



Highlighting the unified treasury system and its role in reducing financial corruption in service units

تسليط الضوء على نظام الخزينة الموحد ودوره في الحد من الفساد المالي للوحدات الخدمية

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Abstract:

Financial corruption is one of the most significant challenges facing countries on their path to sustainable development, given its profound negative impact on government institutions, national economic stability, the erosion of public trust in government and the squandering of public resources that should be directed towards improving essential services. The Treasury Single Account (TSA) system plays a crucial role in this context, representing one of the most important modern financial and administrative reforms aimed at strengthening oversight of public financial funds and reducing opportunities for manipulation and waste. This system aims to consolidate all government revenues into a single central account managed by the highest financial authority, requiring all service units of the Ministry of Finance to deposit their revenues and disburse their expenditures exclusively through this account.

The aim of this study is to demonstrate the role of the Treasury Single Account (TSA) system management in Iraq. This study addresses two key variables: the TSA system and cash management. The researchers demonstrate the role of the TSA in cash management and the strong relationship between this system and improved cash management. This is achieved by defining, explaining, and classifying each of the two variables. This study aligns with the Iraqi Ministry of Finance's direction to improve cash management through the adoption of the project of the TSA, which represents a qualitative leap in cash management. It will enable the monitoring of cash flow at the public sector level, in addition to keeping pace with financial and economic developments. The study concludes that there is a significant difference between the currently used traditional cash management system and the TSA system in terms of cash control, transparency, management accountability, accuracy and speed of information, planning, and oversight. Based on these findings, the researchers recommend that the Ministry of Finance implement the TSA system in Iraq due to its positive effects on cash management by legally controlling all leaked resources and addressing these issues. The gaps, and the ministry should prepare the requirements for the success of this system of cash management and reduce reliance on traditional method.

Keywords: TSA financial corruption, service units, government system, transparency and accountability

1. introduction



Financial corruption represents one of the most serious challenges facing modern societies. It threatens the stability of national economies, undermines citizens' trust in public institutions, hinders sustainable development efforts, and squanders resources that should be directed toward improving public services. In developing countries, in particular, financial corruption takes many forms, ranging from accounting manipulation and embezzlement to unjustified investments that exploit loopholes in spending and complex networks of vested interests. Faced with these challenges, traditional public finance management systems. The need has arisen to develop financial and administrative mechanisms and tools capable of reducing opportunities for corruption and increasing transparency. Among the most prominent of these modern tools is the Treasury Account Single (TSA) which is now considered a cornerstone of financial and administrative reform in the public sector.

The unified treasury system entails establishing a central government bank or revision of the account, or a network of interconnected accounts under the supervision of the Ministry of Finance or the highest financial authority in the country. All revenues of government institutions, agencies, and units are deposited into this account, and all public payments and expenditures are managed through it. This eliminates the need for the hundreds or thousands of separate accounts previously opened by various banks. Under traditional systems, these ministries or service units in separate accounts made it difficult for financial authorities to monitor the funds in real time and with precision, creating loopholes exploited by corrupt individuals to conceal transactions, delay revenue transfers, or even manipulate financial timelines for personal or partisan gain.

One of the most prominent areas where the need for such a system is evident is in institutions or departments that provide direct services to citizens, such as municipalities, government hospitals, universities, and public service units. These units, by their very nature, deal daily with revenues such as service fees, transaction charges, donations, or subsidies, while simultaneously spending on operational needs, maintenance, and salaries. In the absence of rigorous financial oversight, this daily financial activity becomes fertile ground for corruption, such as collecting revenues without depositing them into the public treasury, disbursing unjustified expenditures from accounts opened in different banks to -under various pretexts, or exploiting sub-balances or launder money illegally conceal.

The research problem lies in the government's ongoing efforts to strengthen financial oversight and develop accounting systems in public institutions. Many -service units still face high rates of financial waste and administrative -electricity companies role does the unified treasury system play in reducing financial What .corruption ?corruption and waste in government service units

2. that Research indicates can be formulated hypothesis basic A :**Study Hypothesis** implementing a unified treasury system in government service units leads to a



reduction in financial corruption and waste of public funds by unifying accounts time monitoring of all revenues and -and real and enhancing transparency expenditures.

