EFFECT OF INTEGRATED PERSONNEL PAYROLL AND INFORMATION SYSTEM (IPPIS) ON PAYROLL FRAUD IN NIGERIAN PUBLIC SECTOR

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Abstract

The condemnable practice of illegal, unlawful and unauthorized recruitment of personnel into Government services have become the order of the day. Persons in position within the public service expropriate their powers to populate and overshoot the employment ceiling in the pursuit of personal gain. More worrisome is that most of these unauthorized employment into the system whether real or fictitious names, is perhaps one of the avenues for perpetuation of ghost workers and payroll fraud. The purpose of this study is to investigate the effect of integrated personnel payroll and information system (IPPIS) on payroll fraud (ghost workers & unauthorized employment) in the Nigeria public sector.

This study adopted a field survey research design in which structured questionnaire was designed and distributed to the respondents as a means of gathering information. This study used primary source of data due to the fact that the data needed from this study will be obtained by the field survey of knowledgeable individuals through the administration of questionnaire to respondents. The population of this study focus on government Ministries, Department and Agencies. The population shall consist of staff of Lagos State Civil Service from Grade Level 08 and above and who have been in the Civil Service before the implementation of IPPIS in the state. One hundred (100) questionnaires were administered to Lagos State Civil Servant. Therefore, 100 questionnaires were raised and distributed to the respondents in order to achieve the objectives of this study.

Method of data analysis for this study was frequency analysis and chi square t-test econometric models which explain the variation in the values of the independent variable on the basis of change in other dependent variables. Empirical findings revealed that IPPIS has a positive and significant influence on ghost workers and unauthorized employment fraud of Nigeria public sector. Therefore, this study concluded that IPPIS has a positive and significant effect on payroll fraud of Nigeria public sector. The study recommends IPPIS should be enforced in all government parastatals as well as agencies in order to broadened employment opportunities, reduces corruption in the public service and reduced personnel costs.

Keywords: IPPIS, payroll fraud, authorized employment, ghost workers

1. INTRODUCTION

In Nigeria, the general belief is that government job is not only for them to maintain for eternity by handing it down from generation to generation, but it is also commonly utilized as an illegal scholarship and or social assistance system for their friends and family members. (Oguzierem & Sofiri, 2017). Even though government at all levels in Nigeria is undoubtedly the leading employer of labor, a lot of challenges amongst this huge workforce is faced which include the issue of payroll fraud (IPPIS, 2018). Illegal, irregular, and unauthorized employment in the public sector, as well as other activities such as illegal transfer of service, exchange of names of retired staff, replacement of names of deceased employees, duplicate employments, transfer of or inherited employment status, and reactivation of appointments, among others, have resulted from the kind of perception identified by Oguzierem and Sofiri (2017). This means that even if they report for work every day, underage, overage, backdated employments, inherited employments, untrained personnel, and illegal staff are all classified as ghost workers and payroll fraud in the Nigerian public sector (Agboola 2018). The majority of the time, these dishonest public officials falsify the required paperwork and authorizations to add a new employee to the payroll.

All these illegal, irregular and unauthorized names that miraculously find their way inside the government payroll system create unscrupulous unemployment and they are known to be Ghost workers. This brought about what is now called Ghost workers syndrome. Nangih and Davies (2017) concluded that an unauthorized staff as a fabricated employee added to the payroll. Wages or salaries are paid to the fraudulent wage claimant and redirected to the perpetrator's beneficiary. They went on to say that the phrase "ghost worker" was coined to describe employees who deceitfully convert paychecks, or when a fake person or a genuine worker simply did not work but was paid. According to Oguzierem, Sofiri, and Okodudu (2017), there are non-apparent ghost workers in addition to illegal personnel and fraudulent wage claimants, who are fictional and non-existing employees put to the payroll by payroll managers. Real employees in the public sector who get false compensation due to payroll errors fall under these kinds of ghost worker fraud. This includes people receiving undeserve salaries by false means; for example, employees who have multiple positions in the civil service, receive dual or multiple salaries using the pseudo name(s), employees earning more pay or benefits than their rank, temporary staff or leave without leave but still earning full salary; and staff who are transferred or retired but have not received their fullest salary (Oguzierem et al., 2017).

