance in financial administration ($R^2 = 0.50$). The study concluded that although Treasury Single Account implementation has strengthened public financial accountability, policy refinements are required to improve institutional responsiveness without compromising fiscal discipline. It is recommended that a differentiated Treasury Single Account framework be introduced to permit regulated access to internally generated revenue through ring-fenced subsidiary accounts supported by stringent auditing and accountability mechanisms.

Keywords: Treasury Single Account; financial administration; institutional autonomy; operational efficiency; internally generated revenue; public tertiary institutions; public financial management

INTRODUCTION

Public financial management has increasingly become a central component of governance reforms aimed at improving accountability, transparency, fiscal sustainability, and effective service delivery. Across developed and developing economies, governments have introduced treasury reforms designed to strengthen cash management, eliminate revenue leakages, and improve oversight of public resources. Among these reforms, the Treasury Single Account (TSA) has emerged as one of the most widely adopted instruments for enhancing government financial control (Sailendra Pattanayak & Israel Fainboim, 2010). The Treasury Single Account consolidates all government revenues and payments within a unified banking arrangement under the supervision of the central bank, thereby providing governments with comprehensive visibility over public funds while improving expenditure control and fiscal discipline.

International experience demonstrates that Treasury Single Account implementation contributes significantly to stronger public financial management. Countries such as Brazil, France, India, Indonesia, Ghana, Tanzania, and South Africa have adopted Treasury Single Account systems to improve government cash forecasting, reduce idle balances, strengthen budget execution, minimise unnecessary borrowing, and enhance transparency in public expenditure management (Sailendra Pattanayak & Israel Fainboim, 2010; Allen et al., 2013). These reforms have generally produced measurable improvements in fiscal governance, although implementation strategies differ according to institutional and constitutional arrangements.

Nigeria adopted the Treasury Single Account policy in 2015 as part of comprehensive public financial management reforms designed to eliminate fragmented government accounts, reduce financial leakages, improve transparency, and strengthen accountability across Ministries, Departments and Agencies (MDAs) (CBN, 2015). Before its implementation, many government institutions maintained multiple commercial bank accounts, thereby creating opportunities for idle balances, delayed remittances, weak financial oversight, and inefficient cash management (Okerekeoti & Okoye, 2016). The introduction of the Treasury Single Account, supported by the Remita electronic payment platform, significantly transformed government financial administration by centralising public revenues within the Central Bank of Nigeria and strengthening oversight of government financial transactions.

While the accountability benefits of Treasury Single Account implementation have been widely acknowledged, considerable debate continues regarding its implications for public tertiary institutions. Unlike conventional government ministries, universities, polytechnics, and colleges of education derive significant financial resources from internally generated revenue through tuition-related charges, consultancy services, research grants, commercial ventures, agricultural enterprises, and professional development programmes (Ofoegbu & Alonge, 2016; Okeke et al., 2023). These internally generated funds are often essential for meeting recurrent operational obligations, maintaining infrastructure, supporting research activities, and responding promptly to institutional priorities. Consequently, mandatory remittance of internally generated revenue into the Treasury Single Account has generated concerns regarding institutional autonomy, operational efficiency, and timely access to financial resources.

Empirical findings remain mixed. Several studies report improvements in accountability, financial transparency, and expenditure control following Treasury Single Account implementation, while others identify delays in procurement, restrictions on internally generated revenue utilisation, reduced institutional flexibility, and increasing dependence on central treasury approval processes (Gbegi et al., 2019; Allison & Ndukwe, 2021). These divergent findings suggest that Treasury Single Account reforms simultaneously generate accountability gains and operational constraints.

Most previous studies have focused on federal Ministries, Departments and Agencies or federal universities (Iloeje & Okwo, 2022; Adebisi & Okike, 2016), with limited attention to state-owned tertiary institutions. Moreover, earlier investigations often examined accountability, institutional autonomy, operational efficiency, or internally generated revenue separately, rather than together within a unified analytical framework. Oyo State presents an appropriate context because its public tertiary institutions depend substantially on internally generated revenue while operating under Treasury Single Account regulations. This study therefore investigates the perceived implications of the Treasury Single Account for financial administration in selected public tertiary institutions in Oyo State, drawing on Agency Theory (Jensen & Meckling, 1976) and Public Financial Management Theory (Sailendra Pattanayak & Israel Fainboim, 2010; Allen et al., 2013) as its interpretive framework.