3. : Methodology and tools used

analytical approach as the most suitable for -This research adopted the descriptive studying administrative and financial phenomena that require precise description critical analysis of literature and practical experiences. This approach aims to and describe the reality of the unified treasury system, its components, and its operational mechanisms, and then analyze its role in reducing financial corruption in government service units, relying on available data and and waste with academic sources information from official and.

4. :Theoretical background of the study

4.1. :Unified Treasury System

The concept of a unified treasury system can be explained through a set of and concepts that highlight its nature and function. The following are definitions six basic concepts that highlight the essence of this system: It is a financial mechanism that obliges all ministries and service units to deposit their revenues penditures through a single central account managed by the and disburse their ex Ministry of Finance or the supreme financial authority, thus ensuring the state's control over all its cash flows. [1]

f represents a means of pooling all public funds into one account, instead o It dispersing them across multiple accounts, which increases the efficiency of resource management and prevents the accumulation of stagnant or unutilized It is considered one of the most important modern financial control . balances competent authorities to monitor the movement of revenues tools, as it allows the and expenditures in real time, which reduces the opportunities for manipulation or helps in forming an accurate picture of the government's It also . embezzlement makers to direct financial -abling decisioncash position moment by moment, en term borrowing-flows towards spending priorities and reduce reliance on short. [2]

Unified Treasury Account It is an account used by governments and government eceived from all sources, agencies to manage public funds. It is where funds r such as taxes, fees, donations, grants, etc., are collected, and it is used to disburse meet government obligations. The and ,government expenditures, pay debts ral bank and is unified treasury account is usually established by the country's cent managed in cooperation with the Ministry of Finance or the body responsible for] .managing public funds3 [accounts are usually opened under the unified -Sub treasury account, which are used for specific purposes such as paying employee laries or financing certain projectssa.

4.2. The Unified Treasury Account : Components of the Unified Treasury Account

in Iraq consists of several specialized accounts under the management of different financial resources, namely:] 4 [



- nt: This is the main account into which all available The State Treasury Accou government funds in banks are transferred to the unified treasury account and is managed by the Iraqi Ministry of Finance.
- Special funds account: These are funds allocated to specific projects and rams, and are managed by the relevant government agenciesprog.
- The Central Funds Account: This is the account into which all funds related to local, regional, and provincial government entities are transferred to the vinces, regions, and local authorities. unified treasury. It is managed by the pro Furthermore, systems and procedures are in place to ensure transparency and accountability in the use of government funds and to prevent their misuse or audits, and the waste. These procedures include auditing, internal and external controls application of financial and administrative.] 5 [

4.3. : corruption Financial

The corruption has several definitions; this is due to financial The concept of f difference between the philosophical schools that dealt with the subject o administrative corruption is due to the difference in ideas, cultures and orientations of the pioneers of these schools from writers, theorists and scientists. Administrative corruption is generally defined as the violation of laws and forming official duties in the public sector to achieve personal deviation from per breach of the honor financial gain. It is defined through the broad concept as the of the job and its professionalism and the values and beliefs that the person bordination of the public interest to personal believes in, as well as the su] interests, and it is often through intermediaries6 .[

Transparency International defines corruption as "the abuse of power for personal ".gain of public Corruption is also defined as "any act that involves the misuse power for private purposes, and it is also a departure from order and law or the exploitation of their absence and exceeding the declared and approved policies and objectives of the political authority and others, with the aim of achieving a sonal benefit, whether political or social, or for a group of individualsper."] 7 [

4.4. : Forms of corruption

- Exploitation of public office: where some people resort to exploiting public nopoly office to obtain special privileges, and this is clearly evident in the mo of some services, goods and basic materials by influential figures and those with high positions in power, and the acquisition by others of some commercial agencies, and the participation of businessmen, traders and acting, in addition to disposing of public investors in the form of subcontr property in an illegal manner.
- Misappropriation of public funds: This includes obtaining tax and customs exemptions or licenses for individuals or companies illegally and without blic funds have been misappropriated under the justification. In other cases, pu guise of direct or indirect subsidies or aid.