Integrated Personnel Payroll and Information System (IPPIS) is an innovation which enhances productivity by removing cumbersome manual processes in Ministries, Department and Agencies (MDAs) in Government. Integrated Personnel Payroll Information System which is used to calculate salaries also provide a range of supporting functions such as preparing pay slips and payroll reports (Hyaledzigbor, 2015). It is connected to and is a component of an Integrated Financial Management Information System (IFMIS). Regardless of how well the ministry/department has organized its payroll, establishment control, budgeting, and personnel management activities, these systems must be tightly connected in order for information regarding staff expenses and deployment to be shared.

Worse, the majority of these unlawful employments into the government payroll system, whether under genuine or fictional identities, might be one of the pathways for the maintenance of ghost workers and payroll fraud. More significantly, the personnel are unqualified for the position, with many being too old, too young, or otherwise unemployed. These haphazard methods have resulted in excessively inflated nominal and payroll vouchers (Zaid, 2015). Payroll fraud caused

by ghost employees syndrome, according to Olken and Pande (2012), is mostly attributable to a lack of study and awareness on the phenomenon. In light of the country's current economic reality, the challenges have become extremely obvious and noticeable. With declining crude oil prices being the country's primary source of revenue, the government has been known to borrow to pay the wages of workers, many of whom are phantoms. Whatever the root of the problem, it must be permitted to persist. Furthermore, in public interest companies, a lack of internal control and an accounting system creates opportunities for fraud. Nangih and Davies (2017), Idris et al (2015), and Olaseni (2016) investigated how cutting-edge technology such as bank verification numbers (BVN) and the Integrated Personnel Payroll and Information System (IPPIS) might be utilized to eliminate ghost worker syndrome and payroll fraud in their studies. According to Nangih and Davies (2017), the integration of biometrics and BVN as a technical tool has significantly reduced payroll fraud and ghost employees in Nigeria's local government payroll system. This is reflected in the negative impacts that have been felt, such as low staff morale, massive corruption, dwindling employee career possibilities, and decreased efficiency. According to Olaseni (2016), collecting bio-data of government officials in the Integrated Personnel Payroll and Information System (IPPIS) platform will make detecting ghost workers more difficult and reduce payroll fraud. However, the purpose of this study is to investigate effectiveness of IPPIS on the payroll fraud using ghost workers and unauthorized employment as a dimension of payroll fraud. This is the problem the study intends to bring to limelight. The specific objectives are to;

i. examine the effect of implementation of integrated personnel payroll and information system (IPPIS) on ghost workers in the Nigeria public sector.

ii. evaluate the impact of integrated personnel payroll and information system (IPPIS) implementation on illegal staffs present in Nigerian public sector.

2.1 Literature Review
Integrated Personnel Payroll and Information System (IPPIS)

The Integrated Personnel and Payroll Information System is one of the Federal Government of Nigeria's Public Financial Management reform programs (IPPIS). Its objective is to help the Nigerian government enhance human resource management and prevent fraud. IPPIS is a centralized computer-based payroll and administration system described by Omolehinwa and Naiyeju (2015) as a system targeted at eliminating payroll fraud in the public sector. Its primary goal is to determine the exact number of employees and the entire salary expense at a single glance. It also aims to maintain data integrity, ensuring that personnel data is accurate and complete. According to IPPIS department (2015), explained that IPPIS was designed to achieve the following objectives: facilitate human resources planning by providing information for decision making; provide a platform for accurate budgeting and annual recurrent expenditure on staff emoluments; monitor monthly payment of staff emoluments against FGN's annual budget to ensure minimal wastage and leakage; eliminate payroll fraud such as multiple payment of emoluments to single employee or payment of monthly salary to a non-existent employee; facilitate easy storage, updating, and retrieval of personnel records; ensure database integrity so that once entered cannot be manipulated by unauthorized users; enhance confidence in the process of determining staff emolument cost; prompt deduction and remittance to accounts of all third parties payments such as Pension Fund Administrators (PFAs), National Health Insurance Scheme (NHIS), Pay As You Earn (PAYE), etc (Enakirerhi & Temile, 2017).