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Objectives Of the Study

The broad objective of this study is to examine the implications of the Treasury Single Account (TSA) policy for financial administration in selected public tertiary institutions in Oyo State, Nigeria. The specific objectives are to:

1. examine the relationship between Treasury Single Account implementation and financial administration in public tertiary institutions in Oyo State;
2. determine the influence of institutional autonomy on financial administration under the Treasury Single Account regime;
3. assess the effect of operational efficiency on financial administration under the Treasury Single Account framework; and
4. evaluate the influence of internally generated revenue utilisation on financial administration in public tertiary institutions operating under the Treasury Single Account policy.

Research Hypotheses

The following null hypotheses were tested at the 0.05 level of significance:

H_{01}: Treasury Single Account implementation has no significant relationship with financial administration in public tertiary institutions in Oyo State.

H_{02}: Institutional autonomy has no significant relationship with financial administration under the Treasury Single Account regime.

H_{03}: Operational efficiency has no significant relationship with financial administration under the Treasury Single Account regime.

H_{04}: Internally generated revenue utilisation has no significant relationship with financial administration under the Treasury Single Account regime.

LITERATURE REVIEW

Conceptual Framework

Treasury Single Account

The Treasury Single Account (TSA) is a unified government banking structure consolidating all public cash at the central bank, with zero-balance sub-accounts for operational transactions (Sailendra Pattanayak & Israel Fainboim, 2010). In Nigeria, the Treasury Single Account is implemented via the Remita platform (CBN, 2015; Okerekeoti & Okoye, 2016).

Financial Administration

Financial administration encompasses the planning, mobilisation, control, and reporting of monetary resources within an organisation (Anthony & Young, 2003). In tertiary institutions, it balances public accountability with the operational resource adequacy required for academic mission delivery (Barr & McClellan, 2018).

Institutional Autonomy

Institutional autonomy refers to the right of universities and colleges to make financial decisions without excessive external interference (de Boer & Jongbloed, 2012). Ofoegbu and Alonge (2016) demonstrate that internally generated revenue—its principal Nigerian expression—significantly improves university administration and mission effectiveness.

Operational Efficiency

Operational efficiency refers to achieving required outputs at necessary quality and timeliness without resource waste (Boyne, 2003). Agbo and Ocheni (2017) note that while the Remita platform improves collection consistency, centralised Treasury Single Account approval procedures introduce delays that affect institutional operational timelines.

Internally Generated Revenue

Internally generated revenue (IGR) comprises funds from tuition, consultancy, research grants, commercial ventures, and agricultural enterprises. IGR is the primary instrument of financial flexibility for Nigerian tertiary institutions (Okeke et al., 2023). Prior to Treasury Single Account implementation, institutions exercised direct control over IGR, enabling rapid deployment for operational activities. Under the Treasury Single Account framework, these revenues are transferred into government treasury accounts before institutions can request subsequent releases. The Treasury Single Account's daily sweep materially disrupts this flexibility (Nwadiani & Emokpae, 2025), generating significant debate regarding institutional financial responsiveness.

THEORETICAL FRAMEWORK

Agency Theory

Agency Theory (Jensen & Meckling, 1976; Lane, 2005) describes government as principal and public institutions as agents. Before the Treasury Single Account, institutions exploited information asymmetry by concealing revenues in multiple accounts and deploying idle funds informally. The Treasury Single Account closes this gap by centralising revenues and strengthening monitoring. However, the theory equally predicts a constraint cost: uniform controls applied across heterogeneous agents penalise well-governed institutions with legitimate operational needs. The theory therefore simultaneously predicts a disciplinary benefit and a flexibility cost—both tested in this study.