- Money laundering: This occurs when some officials smuggle public funds that were illegally and unjustly seized abroad.] 8 [
- n government tenders: This is manifested Lack of integrity and transparency i through the illicit awarding of government contracts to companies connected to senior officials or their relatives. Furthermore, illegal methods and and deceptive practices are employed in awarding government contracts determining their specifications.
- Violation of the Civil Service Law: This is represented by the fact that many officials and senior officials have made random appointments in the government agencies without a real need, in addition to appointments to positions without qualifications, which has led to the waste of public money, the bloating and inflation of the administrative apparatus, and the weakness of the overall performance.

Various forms have emerged that take on common forms in combating istrative corruption among government agencies, business organizations, admin and individuals.] 9 [

- Commissions: Commissions represent what the responsible employee in a government agency requests from private commercial establishments or utional clientsindividual and instit.
- Bribery: It is when a person obtains a benefit, which is mostly financial, in order to pass or carry out actions contrary to legislation or professional principles.
- c Embezzlement and theft: It is the process of seizing or exploiting publi property in an illegal manner, such as breach of trust by an employee who takes advantage of weak oversight to obtain illicit gains.
- Favoritism: Any preference given to one party over another without or lease and investment ,justification, such as in awarding contracts, tenders agreements.
- Nepotism: that is, passing on what organizations (parties, regions, or influential families) want through their influence without them actually deserving it.
- by exploiting Extortion and forgery: meaning obtaining money from people one's job position with legal or administrative justifications, or concealing instructions in force on the people concerned, as happens in tax departments,] .or forging an academic certificate or counterfeiting money10 [

4.5. ified treasury account in resolving Iraqi public The role of the un : expenditure problems

The unified treasury account is a crucial tool for resolving public expenditure settlement issues in Iraq, as it can be used to manage and allocate public funds to s and development projects. Below are some ways the meet government need unified treasury account can address Iraq's challenges:] 11 [



- Improving transparency and accountability: A unified treasury account can be used to improve transparency and accountability in the use of public funds by effectively documenting and managing all government related financial transactions.
- Reducing corruption: A unified treasury account can be used to reduce financial corruption in Iraq, as all government ordered and managed effectively, reducing the risk of misuse of public funds.
- Economic development: The unified treasury account can be used to finance infrastructure and development projects in Iraq, thereby promoting investment and economic development.] 12 [
- Improving financial management: The unified treasury account can be used to improve financial management in Iraq, where revenues and expenditures are better organized, and this helps to achieve financial and economic stability in the country.

neral, the unified treasury account can contribute to solving the problems of settling public expenditures in Iraq in several ways, and is an important tool in managing and directing public funds to achieve governmental needs and economic development.] 13 [

4.6. a unified treasury account and reducing corruption The impact of and waste of public funds

The Treasury Single Account(TSA) is a fundamental financial and accounting tool used to consolidate all government revenues and disbursements through a central account or a limited number of subaccounts. This system aims to provide robust and effective financial oversight, directly contributing to the reduction of corruption and waste of public funds. Its transparent and centralized line of defense against illegal financial practices nature forms the first.] 14 [

The unified account limits the dispersal of public funds across multiple, unregulated bank accounts. Before this system was implemented, many ministries bank accounts, making it difficult to track funds and weakening oversight. This fragmentation could facilitate embezzlement and money laundering, as funds could be transferred between these accounts without a central system to record every transaction. By having easier to track consolidating all funds into a single account, it becomes much easier to track every dinar or riyal entering and leaving the state treasury, thus reducing opportunities for financial manipulation.] 15 [

ntability. When all financial A unified account enhances transparency and accountability. transactions are visible in one place, it becomes virtually impossible to conceal any suspicious activity. This system allows financial controllers and auditors to access to comprehensive, real-time data, making it easier to detect discrepancies or financial irregularities. Having an automated system that records every financial transaction reduces reliance on manual processes, which are



ple, if an official transfers a large sum fertile ground for manipulation. For example to an unknown account, the system will immediately detect this of money transfer, enabling swift action.] 16 [

The unified account helps combat waste resulting from poor cash management. In older systems, one ministry might have large unused funds in its account while another ministry suffers from a liquidity shortage and is forced to borrow at interest to cover its expenses. This situation constitutes a form of economic waste. Through the unified account, all funds become available to the government as a whole, enabling it to redistribute liquidity efficiently and reduce the need for borrowing. This lowers debt servicing costs and directs funds external or internal borrowing toward development projects instead of wasting them on bank interest.

