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## **IPPIS IN NIGERIA: CHALLENGES, BENEFITS AND PROSPECTS**

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### **ABSTRACT**

This study explores the Integrated Personnel and Payroll Information System (IPPIS) in Nigeria by looking critically at the challenges of implementation of IPPIS, benefits to be derived when IPPIS is fully implemented and what the future holds. The IPPIS, a reform system, aimed at positioning the public service for efficiencies and improved productivity, started in 2007 with seven (7) pilot Ministries, Departments and Agencies (MDA) and has since been expanded to cover more MDAs. The IPPIS in Nigeria is very peculiar due to the peculiarity of the country. Because the paper is a theoretical paper, it did not attempt to do any empirical analysis but reaches its conclusion by articulating various federal government announcements, pronouncements, opinions of stakeholders, presentations to international bodies and various articles on the pages of news papers and few published works. The study outlined that accurate and reliable personnel information, reduction or elimination of corrupt and sharp practices, facilitation of modern scientific and accurate budgeting and forecasting are the major benefits of IPPIS. These benefits are, however, threatened by skills transfer problem, poor supporting infrastructure, technological barriers for infer MDAs transfer, resistance from stakeholders and lack of will for accelerated implementation. Thus, accelerated and unbiased implementation that will enables smooth transfer of the IPPIS technology knowledge and skills from consultants to government personnel for effective management, future integration and synchronizing of IPPIS with other identity management system are keys to harnessing the benefits of the project. We concluded that the future looks bright with IPPIS implementation set to serve as platform for budgeting projection and planning, acts as database for national statistics and enable reduction in governance cost.

**Keywords:** IPPIS, MDAs, Cost Reduction, Budgeting and Ghost Workers

## **1.0 INTRODUCTION**

The integrated personnel and payroll information system (IPPIS) is one of the strategic implementation of the federal government of Nigeria to digitalize the manual based and files system marred with corruption, inefficiency and inaccuracy of number of personnel on the civil service of Nigeria. The lack of digital based system means that the federal government has no accurate and reliable number of personnel in the civil service and consequently, inaccurate and problematic budgeting in terms of recurrent expenditures in Nigeria. In an attempt to reduce and possibly eliminate these problems, the federal government in 2007 introduced the integrated personal and payroll information system (IPPIS) billed to be implemented in phases. Thus, Mede (2016) explained that reformation of the civil service, transparency and accountability, efficient delivery of service, improved human resource management, elimination of payroll frauds, accurate budgeting of recurrent expenditures, both the civil service and public service are some of the challenges and weaknesses that IPPIS was set to reduce and possibly eliminate. Evidences showed steady but very slow implementation of IPPIS with reported of cases of ghost workers being removed from the federal payroll system.

Although the sustainability of IPPIS is debatable, the scheme has made some progress through the uncovering of sharp practices such as ghost workers syndrome, multiple salaries pay point and other practices which have gulped billions of naira from the economy in past years. However, the implementation of IPPIS has been incomplete and slow. Are there challenges? Obviously, there are challenges, as well as there are prospects and huge benefits to be derived if the federal government would fully implement identity management in Nigeria. On this background, the study examines the challenges, benefits and the prospects of the implementation of IPPIS in Nigeria. This paper views IPPIS from the perspective of huge gain from full implementation of identity management system in Nigeria. It broadens its scope to look at the gain to the economy, data management, producing accurate and timely data on job creation and level of unemployment in Nigeria, help in crime fighting and plunging Nigeria into the community of world global village.

Furthermore, since the paper is theoretical in nature, we took our position through the analysis of information from secondary sources and government announcements and draw our interpretations based on perceived gains and challenges. The rest of the paper is organized into the following: the next section discusses the various challenges, prospects and benefits of IPPIS while section three draws sound conclusion based on sound reasoning and discussion of reviewed sources.

### **2.1 The Origin of the Integrated Personnel and Payroll Information System (IPPIS)**

IPPIS is a product of the government initiated to turnaround the dwindling performance of the public and civil service. In 1999 after the Nigeria's return to democratic rule, the Federal Government carried out a Public Service Reform (PSR) study and the result was the development of the National Strategy for Public Service Reform (NSPSR) in 2003 (Mede, 2016). The strategy was to be implemented through four cardinal programmes known as the four (4) pillars of NSPSR. One of the pillars, precisely pillar 3 was aimed at "implementing a public financial management reform to achieve strategic, efficient and effective mobilization, allocation and use of public resources, fiscal discipline, transparency, integrity and accountability through timely reporting". Accordingly, in order to achieve pillar 3, the Economic Reform and Governance Project of which the government Integrated Financial Management Information System (GIFFMIS) and Integrated Personal and Payroll Information System (IPPIS) were created. These are digital based programme aimed at Public Financial Management (PFM) and the Human Resource and Payroll issues at the federal level respectively. Thus, IPPIS is a form of identity system management aimed at providing a centralized database to support personal planning and decision making, automated storage of personnel records to aid staff enrolment, and monitoring against budgeting and prevention of wastages and leakages based on factual personnel records and information ([www.oagf.gov.ng/IPPIS](http://www.oagf.gov.ng/IPPIS)). Essentially, IPPIS captures facial images, finger prints of government employees, and store in a digitalised data based library which can be accessed with authorization anywhere.