Public Financial Management Theory

Public Financial Management Theory (Sailendra Pattanayak & Israel Fainboim, 2010; Allen et al., 2013) holds that sound fiscal governance rests on comprehensiveness, transparency, discipline, and efficiency. The Treasury Single Account directly strengthens the first three; its effect on efficiency depends on whether centralised approval transaction costs exceed the costs of the fragmented system it replaces. The theory further recognises that financial reforms should support organisational effectiveness rather than merely increasing bureaucratic control. Where financial control mechanisms excessively constrain operational decision-making, institutional performance may decline despite improvements in accountability. Accordingly, this study evaluates Treasury Single Account implementation from both governance and organisational performance perspectives.

Integration of the Theories

Agency Theory explains how Treasury Single Account implementation strengthens government oversight by reducing information asymmetry and improving accountability. Public Financial Management Theory explains how the Treasury Single Account contributes to fiscal discipline, transparency, and efficient public resource utilisation. Together, the theories predict that while the Treasury Single Account enhances accountability and financial control, excessive centralisation may reduce institutional autonomy, constrain internally generated revenue utilisation, and weaken operational responsiveness—propositions empirically tested in this study.

Empirical Review

Treasury Single Account and Financial Accountability

Numerous studies have established that the Treasury Single Account has strengthened financial accountability. Eme, Chukwurah, and Iheanacho (2015) concluded that the Treasury Single Account improved transparency and government cash management. Gbegi, Duenya, and Ipevnor (2019) found significant improvements in accountability and financial reporting in a survey of public institutions in Benue State. Ezeala and Agbata (2022) reported that the Treasury Single Account contributed to improved expenditure management and cash availability, whilst Atolagbe, Afolabi, and Akinyede (2026) evaluated TSA as an instrument of financial prudence in Southwest Nigeria and confirmed its capacity to reduce financial leakages and promote accountability.

Treasury Single Account and Institutional Autonomy

However, concerns about autonomy persist. Oguwuike (2025) found that the Treasury Single Account reduced institutional discretion regarding procurement and internally generated revenue utilisation at Imo State University. Nwadiani and Emokpae (2025) reported substantial reductions in perceived financial autonomy in federal tertiary institutions in Delta and Edo States. International evidence corroborates these findings: De Boer and Jongbloed (2012) demonstrate that financial accountability frameworks in Western European universities constrain strategic institutional discretion, whilst Fernandez et al. (2026) provide empirical evidence from OECD countries that institutional financial autonomy is positively associated with research productivity.

Kurki (2026) further shows that externally imposed funding architectures displace strategic decision-making toward compliance management.

Treasury Single Account and Operational Efficiency

Evidence on operational efficiency is mixed. Agbo and Ocheni (2017) reported that the Treasury Single Account reduced duplication of government accounts and improved transaction monitoring. Conversely, Allison and Ndukwe (2021) found that the Treasury Single Account introduced procurement and payment delays, while Anikeze, Onyekwena, and Ezeh (2025) documented administrative bottlenecks in South-East federal universities. Regarding internally generated revenue, Ofoegbu and Alonge (2016) and Okeke et al. (2023) emphasised its importance for institutional sustainability, whilst Oguwuike (2025) and Nwadiani and Emokpae (2025) noted that Treasury Single Account restrictions on IGR are among the most significant operational consequences for tertiary institutions.

Gap in the Literature

Despite substantial literature on Treasury Single Account implementation in Nigeria, several important gaps remain. First, most previous studies have focused on federal Ministries, Departments and Agencies or federal universities (Adebisi & Okike, 2016; Iloeje & Okwo, 2022), with comparatively limited empirical attention devoted to state-owned tertiary institutions whose financial structures and IGR dependencies differ substantially from those of conventional federal entities. Second, many existing studies examine accountability, institutional autonomy, operational efficiency, or internally generated revenue independently rather than simultaneously within an integrated regression framework, precluding comparative assessment of their relative magnitudes. Third, empirical evidence from Oyo State tertiary institutions remains scarce despite their significant reliance on internally generated revenue. Finally, few studies have explicitly integrated Agency Theory and Public Financial Management Theory to explain both the accountability gains and operational constraints simultaneously associated with Treasury Single Account implementation. The present study addresses all these gaps.