4.7. the unified treasury account and The relationship between technological development

Technological advancements have been the cornerstone of the successful implementation of the Treasury Single Account (TSA). Without automated systems possible to manage such a system and sophisticated software, it would be impossible to manage such a massive amount of financial data and track every transaction accurately and efficiently. The relationship between these two concepts is complementary; technology provides the necessary tools to achieve the objectives of the TSA.] 17 [

-Technology facilitates automated banking transfers. Instead of relying on time-prone manual transactions, electronic banking systems can execute transfers between different government accounts instantly and securely. This enhances the efficiency of cash management and reduces the risk of manipulation. For example, a centralized system can issue payment orders to all government employees simultaneously, rather than each ministry issuing separate checks.] 18 [

Technology contributes to the management of big data. Government financial transactions generate a massive amount of data. Modern software provides robust databases that enable the rapid and efficient storage and analysis of this data. This analysis can help detect abnormal or suspicious spending patterns, which is a powerful tool in combating corruption. For example, the system can automatically identify unjustified spending on specific items or recurring payments to unknown entities.] 19 [

Technology enhances transparency and remote oversight. Through electronic platforms, financial controllers and auditors can access consolidated account data from anywhere, facilitating the auditing process. These platforms provide dashboards that allow them to visually display key financial indicators, enabling them to continuously monitor the country's financial situation and take swift corrective action. This real-time monitoring reduces opportunities for financial manipulation and strengthens accountability.

5. :Practical aspect



5.1. S
 searcher developed the study tool (the questionnaire) after The re :**study tool**
 reviewing previous studies on the topic of the study, the role of the unified
 .treasury system in reducing corruption in government departments

5.2. I
 confirmed the validity of The researcher :**instrument validity and reliability**
 the instrument by presenting it to a number of expert colleagues in supervision.
 ,As for reliability**Cronbach's Alpha equation was used** and the following ,
 :table shows the reliability of the questionnaire domains

ability coefficient of the questionnaire domainsReli (1) Table

Value of the stability coefficient	Field
0.81	Unified Treasury System
0.88	Reducing financial corruption

The academic qualifications obtained by the sample members were distributed as
 :follows(105) held a bachelor’s degree representing ,86% , which is the largest
) percentage , followed by24 with a doctorate . Then, at a rate of 16%, there are ()
 holders of a diploma certificate, representing (15)(10%) and finally ,(6) holders
 of a master's degree, epresentingr(4%) Thus, the distribution between these .
 certificates becomes clear, and this is consistent with the nature of the academic
 : qualification

Table(1) Distribution of sample members according to their educational attainment

%	number	entAcademic achievem
70	105	Bachelor's
10	15	diploma
4	6	Master's
16	24	PhD
100	150	Total

Table (2) shows the years of experience in supervision, where the largest
 number of the sample members, amounting to(102) and the percentage of(68%),
 had less than(3) years, which is a large percentage if we compare when the
 modern actual applications began to employ information technology in
 supervision, then the second percentage came(28%). 42)) 3 Years to less than 5
 years(and finally occupied a category of) 5 years to less than10 years(number
 of(6) at a rate of(4%) .

