Integrated Payroll and Personnel Information System (IPPIS)

The Problem

The manual, file-based personnel system operated by the federal public service meant that government did not have accurate and reliable information about the size and nature of its workforce. The incidence of 'ghost workers' was prevalent, with fraudulent public servants claiming and collecting the salaries of non-existent workers. Other fraudulent activities included some public servants collecting salaries from multiple establishments, some officers conniving with others to get paid higher salaries than were due to them, and records of loans obtained from government routinely disappearing from files. Personnel records contained in files, such as birth certificates, declarations of age and even certificates of indigene-ship, were often substituted to obtain undue advantage. The federal government and the World Bank estimated that the government was losing about ₦1 billion to ghost workers alone annually.

Reform Actions

In October 2006, the federal government conceived the Integrated Payroll and Personnel Information System (IPPIS) to provide a reliable and comprehensive database for the public service to facilitate manpower planning, eliminate record and payroll fraud, facilitate easy storage, update and retrieve personnel records for administrative and pension processes, and facilitate convenient staff remuneration payment with minimal waste and leakage.

The IPPIS project went live in April 2007 and was first piloted in six ministries: Education, Foreign Affairs, Finance (including the Budget Office of the Federation), Works, Information and Communications (as it was then known), and the National Planning Commission. In 2009, it was expanded to cover another 11 ministries, departments and agencies, including Aviation, Health, Agriculture, Petroleum Resources, Transport, the Office of the Accountant General of the Federation, Office of the Head of the Civil Service of the Federation, Office of the Secretary to the Government of the Federation and the Federal Civil Service Commission. In the first month of implementation, IPPIS saved the government ₦416 million. At the end of its first phase in 2010, the savings had risen to ₦12 billion.

Building on the success of the pilot phase, the government embarked on a service-wide deployment of IPPIS in 2011. The government's intention is that, by the end of 2014, all 585 government MDAs, made up of the mainstream Civil Service and other Agencies in the Public Service drawing personnel cost from the national budget would have been enrolled onto the IPPIS platform. Government is also pursuing the full implementation of the human resource management component of IPPIS and the full connectivity of all human resource and finance offices to the system.

Main Achievements

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 shows 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.

Other key achievements of IPPIS include:

1. Automated payroll system driven completely from a human resource information system;

2. Clean payroll data devoid of ghost workers, based on biometric capture of personnel;

3. Secure database for manpower planning and analysis;

4. Prompt payment of salaries to public servants;

5. Harmonisation of nominal roles with payroll;

6. Establishment of the IPPIS Service-Wide Department in OHCSF to coordinate the implementation of the HR component of IPPIS and attend to various HR issues being forwarded by MDAs;

7. Review of the "AS IS" HR Business Processes

8. Complete HR module has been finalised and implementation will be staggered by the MDAs

Key Challenges

Although IPPIS has recorded notable successes, it faces some key challenges:

1. The IPPIS application has not been fully utilised. Of the seven modules on the software, only the payroll module is in appreciable use. The Human Resource modules, which are meant to manage staff recruitment, posting, promotion, training, discipline, and disengagement, are yet to be fully deployed for use by MDAs Service-Wide. The current vendor has not delivered everything contracted and paid for and the project management of the initiative has been weak.

2. Connectivity remains a major challenge and MDAs are still not able to connect securely and consistently to the Platform over a Virtual Private Network (VPN).