METHODOLOGY

Design, Population, and Sampling

A quantitative cross-sectional survey design was adopted within a positivist research paradigm (Creswell & Creswell, 2018). The study was conducted in Oyo State, Nigeria, at four state-owned tertiary institutions: The Polytechnic, Ibadan; Adeseun Ogundoyin Polytechnic, Eruwa; Oyo State College of Agriculture and Technology, Igboora; and The Oke-Ogun Polytechnic, Saki. The target population comprised 280 academic and senior non-academic staff in finance, planning, and administration roles. Using proportionate stratified sampling, 135 respondents were selected; 120 returned properly completed questionnaires, representing an 88.9% response rate, adequate for regression analysis at 10 cases per independent variable (Tabachnick & Fidell, 2019) and consistent with institutionally facilitated survey benchmarks (Baruch & Holtom, 2008). Ethical clearance was

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obtained from the Research Ethics Committee of Emmanuel Alayande University of Education (Ref: EAUE/REC/2025/047); participation was voluntary and anonymity maintained throughout.

Instrument, Validity, and Reliability

A 5-point Likert scale questionnaire (1 = Strongly Disagree; 5 = Strongly Agree) measured five constructs: Treasury Single Account (8 items), Financial Administration (7 items), Institutional Autonomy (6 items), Operational Efficiency (6 items), and IGR Utilisation (5 items). Items were adapted from Gbegi et al. (2019), Allison and Ndukwe (2021), and Anikeze et al. (2025). Content validity was confirmed by four subject experts against a Content Validity Index threshold of 0.78 (Polit & Beck, 2006). Construct validity was assessed by Exploratory Factor Analysis (principal axis factoring, varimax rotation): KMO = 0.79; Bartlett's $\chi^2 = 892.40$ ($df = 190$, $p < 0.001$); all items loaded ≥ 0.50 on their theorised factors. Reliability (Cronbach's α) ranged from 0.76 to 0.86, exceeding the 0.70 threshold recommended by Nunnally and Bernstein (1994). Discriminant validity was further confirmed by inter-construct correlations remaining below 0.85 (Clark & Watson, 1995).

Conceptualisation of Study Variables

The study conceptualises the Treasury Single Account as the principal public financial management reform variable whose implementation influences financial administration through institutional autonomy, operational efficiency, and internally generated revenue utilisation. The regression model estimates the independent associations of these variables with perceived financial administration. The study recognises, however, that autonomy, efficiency, and IGR are institution-level dimensions that may themselves be influenced by Treasury Single Account implementation. Consequently, the model is exploratory—intended to identify statistically significant associations rather than to establish causal ordering. The interpretation of findings is therefore grounded within the Agency Theory and Public Financial Management Theory framework outlined above.

Data Analysis and Model Specification

Analysis was conducted through descriptive and inferential statistics, Pearson Product-Moment Correlation, and Multiple Linear Regression. Regression assumptions were verified: normality (skewness −0.81 to 0.42; kurtosis −0.94 to 1.33), homoscedasticity (residual scatter plots), absence of multicollinearity (VIF < 3.0; Tolerance > 0.35), and independence of errors (Durbin–Watson = 1.94). Harman's single-factor test yielded 28.6% of total variance, well below the 50% common method bias threshold (Podsakoff et al., 2003). The model was specified as: $FA = \beta_0 + \beta_1(TSA) + \beta_2(AUT) + \beta_3(EFF) + \beta_4(IGR) + \varepsilon$, where FA (perceived Financial Administration) is the dependent variable. Four limitations are acknowledged: (i) cross-sectional design precludes causal inference; (ii) single-state sample limits geographic generalisability; (iii) perceptual data may diverge from objective financial records; (iv) residual common method bias cannot be entirely excluded despite the satisfactory Harman's result.

