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Integrated Payroll and Personnel Information System (IPPIS): The Journey So Far

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Abstract:

The study adopted an empirical approach in evaluating the impact of IPPIS implementation so far. Secondary data was used, relying on published works and government reports. This concludes that IPPIS is an efficient strategy and mechanism to fight corruption. Though there are still some challenges in the full implementation process, resolving these challenges will bring the full utilization of the system. It is thus recommended that IPPIS office should carry out a regular screening to authenticate its enrolled personnel. Also, the mandate to enroll all MDAs and paramilitary agencies as well as the military should be given apt attention to ensure its compliance.

Keywords: IPPIS, accountability, transparency, ghost worker, Personnel cost

1. Introduction

Government revenue and expenditure is everyone's concern. Contrary to a popular saying that "Government property, is no one's property" which has induced less concern to the welfare of government sponsored projects. Revenue projections and the reports of its spending annually has become a thing of concern to the ordinary Nigerian on the streets. As the awareness of the importance of the inputs and criticism of the average Nigerian and the contribution of the market woman in checkmating government activities, several strategies have been put in place to curb corrupt practices and abuse offices in the public sector. The introduction of Integrated Payroll Personnel Information System is a computerized mechanism adopted by the Nigerian government in 2006 and made public in 2007 to monitor and control federal government payroll system and personal information in other to restore sanity. Owing to the countless discoveries of ghost workers, poor tax and other levies assessment in both federal and state MDAs, the implementation of IPPIS has uncovered and saved the government billions of dollars. The paper adopts an empirical approach in assessing the journey so far in the implementation of IPPIS and the impact it has made since inception. Relying on published works, reliable Newspapers and government reports in drawing a conclusion.

1.1. The Roadmap in Nigeria

The Federal government of Nigeria as part of its Federal government reform programme, Integrated payroll and personnel information system (IPPIS) was conceived in October 2006 to further improve the efficiency and effective storage of government personnel data and administer monthly payroll in a manner that enhances accountability and reliability in staff emolument cost and budgeting. The first pilot stage was carried out at the Bureau of Public Service Reforms (BPSR) in February 2006. The IPPIS project went live in April 2007 with seven pilot MDAs in October 2008 as the management was transferred to the Office of the Accountant General of the Federation (OAGF).

- Federal Ministry of Education;
- Federal Ministry of Transportation (Works arm);
- Federal Ministry of Finance;
- Budget Office of the Federation);
- Federal Ministry of Information;
- Ministry of Foreign Affairs; and
- National Planning Commission.

Prior to their registration, the nominal rolls of the Seven Pilot MDAs submitted indicated 55,000 staff, hence World Bank paid for fifty-five thousand (55,000) licenses. However, after their enrolment into the Scheme, it was discovered that their total staff strength was 32,000, therefore additional eleven (11) MDAs were brought on board in July 2009 to optimize the 55,000 licenses purchased. The MDAs are:

- Federal Ministry of Transport;
- Federal Ministry of Health;
- Federal Ministry of Agriculture and Water Resources;
- Federal Ministry of Aviation;
- Federal Ministry of Petroleum Resources;
- Federal Civil Service Commission;

- Federal Ministry of Works (Housing & Urban Development);
- Federal Ministry of Information (Communication);
- Office of the Accountant-General of the Federation;
- Office of the Head of Civil Service of the Federation;
- Office of the Secretary to the Government of the Federation;

The pilot test showed great benefits, to this, the Federal Executive Council in its meeting on Wednesday 1st December, 2010 find it worthwhile to approve all MDAs drawing their cost from Personnel cost from the Consolidated Revenue Fund (CRF) to be included into IPPIS. The Oracle application has been in use since September 2011, and as at April 2018, 490 MDAs (Nigeria Police and Other Paramilitary Agencies inclusive) have been enrolled with a total strength of about 700,000 employees (ippis.gov.ng).

2. Empirical Review

Olumuyiwa (2018) studied the effectiveness of integrated payroll and personnel information system in Addressing Ghost worker syndrome in Nigerian public sector. The paper employed the use of primary and secondary data to explain the opinions of public servants in the Federal Inland Revenue Service (FIRS), with a population (450) consists of senior and junior workers of administrative, finance and audit departments comprise the population of the study. The three departments were directly sampled in human resources and salary administration in three senatorial districts in Lagos State. The finding of the study revealed that the strategies adopted by IPPIS addresses ghost worker in the public sector in Nigeria. It further showed that the introduction of IPPIS policy into the salary administration in Nigeria improved constant payment of employees, with observance that there are still challenges facing IPPIS in uploading monthly salary of the employees.

Micah and Moses (2018) examined IPPIS and the Ghost Workers' Syndrome in Nigeria's Public Sector. Adopting the historical research method, the study concluded that the introduction and its implementation of integrated personnel and payroll information system (IPPIS) have to a reasonable length mitigated the incentive, capacity and opportunity of fraudulent individuals to perpetrate payroll fraud at all levels. Nonetheless, few challenges were observed as technological barriers and that Major MDA"s are yet to connect to the IPPIS platform over a virtual private network. Thus, it is recommended that MDAs at all levels should key into the IPPIS platform in line with the Federal Government Public sector reform agenda to minimize payroll fraud in Nigeria.