Table(2) of Experience Years

%	number	Experience in oversight
68	102	under3 years
28	42	From3 years to less than5 years



4	6	From 5 years to less than 10 years
100%	150	Total

5.3. Analyzing the results and testing the hypotheses

The responses of the sample members were analyzed using a set of statistical laws, namely the arithmetic mean, standard deviation, and coefficient of variation :follows for the questions of each of these variables, as

) The data in Table3 indicates the arithmetic mean, standard deviation, and (coefficient of variation related to the sample's viewpoint. The aforementioned table reflects a general arithmetic mean greater than the hypothetical mean, as it ed (3.64). The dispersion had a moderate consistency in the response, reach confirmed by the general standard deviation of (0.65). The coefficient of variation on the scale for this variable was (17.8%) by the sample. As for the questions, this . ured through six questions variable was meas

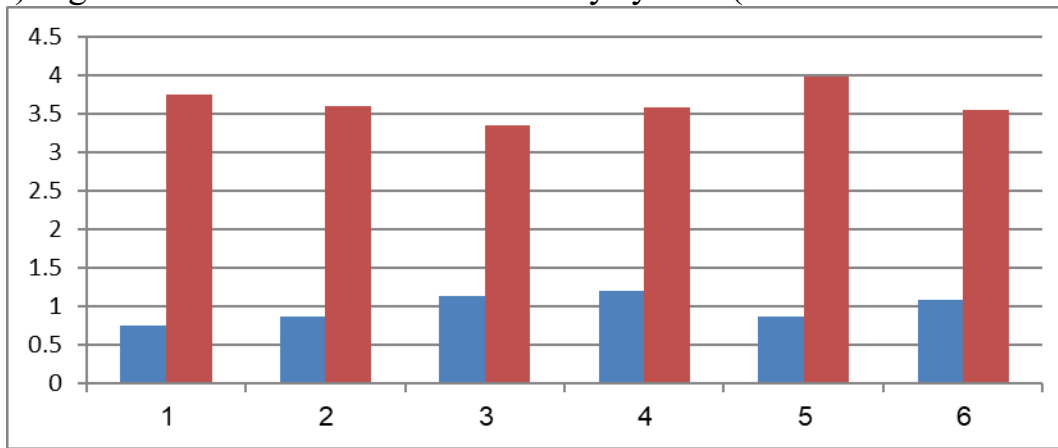
) Table3 the variable of the unified treasury system shows (

arithmetic mean	standard deviation	Coefficient of variation	I completely agree	I agree	neutral	I disagree	Paragraphs	
3.75	0.75	20%	13%	54%	28%	5%	Implementing the unified treasury tributes to providing a system cont comprehensive and immediate view of all government cash .balances at one time	1
3.61	0.86	23.8%	13%	46%	30%	11%	The unified treasury system helps reduce government borrowing costs by using available cash other surpluses to cover deficits in .areas	2
3.36	1.14	33.9%	25%	15%	33%	27%	The unified treasury system consolidates multiple government entities' bank accounts into a single account, facilitating .management and control	3
3.59	1.20	33.4%	33%	16%	31%	20%	The unified treasury system enhances the accuracy of the preparation of periodic and final financial reports for the state thanks to the centralization of	4



							.financial data	
3.98	0.87	21.8%	31%	41%	23%	5%	The unified treasury system accelerates the pace of duces government payments and re the time required to settle .financial transactions	5
3.56	1.09	30.6%	23%	33%	21%	23%	The unified treasury system increases the efficiency of cash planning and forecasts future cash .flows with high accuracy	6
3.64	0.65	17.8%					total inistrative ControlAdm	

) Figure1 illustrates the unified treasury system (



) Table4 indicates the arithmetic mean, standard deviation, and coefficient of (ble reflects an overall arithmetic variation related to the sample's viewpoint. The ta for the impact of the unified treasury system on reducing financial mean which was above the hypothetical mean, reaching (3.84). The , corruption dispersion showed moderate consistency in the responses, confirmed by the verall standard deviation of (0.59). The coefficient of variation on the scale for o Regarding the questions, .(%4.this variable, as measured by the sample, was (15 .this variable was measured through six questions