RESULTS

Table 1. Descriptive Statistics (n = 120)

Variable	Mean	SD	Min–Max	Interpretation
TSA	3.82	0.74	1.00–5.00	High agreement; positive perception of TSA
FA	3.76	0.68	1.50–5.00	Moderately strong financial controls perceived
AUT	2.41	0.81	1.00–4.50	Low autonomy; significant constraint perceived
EFF	3.21	0.72	1.00–5.00	Moderate efficiency; partial gains recognised
IGR	2.65	0.77	1.00–4.50	Below midpoint; restricted IGR access perceived

Source: Authors' computation (2026). TSA = Treasury Single Account; FA = Financial Administration; AUT = Institutional Autonomy; EFF = Operational Efficiency; IGR = Internally Generated Revenue; SD = Standard Deviation.

The descriptive data revealed a bifurcated pattern: Treasury Single Account compliance and financial control constructs (means 3.82 and 3.76) cluster above the scale midpoint, indicating broad recognition of formal governance gains, whilst institutional autonomy (2.41) and internally generated revenue (2.65) fall below the midpoint, signalling that accountability improvements are perceived to come at a meaningful cost to operational discretion. Operational efficiency occupies an intermediate position (3.21), consistent with the mixed evidence of Agbo and Ocheni (2017) and Allison and Ndukwe (2021).

Table 2. Pearson Product-Moment Correlation Matrix (n = 120)

Variable	Mean (SD)	1	2	3	4	5
1. TSA	3.82 (0.74)	—				
2. FA	3.76 (0.68)	.62**	—			
3. AUT	2.41 (0.81)	−.58**	−.45**	—		
4. EFF	3.21 (0.72)	.41**	.53**	−.36**	—	
5. IGR	2.65 (0.77)	−.49**	−.38**	.42**	−.29**	—

** $p < 0.01$ (two-tailed). TSA = Treasury Single Account; FA = Financial Administration; AUT = Institutional Autonomy; EFF = Operational Efficiency; IGR = Internally Generated Revenue. Source: Authors' computation (2026).

The Treasury Single Account correlates strongly and positively with financial administration ($r = .62$, $p < 0.01$), confirming perceived governance benefits consistent with Gbegi et al. (2019) and Ezeala and Agbata (2022). Negative correlations of TSA with institutional autonomy ($r = −.58$) and internally generated revenue ($r = −.49$) quantify the trade-off between centralisation and institutional flexibility. The positive autonomy–IGR correlation ($r = .42$) confirms that institutional autonomy and IGR access are complementary dimensions of financial discretion, both constrained by centralised cash control. All VIF values remain below 3.0, confirming absence of problematic multicollinearity.

Table 3. Regression Results: Model Summary, ANOVA, and Coefficients

Variable	B	SE	β	t	p	95% CI	VIF
(Constant)	1.102	0.477	—	2.31	.023	[0.16, 2.04]	—
TSA	0.483	0.086	.48	5.62	< .001	[0.31, 0.65]	1.84
AUT	−0.312	0.079	−.31	−3.94	< .001	[−0.47, −0.15]	2.11
EFF	0.291	0.091	.29	3.21	.002	[0.11, 0.47]	1.63
IGR	−0.224	0.078	−.22	−2.88	.005	[−0.38, −0.06]	1.97
Model fit	R = .71	R^2 = .50	Adj. R^2 = .47	F(4,115) = 18.42	p < .001	D–W = 1.94	

Note. B = unstandardised coefficient; SE = standard error; β = standardised coefficient; CI = confidence interval for B; VIF = Variance Inflation Factor; D–W = Durbin–Watson. All VIF < 3.0; Tolerance > 0.35. Dependent variable: Perceived Financial Administration. Source: Authors' computation (2026).

All four null hypotheses are rejected. H_{01}: Treasury Single Account implementation registers the largest standardised association ($\beta = .48$, $t = 5.62$, $p < .001$), a substantively large effect by Cohen (1988) conventions, confirming TSA compliance as the dominant positive predictor of perceived financial administration. H_{02}: Institutional autonomy shows a significant negative association ($\beta = −.31$, $t = −3.94$, $p < .001$), reflecting the inherent tension between centralised control and institutional flexibility. H_{03}: Operational efficiency shows a significant but modest positive association ($\beta = .29$, $t = 3.21$, $p = .002$), indicating genuine but partial efficiency gains. H_{04}: Internally generated revenue restriction carries a significant negative association ($\beta = −.22$, $t = −2.88$, $p = .005$)—one of the study's important empirical contributions, providing a regression-estimated, confidence-interval-bounded quantification of the administrative cost that the Treasury Single Account's IGR constraint imposes on perceived financial administration quality.