## **2.2 IPPIS to Date, Costs Reduction and Savings**

Although the objectives of IPPIS are broad and encompasses, payroll fraud otherwise known as the syndrome of "Ghost Workers" seems to overshadow other objectives. However, the syndrome of ghost workers cannot be overemphasized as it has cost huge money which should have been channelled into meaningful areas of development. The monumental amount of ghost workers in the past years is alarming. Little wonder it appears that IPPIS only objective is the removal of ghost workers from the payroll system. For example, the Kogi state government in December 2016 carried out an audit of workers in the state and uncovered 18,471 ghost workers ([www.informationng.com](http://www.informationng.com)). In his report to the executive governor, the chairman of staff screening review, Mr. Yakubu Okala said, there were 45,128 genuine workers and pensioners in the state, and 18, 471 ghost workers, asserting that the children of big men (i.e. wealthy and influential individuals) were among ghost workers uncovered. According to Okala, ghost workers syndrome cost the state a little over #2.6billion naira monthly. This means about N31billion would be saved in the 2017 budget and redirected at other critical sectors in need of development.

According to the accountant general of the federation (AGF) Ahmed Idris, the administration of president Buhari pride itself with the mandate of instilling transparency, accountability and probity in the civil service ([www.sunnewsonline.com](http://www.sunnewsonline.com)). This could hold true if viewed from the point of weeding out ghost workers and saving billions in cost to the economy. The integrated personal and payroll information system which started with sixteen (16) ministries, department and agencies (MDA) in 2007 saved the nation a fortune through the removal of ghost workers. For example, between 2007 and 2010, over N12billion naira was saved through the implementation of the IPPIS (Idris, Adaja and Audu, 2015). Mede (2016) added that from 2007 to December, 2016, the IPPIS saved about N226billion from 391 MDAs. At the end of 2014, about 60,000 ghost workers were removed from the federal government payroll through the implementation of IPPIS (Mede, 2016). Furthermore, from February 2016 to November, 2016 alone, another 50,000 ghost workers were removed from the payroll, saving N13billion monthly ([www.sunnewsonline.com](http://www.sunnewsonline.com)). It was that bad that “the sun” reported on Jan 3, 2017, that from audit carried out through IPPIS implementation, it was revealed that the Budget Office of the Federation and the National Planning Commissions are among the government agencies that are leading in the menace of ghost workers with 77.3% and 74.90% of names on payroll being ghost workers respectively. This means that in 2017, the overhead cost of running these two agencies would be reduced by over 75% due to the implementation of IPPIS.

### **2.3 The Need for IPPIS: The Problems with Manual and File Based System and Benefits of IPPIS**

Adedeji (2015) asserted that the purpose of IPPIS is to ensure the elimination of wastages noticed in the administration of payroll in public service. Mede (2016) noted that government effort to regenerate the civil service for efficient and effective service delivery and elimination of payroll fraud led to the conceptualization and implementation of IPPIS. Idris, Adaja and Audu (2015) added that IPPIS implementation ensured and would ensure virile economy through enhanced productivity and save billions of Naira in personnel cost through wastage elimination.

Essentially, the flaws encountered in the manual file based payroll system prompted the introduction of IPPIS. Elimination of these weaknesses inherent in the manual translates into the benefits of the implementation of IPPIS. This study articulated the following problems of the file based system and consequently the benefits of implementation of IPPIS.

#### **2.3.1 Accurate and Reliable Information about the Size of Personnel in Payroll**

One of the biggest problems associated with the manual system was that government did not know the size of its workforce. Thus, some mischievous workers were collecting salaries from

multiple pay points, for fictitious employees and of course workers collecting salaries when they are employed somewhere or not working with government. Lack of accurate and reliable information characterized the file based system, resulting in over blotted overhead cost, double pay and other sharp practices. Inaccuracy and unreliability means that the government does not even know the number of the nation's workforce compounding budgeting and estimation difficulties. IPPIS ensures the accuracy and reliability of the number of workers in government payroll by eliminating duplicity and non-existing personnel. This is because for employees to be listed in the payroll through IPPIS, he/she must be physically present with all documents at specific time and his/her face, finger prints captured and stored in a digital database. IPPIS when fully implemented and integrated means that the government would know the number of the workforce at every point in time. Thus, Mede (2016) stated that IPPIS was meant to provide identity to all public servants. Unique identity ensures that duplicity of pay points is impossible due to synchronised, centralised data base and pay point.

### **2.3.2 Reduction and Elimination of Corruption and Sharp Practices**

Letswa and Egwuem (2013) noted that corruption and widespread illegality are traceable to ancient civilization. Rebuilding of public confidence and increased efficiency in public service have prompted human civilization to adopt ways of eliminating or minimizing widespread corruption and serve the society for optimum productivity. In this vein, Uzochukwu (2015) explained that IPPIS enhances confidence in payroll cost and budgeting, improve management information reporting and builds public confidence. The file based system is marred with practices such as collection of salaries from more than one ministries, personnel collecting salaries of ghost or non-existing workers, over-estimation of ministerial budgeting and thereby fuelling corruption in two ways, falsification of age and certificate of local government of origin (indegenship) due to ease of replacement of file records and other sharp practices. Introduction of IPPIS helps reduce these menace as pay rolling would be central and directly to employees' private accounts.