Enakirerhi and Temile (2017) studied the challenges, benefits and prospects of IPPIS in Nigeria. The study submitted the benefits of IPPIS to include; accurate and reliable personnel information, reduction or elimination of corrupt and sharp practices, facilitation of modern scientific and accurate budgeting and forecasting, streamlining payroll and personnel, confidence in payroll cost, prompt deductions and remittance to all third party funds, (PAFs, NHIS, NHF, FIRS, State Boards of Inland Revenue). Saving of funds to government from the ghost worker syndrome, improvement in management reporting and information and observed few challenges to skills transfer problem, poor supporting infrastructure, technological barriers for infer MDAs transfer, resistance from stakeholders and lack of will for accelerated implementation. Thus, concluding that the future looks bright with the implementation of IPPIS which is set to serve as an avenue for budgeting projection and planning as well as database for national statistics and reduction in government cost.

Haruna, Joseph and Samson (2015) examined integrated personnel payroll and information system (IPPIS) panacea for ghost worker's syndrome in Nigerian public service. Adopting the survey design and sampling 393 out of 24,671 staff of Kogi state local government commission. Simple percentages, means score and Spearman rank order correlation coefficient. The study observed that ghost worker's syndrome is highly imminent in the public service thus; recommends that the integrated personnel payroll and information system (IPPIS) should be adopted in the public service to ensure a virile economy through enhance productivity.

Effiong, Oro, Ogar, Raphael, Etop and Iroushu (2017) examined treasury single account (TSA), integrated payroll and personnel information system (IPPIS), and integrated financial management information system (IFMIS): application and implementation effects on fraud management in the public sector in Nigeria. Underpinning the study using Meta Theory Model, Circumvention Innovation Theory and Public Finance management theory, the descriptive research design was employed, and questionnaire administered on respondents randomly selected from the studied Ministries and linear regression model was employed in establishing the relationship between variables, the study concludes TSA, IPPIS, and IFMIS have positive and significant relationship with Fraud and fraud management as well as jointly impact the performances of Public Interest Entities. Thus, recommends that IPPIS be fully implemented to address the ghost worker's syndrome in Public Interest Entities and that public officers be technologically trained to effectively utilize TSA, IPPIS and IFMIS platforms.

2.1. Value Impact on the Nigerian Economy

Value is measurable, and in this context, value is monetized. IPPIS has come to stay as a mechanism to curtail mismanagements, misrepresentations and abuse of office in the public sector. Prior to the introduction and implementation of IPPIS several challenges have loomed the public sector environment making accountability and transparency difficult to assess in public finances. To mention, ghost workers which in most cases is perpetrated by top government officials, tax avoidance and evasion as a result of inefficient tax computation in government offices salary over and under payment issues and lack of accountability in government spending. This case has cost the government money. The pilot test of IPPIS in February 2006 showed a positive shift in the ministry case studied. Going on live in April 2007, the 7 ministries involved showed that IPPIS will provide a paradigm shift in government accountability. Effiong et al (2017)

observed that the benefit of TSA, IPPIS and IFMIS is positively significant as it has proved to be a mechanism through which fraud in the public sector can be curbed and drastically reduced. Furthermore, Ekakirerho and Temile (2017) outlined that IPPIS provides accurate and reliable personnel information, reduces and eliminates corrupt sharp practices in public offices as well as facilitate modern scientific and accurate government budgeting and forecasting. One of the menaces prior to the emergence of IPPIS and still resident in many MDAs and other government parastatal is the "Ghost worker". This problem usually perpetrated by top government officials to accumulate and receive salaries and other benefits on non-existing employees has continually increased personnel cost beyond the actual. IPPIS has since inception uncovered this fraudulent activity in the enrolled MDAs. Recently, 78,315 ghost personnel were revealed in the Nigerian Police Force (NPF). Evidence from Rivers state universal basic education board in July, 2011 reported an annual loss of ₦2.4billion to 1477 ghost workers. Same way, the National Identity Management Commission uncovered 4,000 ghost workers in December 2011. The Niger state government discovered in 25 local government areas, not fewer than 20,000 ghost workers, the list goes on unending of the several discoveries made in MDAs of ghost workers and excessive payment of salaries and other benefits. Post implementation of IPPIS, the Federal government in July, 2013 identified 46,821 ghost workers in 215 MDAs (Micah and Moses 2018). Olumuyiwa (2018) study shows that IPPIS policy into payment administration has improved constant payment of salaries.

Published reports showed that from 2007 to 2019, IPPIS implementation in MDAs, NPF and other paramilitary agencies has saved the government over ₦ 600 billion (Armed, 2019).