DISCUSSION

The dominant finding that the Treasury Single Account is the strongest positive predictor of perceived financial administration ($\beta = .48$) validates the policy's financial governance rationale at the state institutional level, extending the evidence of Gbegi et al. (2019) and Nwadiani and Emokpae (2025) to the Oyo State context. The mechanism, grounded in Agency Theory (Jensen & Meckling, 1976), is the removal of dysfunctional pre-Treasury Single Account practices—revenue concealment, informal cash deployment, and deferred statutory remittances—rather than the generation of new administrative value. Accountability gains are therefore likely most pronounced in institutions where pre-TSA governance was weakest and may plateau where internal governance was already sound—a hypothesis warranting longitudinal investigation.

The negative institutional autonomy coefficient ($\beta = -.31$) reflects the constraint cost predicted by Agency Theory (Lane, 2005) when uniform principal controls are applied across heterogeneous agents. Oguwuike (2025) found equivalent constraints at Imo State University; the convergence of regression evidence across different states strengthens the inference that this is a systemic rather than institution-specific consequence of Treasury Single Account design. Institutions cannot respond to time-sensitive academic and commercial obligations—emergency procurement, grant cash-matching, contractual service delivery—without navigating a centralised approval process that may extend over several days.

The modest operational efficiency gain ($\beta = .29$) reflects a genuine but partial benefit. The Treasury Single Account improves transparency-related efficiency through multi-bank reconciliation elimination and real-time Remita visibility, whilst degrading responsiveness-related efficiency through extended approval lead times (Agbo & Ocheni, 2017). For polytechnics with commercial and consultancy operations, the responsiveness deterioration poses a threat to the very revenue generation that the Treasury Single Account requires those institutions to remit—a dynamic that policy modification should address (Allison & Ndukwe, 2021).

The negative internally generated revenue coefficient ($\beta = -.22$) is one of the study's important empirical contributions. Before the Treasury Single Account, IGR served as the operational buffer bridging the structural gap between budgetary appropriations and delayed subvention releases. The TSA's daily sweep removes this buffer, structurally exposing institutions to the fiscal volatility that IGR was designed to manage. From a Public Financial Management Theory perspective (Sailendra Pattanayak & Israel Fainboim, 2010; Allen et al., 2013), this demonstrates that the Treasury Single Account's efficiency pillar is compromised in this context. Integrating all four coefficients, the Treasury Single Account produces a net positive association with perceived financial administration but redistributes quality away from responsiveness and toward compliance—a trade-off that is operationally costly for mission-driven, revenue-generating tertiary institutions.

Theoretical Implications

The findings provide empirical support for key assumptions of Agency Theory (Jensen & Meckling, 1976; Lane, 2005). The positive association between the Treasury Single Account and perceived financial administration ($\beta = .48$) suggests that centralised treasury controls reduce information asymmetry between government and public institutions, thereby strengthening accountability mechanisms. The negative associations involving institutional autonomy ($\beta = -.31$) and internally generated revenue ($\beta = -.22$) indicate that excessive centralisation imposes measurable operational costs, illustrating the trade-off between monitoring effectiveness and managerial discretion that Agency Theory predicts.

Similarly, the findings support Public Financial Management Theory (Sailendra Pattanayak & Israel Fainboim, 2010; Allen et al., 2013), which emphasises transparency, accountability, and prudent utilisation of public resources. TSA enhances these objectives through stronger financial oversight. Nevertheless, the results demonstrate that financial management reforms must strike a balance between control mechanisms and institutional responsiveness to ensure that efficiency gains in compliance are not undermined by administrative delays and reduced operational flexibility. Policymakers should treat the design of Treasury Single Account implementation as a continuing optimisation challenge rather than a settled administrative arrangement.