3. There is a weak network security that impacted on IPPIS roll out.

4. Due to non-deployment of HR modules, there are undue delays in the processing of issues bordering on exit and termination (retirement, dismissal, death, etc)

5. The existing structure for IPPIS is such that each of the key control agencies is in charge of a specific aspect of the Scheme. There seems not to be a defined reporting line for these agencies, which slows down implementation. Albeit a proposed governance structure to take care of this challenge is awaiting approval

6. Most of the IPPIS Staff in the MDAs have not been exposed to Oracle Training and some of the few that received the training have been deployed to other MDAs

7. The IPPIS Personnel Service-Wide are not fully motivated in the area of provision of incentives to match the demanding jobs they perform

8.   Non-utilisation of IPPIS reports for personnel management by MDAs

9.   The Secondary Data Replication Centre which exists in Gombe is not operational

10.   Non-migration of Officers' Pay Points when deployed to other MDAs thereby overstretching personnel cost in some MDAs while some are underutilised

Assessment of Reform Initiative

Assessed against the 10 criteria for judging the success of government reform initiatives, it is clear that IPPIS has been a huge success:

S/No.	Assessment Criteria	Result of Assessment
1.	Has the IPPIS improved the quality and quantity of public services?	The quality of government payroll administration has vastly improved and more and more MDAs are moving away from manual payroll administration. Salaries are now paid promptly and MDAs have the necessary information for planning their personnel costs. Employee records and details, such as promotion, training, advancement and conversion are being captured and updated accordingly.
2.	Do more people now have access to services, including disadvantaged groups such as women, young persons, and people with disabilities?	More people now have their payroll administered electronically, rather than manually.
3.	Has the IPPIS reform reduced the cost of governance?	IPPIS has reduced the cost of governance by saving ₦185 billion in its first six years of operation, but the total cost of the project itself is not sufficiently clear to enable a cost/benefit analysis to be undertaken.
4.	Has the IPPIS reform made the service more affordable for citizens?	Government has been able to reinvest the savings into essential services such as health and education.
5.	Has the IPPIS reduced corruption?	IPPIS has certainly reduced corruption, particularly as a large chunk of the savings may otherwise have fraudulently gone into private pockets. It has successfully weeded out 60,450 'ghost workers.'

6.	Has the IPPIS reduced unnecessary bureaucracy and red tape?	IPPIS has reduced the red tape that comes with manual payroll administration. However, it can still take one to two months for someone properly enrolled on to the system to start to get his or her salary. This causes undue hardship to people and is difficult to justify.
7.	Is IPPIS likely to lead to improved development outcomes?	The reform of payroll and personnel system, and the savings from it, means that government is better able to reduce recurrent expenditure and focus more on capital expenditure, which drives development.
8.	Are things improving, staying the same or getting worse?	Things are improving with IPPIS but there are still significant challenges.
9.	Where things are improving, will those improvements endure?	There is very high probability that the improvements as a result of IPPIS will endure. Experience from around the world suggests that where payroll and personnel systems have been computerised, people do not revert to manual systems.
10.	Where things are not improving, what should be done?	Not Applicable

Proposed Next Steps

1. The Steering Committee on IPPIS should urgently deal with the supplier performance and project management issues that have constrained the full realisation of the benefits of IPPIS.

2. The Office of the Head of the Civil Service of the Federation and other stakeholders should intensify efforts to facilitate the full deployment of HR Business Modules.

3. The Federal Ministry of Communication Technology should develop a robust plan for addressing the connectivity issues, working with Galaxy Backbone.

4. The OHCSF in conjunction with other Control Agencies should embark on change management, aimed at creating more awareness of the IPPIS Scheme to tackle resistance by some institutions.

5. The Head of the Civil Service of the Federation is the Chairman of the IPPIS Steering Committee. It should be made clear to all that he remains the final authorising officer at the end of IPPIS processes.

6. There is a need to focus on the training and retraining of IPPIS Personnel. A single one-off training effort is insufficient

7. The existing policy which stipulates that trained IPPIS Role Players can only be posted after spending three years on the desks and should only be moved to similar desks in other MDAs must be strictly adhered to in order to address the problem of too-frequent movement of such officers

8. Incentives should be provided for all IPPIS Personnel Service-Wide to match the demanding nature of their job and guarantee full commitment to duty without compromise.

9. The secondary Data Replication Centre in Gombe should be relocated to the Office of the Head of the Civil Service of the Federation or the premises of Galaxy Backbone for data safety and security. It should also be possible to explore virtual data replication using 'Cloud Computing.'