### **2.3.3 Scientific Budgeting and Estimation**

The file based system means that estimates are used in budgeting for recurrent expenditures in MDAs and the national budget. The budget figures are based on estimations because the accurate size of the workforce is not known and the cost of personnel is not known and most times are over-stated. Furthermore, timely, accurate and reliable planning based on reliable and accurate data and information were difficult and impossible. However, IPPIS would help the government know the wage bills of its workforce through the centralized payment system and thus facilitate accurate budgeting and estimate. It also gives the platform for projection of both number and

sum for future personnel cost and thus, enable forecast and planning of future workforce. It will also enable government in planning to tackle unemployment. The IPPIS project, when fully implemented, will help in the accurate estimation, planning and forecasting of personnel costs based on indices of government planned growth in the workforce.

#### **2.4 Challenges of IPPIS Implementation**

As noted by Mede (2016), obvious challenges marred the effectiveness of IPPIS implementation till date. However, some of these challenges were either as a results of the nation underdevelopment in terms of technological infrastructure and expertise or simply the unwillingness of the authority to fully carry out the implementation. Some of the challenges enumerated by Idris, Adaja and Audu (2015) and Mede (2016) are: Lack of sufficient skills transfer to government personnel which prolong consultants stay on the project, poor state of supporting infrastructure such as low internet penetration, technological barrier, problem associated with transfer of pay point due to the posting of employees from IPPIS MDA to non-IPPIS MDA, resistance from stake holders which have prolonged implementation, etc. In addition, this paper posits that government lack of will and commitment to the accelerated implementation of this project is a major challenge.

#### **2.5 Prospects of IPPIS Implementation**

Although implementation of IPPIS, a part of activities to turn the manual governance into e-governance has some challenges, the future poses both some difficulties and some vitality for governance administration in Nigeria. As noted by Asogwa (2013) digitalizing government operation would enable Nigerians at all level to render efficiencies in the public sector, ensure higher productivity and economic growth, foster national competitiveness and lead to the attainment of the vision 20-2020. Thus, the paper articulates some of the prospect of IPPIS in Nigeria.

##### **2.5.1. Serves as platform for future scientific overhead budgeting**

Knowing the accurate number of personnel in the payroll list will enable the government to accurately budget for personnel cost in the overhead budget. While it helps to re-direct resources to area of needs, it also serve as a base for government to scientifically increase future budgeting allocation based on the projected number of jobs it intend to create and thus giving citizen a responsive, accountable and thoughtful government.

##### **2.5.2. Future Statistics and Database Reference**

A full implementation of IPPIS will ensure that statistics of government employees are readily available. Adoption of some form of identify management by the private sectors will enable national government know and able to give full detail of the working force in the country and thus identity management will serve as a database for future statistical study and reference. The ratio of unemployed person could easily be determined when compared with eligible work force.

### **2.5.3. Synchronised Employment Data Base**

Expanding the identity management system in the country and synchronising them would act as database to the government. We argue that all persons should be registered within his local government of residence, displaying his employment status with other basic information that will help government make decision on such individual in the future. This could form pool of data base for government to draw on in the future should the need for employment arise.

### **2.5.4. Reduction of cost of governance and recruitment**

Centrally synchronized data base of unemployed persons in the society saves future cost of governance. Government in the event of any social welfare programme or job creation could draw from the pool of data available and invite qualified person based on records for interview.

## **3.0 CONCLUSION AND RECOMMENDATION**

The paper explored the challenges, benefit of IPPIS implementation and outlined some of the future benefits (prospects) IPPIS is likely to offer the society. The paper delivered a strong argument that IPPIS with other identity management system in the country will constitute valuables pool of data for government planning and forecasting. Although the implementation of IPPIS is marred with problems including the unwillingness of constituted people to fully implement the project due to its ability to stamp out payroll fraud and corruption, we however, agree that the benefits cannot be overemphasised. The study outlined that much has been gained especially in the area of saving cost to the economy and if the project is fully implemented, Nigeria stand to gain more in the future. The paper advocates the expansion of the identity management in the country and call for digitalization of every citizen to be domiciled in the local government for ease of social welfare programme or employment need as the case may be. In this regards, the paper call upon all stakeholders to engage in critical thinking and planning to enable the attainment of goals and objectives especially in the area of identifying individuals in the society. This will also help in fighting crime when appropriate technology is in place. Thus, we advocate that due to its huge benefits IPPIS should be implemented across all MDAs speedily. Also, state government and local government should take advantage of the identity management system to reduce cost of governance. We also recommend that the private sector

should key into some form of identity management which would be synchronised on a centralised data base, secured and could only be accessed by permission from the national bureau of statistics to ensure protection of private data.

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