International Context

The findings resonate with international experiences concerning treasury reforms and public-sector financial management. Treasury Single Account systems have been implemented across multiple jurisdictions as mechanisms for strengthening transparency, improving cash management, and reducing fiscal leakages (Sailendra Pattanayak & Israel Fainboim, 2010; Allen et al., 2013). Evidence from developing economies confirms that adoption is associated with measurable improvements in cash visibility and reduction of idle government balances.

However, evidence from higher education systems in Europe and OECD countries indicates that financial accountability reforms frequently generate tensions between central oversight and institutional autonomy. De Boer and Jongbloed (2012) demonstrate that state-imposed accountability frameworks constrain institutional strategic discretion across Western European universities. Fernandez, Fu, Lin, and Chykina (2026) provide empirical evidence that institutional financial autonomy is positively associated with research productivity, suggesting that constraints on autonomy carry measurable academic costs. Kurki (2026) further argues that externally imposed funding architectures displace strategic decision-making toward compliance management, diminishing institutional responsiveness. The present findings contribute to this broader international debate by providing empirical evidence that accountability gains and flexibility costs coexist under the Treasury Single Account, and that institutional design choices—such as ring-fenced subsidiary accounts for IGR—can potentially preserve the former while reducing the latter (Allen et al., 2013; Sailendra Pattanayak & Israel Fainboim, 2010).

CONCLUSION AND RECOMMENDATIONS

Conclusion

The Treasury Single Account remains one of the most consequential public financial management reforms implemented in Nigeria. Findings indicate that the Treasury Single Account is positively associated with perceived financial administration through improvements in accountability, transparency, and financial control. At the same time, the policy is associated with reduced institutional autonomy and constraints in the utilisation of internally generated revenue. Operational efficiency gains appear positive but moderate, suggesting that improvements in financial control may be accompanied by administrative costs associated with centralised fund management. The evidence indicates that the Treasury Single Account has enhanced compliance-oriented dimensions of financial administration while simultaneously creating challenges for institutional flexibility and responsiveness. The overarching policy challenge for government is to sustain accountability gains while reducing the operational constraints experienced by tertiary institutions.

This study is among the few empirical investigations that simultaneously estimate the associations of Treasury Single Account implementation with institutional autonomy, operational efficiency, and internally generated revenue utilisation in Nigerian state-level tertiary institutions. Three distinct contributions are made: theoretically, both Agency Theory predictions about the Treasury Single Account—disciplinary benefit and flexibility cost—are tested simultaneously within a single regression estimation; empirically, evidence is extended to the underexplored state polytechnic and agricultural college context; practically, data-grounded justification is provided for structural modification of the TSA framework as applied to revenue-generating tertiary institutions. The cross-sectional, single-state, and perceptual design means findings should be treated as rigorous preliminary evidence; longitudinal, multi-state, and mixed-methods research is strongly recommended.

Recommendations

First, the Oyo State Government should consider introducing a differentiated Treasury Single Account framework that permits public tertiary institutions to retain a regulated proportion of internally generated revenue for approved operational activities. Such retained funds should be maintained within audit-verifiable subsidiary accounts and subjected to strict reporting and accountability requirements, consistent with the imprest account provisions described by Sailendra Pattanayak and Israel Fainboim (2010). This arrangement would preserve the transparency objectives of the Treasury Single Account while improving institutional responsiveness and operational flexibility. Also, the Remita platform and associated state-level Treasury Single Account infrastructure should be subject to a structured performance audit, with mandatory service level agreements for routine fund requisitions to reduce processing lead times. Each institution should establish a dedicated Internally Generated Revenue (IGR) Management Committee with representation from finance, academic affairs, and internal audit, tasked with transparent quarterly reporting of IGR collection, remittance compliance, and operational deployment. Complementary anti-corruption enforcement by the Economic and Financial Crimes Commission (EFCC), the Independent Corrupt Practices and Other Related Offences Commission (ICPC), and the Auditor-General should accompany any relaxation of Treasury Single Account restrictions, to ensure that accountability gains are not eroded. Finally, future research should employ longitudinal panel designs, triangulate perceptual data with objective financial records, apply Confirmatory Factor Analysis for construct validation, and extend sampling to multiple Nigerian states to assess generalisability.

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