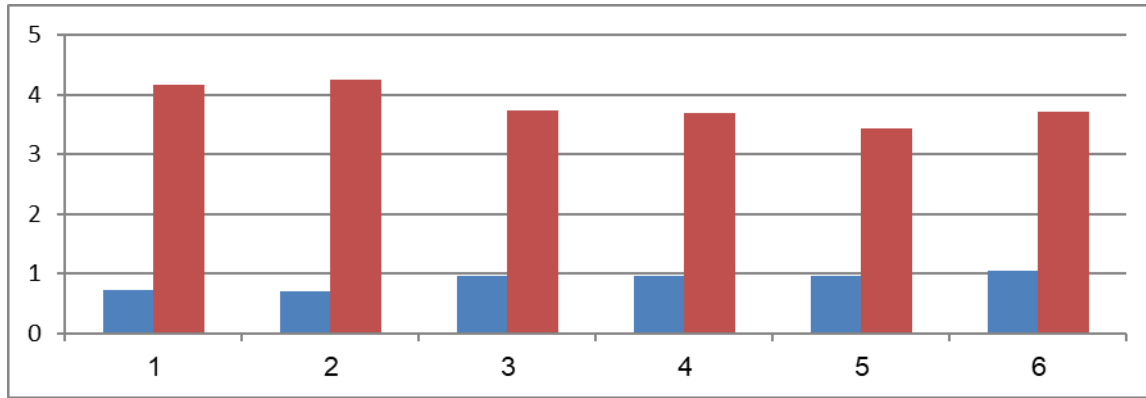
) Table4 the impact shows (of TSA uptionon corr

arithmetic mean	standard deviation	Coefficient of variation	I completely agree	I agree	neu tral	I disagree	Paragraphs
4.16	0.73	17.55%	36%	44%	20%	0%	The unified treasury system limits the phenomenon of public funds remaining in dormant accounts or



							istry outside the control of the Min of Finance, thus preventing their .misuse	
4.26	0.70	16.43 %	41%	44 %	15 %	0%	A unified treasury system reduces human intervention in financial operations, which helps to reduce opportunities for bribery or manipulation of accounting .records	2
3.74	0.96	25.67 %	21%	43 %	28 %	5%	The unified treasury system provides a clearaudit trail for each disbursement transaction, making it easier to track funds .from source to end beneficiary	3
3.70	0.95	25.68 %	23%	36 %	30 %	11%	The unified treasury system overnment agencies prevents g from opening side bank accounts without prior approval, thus reinforcing the principle of budget .unity	4
3.44	0.96	27.91 %	18%	23 %	44 %	15%	The unified treasury system helps in the early detection of any al financial irregularities or illeg time -spending thanks to real .monitoring of the unified account	5
3.72	1.05	28.21 %	30%	28 %	28 %	15%	The unified treasury system contributes to strengthening the principle of transparency and accountability by publishing accurate data on how public .is spent money	6
3.84	0.59	15.4%					total Accounting control	

) Figure2 the relationship between the variables illustrates (



that 5 Table When testing the research hypothesis, we noticed from the results in the significant values were less than(0.05), which means that they are statistically significant. This is indicated by the decrease in the calculated value of(F). 2.948 It was less than the scheduledF -table = 8.16 stating that The research hypothesis applying a unified treasury system in government service units leads to a " reduction in financial corruption and waste of public funds by unifying accounts time monitoring of all revenues and -and enhancing transparency and real : This result is consistent with .was accepted " expenditures

Table (7)Hypothesis testing

moral	F	Average of squares	Degree of freedom	Sum of squares	Source of variation	T
0.022	2.948	1.532	15	7.660	Among the groups	1
		0.520	134	22,866	Within the groups	
			149	30.526	Total	

:Conclusion

The Treasury Single Account (TSA) is a cornerstone of the Integrated Financial Management System(IFMIS It is a proven practice in improving payment .(systems, collecting tax revenues, and effectively controlling public spending account balances. This through centralized management of free government bank research aims to determine the feasibility of the Iraqi government utilizing this account by discussing the availability of the necessary infrastructure and technical expected impact capabilities for its implementation in Iraq. It also examines the economy and the on the efficiency of public financial management within the potential for increased utilization of monetary resources. The research employs nd inductive analysis, utilizing quantitative methods for data collection, analysis, a . derivation of conclusions

The research reached an important conclusion that the use of the unified treasury account in Iraq can positively support the issues of debt service, liquidity levels tionship and correlation given the close rela ,and creditworthiness in the country



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