The quality of government payroll administration has vastly improved and an increasing number of MDAs are moving away from manual payroll administration. The MDAs have the necessary information for planning their personnel costs. IPPIS has actually reduced corruption by virtually eliminating ghost-worker syndrome where applied, thereby reducing the cost of governance. The Scheme has, from its launch in 2007 to December 2014, saved the government ₦185 billion (about US\$1 billion), representing the difference between the money that government would have released to MDAs based on their estimated nominal roll submissions and the amount actually paid through the IPPIS platform. A breakdown of this show that ₦416 million was saved in its first month of operation and ₦12 billion at the end of its three-year pilot phase. The scheme now covers 359 MDAs and has successfully enrolled 237,917 members of staff and weeded out 60,450 'ghost workers'. Furthermore, it reduced the red tape involved in manual payroll administration (BPSR, 2015). Others very many tangible beneficial impacts of IPPIS are already evident and gave credence to the fact that these reforms are not only desirable but also expedient has been recorded. The impacts include:

- Improved governance as reports are now timely and reliable. This has added a higher level of transparency to public finance management. For instance, the statutory financial statement for year ended 31st December 2018 has been forwarded to the auditor general for the Federation in line with constitutional provisions.
- Improvement in the reduction of cost of governance hitherto spent on manual processes.
- The massive financial losses occasion by payroll fraud and ghost workers syndrome are gradually being eliminated by the introduction of IPPIS in MDA'S. Savings have been made, which is been used to enhance overhead capital expenditure in MDA'S.
- The introduction of IPPIS has now brought greater confidence in the accuracy and reliability of government financial information and this has boosted and help encourage foreign and private owners of resources to do business with the Nigerian government.

2.2. Implementation Challenges

Though IPPIS has a vast plantation of benefits, few challenges have been identified. The Minister of Finance Zainab Armed in April 2019 highlighted the challenges facing the IPPIS to include lack of a reliable and comprehensive database for the public service; inability to forecast manpower needs and requirements of MDAs and growing wage-bill as well as a lack of synchronization of civil servants' records with pension administration. Furthermore, the Accountant General of the Federation Mr. Idris Ahmed in April 2019 also outlined the challenges to include change management issue, institutional resistance, lack of commitment from MDAs, conflict of roles and laws among the stakeholders and delay in enrollment processes. Enakirerhi and Temile (2017) observed challenges to skills transfer problem, poor supporting infrastructure, technological barriers for infer MDAs transfer, resistance from stakeholders and lack of will for accelerated implementation.

It has not been without challenges, as noted by the Director of IPPIS, Mr Olufehinti Olusegun. Infrastructure regarding capturing is one of the challenges faced by the agency. Lack of proper and accurate information provided by employees is also a key challenge. The Director noted that were the Bank account of an employee is wrong or the date of birth, the employee will not receive any payment.

2.3. The Miles Ahead

IPPIS is an Eagle's eye that sees farer than the manual file-based system. The vision "To have a centralized payroll system that meet the needs of FGN employees and helps the Government to plan and manage payroll budget by ensuring proper control of personnel cost" (ippis.gov.ng). It has also facilitated convenient staff remuneration payment with minimal wastage in federal government establishments. It ensures database integrity and security so that personnel information is correct and intact. It eliminated payroll fraud like ghost worker syndrome.

Reports and literature have shown a significant shift in accountability and transparency attainment in government spending as well as public management. The implementation of IPPIS since 2007 has proven that much is still needed to be done to eliminate the household name "Corruption" in her different dress code in public offices. The Ministry

of Finance, office of the Accountant General of the Federation and other stakeholders of IPPIS have submitted several opinions, policies and already on the go strategies that will further utilize the mechanism in the Nigerian public sector. The Muhammadu Buhari led administration has paid apt attention to the success of IPPIS; to this all MDAs were directed to enroll in other to aid the achievement of the government aim at sanitizing salary payment and to have a clear record of government personnel (www.vanguardngr.co). There is no doubt that the Nigeria economy is under recession but through the faithful implementation of the pillar three (3) of the National Strategy for Public Service Reforms (NSPSR) of which e-payment, GIFMIS, IPPIS and TSA are vital component, there have been visible signs of better days ahead.

The Director of IPPIS has noted that there is ongoing synergic agreement with state government to domesticate IPPIS to further uncover ghost workers at the state level thereby reducing the burden of personnel cost wastage. Enakirerhi and Temile (2017) foresee futuristic prospects of IPPIS, to include it serving as a platform for future scientific overhead budgeting. This will aid the government in accurately budgeting for personnel cost. Furthermore, being an aid for future statistics and database reference assisting in gathering reliable data on employment rate. It will serve as a data bank to the government about its citizenry and more so, reduce cost of governance.

3. Conclusion/Recommendation

Conclusively, IPPIS has proven to be equal to the task of fighting corruption and achieving the Africa 2063 vision of a Nigeria that is accountable and reliable. But nonetheless, much is anticipated to be achieved if IPPIS is greatly utilized beyond ghost workers uncovering in MDAs. Some lapses in the course of enrolling staff in the enrolled MDAs, have allowed top official to still enroll ghost workers in to the system. Thus, it is recommended that IPPIS office should carry out a regular screening to authenticate its enrolled personnel. Also, the mandate to enrolled all MDAs and paramilitary agencies as well as the military should be given apt attention to ensure its compliance.

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