The Office of the Accountant-General of the Federation (OAGF) manages the Integrated Personnel Payroll and Information System (IPPIS) in collaboration with the Office of the Head of Service (OHCSF), the Federal Civil Service Commission (FCSC), the Budget Office of the Federation (BOF), the Office of the Auditor-General of the Federation (OAUGF), and the Central Bank of Nigeria (CBN) (Adongoi & Eyo, 2014). IPPIS is based on an intranet that connects the MDAs' data centers to the OAGF's primary server (Omolehinwa & Naiyeju, 2015). IPPIS has saved the Federal Government of Nigeria billions of Naira since April 2007 due to discrepancies between the personnel budget and the actual amount paid by IPPIS for MDAs (IPPIS Department, 2015). There were 396 MDAs registered on IPPIS as of December 2015. In 2016, the Nigeria Police Force, Nigeria Immigration Service, Nigeria Security and Civil Defence Corps (NSCDC), and Federal Fire Service, as well as universities, polytechnics, and colleges of education, will join IPPIS (Oguzierem & Sofri, 2017).

According to IPPIS (2018), the Integrated Personnel Payroll and Information System (IPPIS) is a World Bank-assisted project under the Economic Reform and Government Project (ERGP) aimed at establishing a reliable and comprehensive database for the public service, facilitating manpower planning, assisting in providing information for decision making, eliminating double dipping, and credentialing the public sector. The IPPIS initiative enables government ministries and MDAs to identify and eliminate ghost workers in order to achieve public accountability in governance (Nyaledzigbor, 2015). Salary is the personal emolument provided to an employee of an organization, generally for monthly services rendered at a fixed rate of compensation, according to the 2013 constitution. Furthermore, the Financial Regulations Act stated that until otherwise changed by legislation, the standard payroll system must be used in all offices.

The Integrated Personnel Payroll and Information System, as well as the Integrated Financial Management System, have improved openness and accountability in government spending. The Federal Ministry of Finance recognized in 2013 that IPPIS has improved personnel cost planning and budgeting since it is based on actual, verifiable objectives rather than estimates (Oyedele, 2015). As a result, job possibilities have increased, corruption in government-owned businesses has decreased, and staff expenses have decreased. It has improved the efficiency of conducting government business by restoring public confidence in the payroll system and budgeting, greatly improving information and reporting management, providing opportunities for improved infrastructural facilities, and creating a serene work environment and job security (Oyedele, 2015). Employees anticipate bureaucratic delays, deteriorated facilities, wicked unionism, lower wages for recruiting, and a lack of sensitivity and dedication on the side of the government in terms of carrying out its plans in the past. Mayo (2001) examined the attainable success and concluded that it can be achieved entirely by its use at all levels of government, particularly at the local level, in order to address the system's ongoing issue of ghost workers.

Integrated Payroll Personnel and Information System (IPPIS) in Nigeria

In an effort to reduce payroll fraud, in October 2006 the Nigerian government designed an IPPIS (Integrated Payroll Personnel and Information System), which was mainly perpetuated through payroll fraud and ghost workers, to provide a reliable and efficient public-sector database to eliminate payroll fraud, facilitate easy storage, plan workforce, and update and recover personnel records (Haruna & Joseph, 2015). In April 2007, the IPPIS project was formally tested on six ministries: Education, Foreign Affairs, Finance (including the Federation's Budget Office),

Works, Information and Communications, and the National Planning Commission. Aviation, Health, Agriculture, Petroleum Resources, Transportation, the Office of the Accountant General of the Federation, the Office of the Head of the Civil Service of the Federation, the Office of the Secretary to the Government of the Federation, and the Federal Civil Service Commission were among the nine Ministries, Departments, and Agencies that were added to the scope in 2009. (Enakirerhi & Temila, 2017).

IPPIS was found to have saved the government $416 million in the first month of its implementation. The savings reached $12 billion at the end of the first phase of implementation in 2010. Following the pilot phase's success, the government decided that IPPIS should be implemented across the board in 2011. (Ikechukwu & Chikwe, 2015). All 585 government MDAs, made up of the mainstream Civil Service and other Agencies in the Public Service that draw personnel costs from the national budget, were supposed to be enrolled in the IPPIS platform by the end of 2014, according to the government's plan (Ikechukwu & Chikwe, 2015). At the moment, the government is working to complete the human resource management component of IPPIS, as well as connect all human resources and financial departments to the system. The quality of government payroll administration has improved dramatically, and a growing number of MDAs are abandoning manual payroll administration. The MDAs have all of the information they need to budget for their staff costs. IPPIS has decreased corruption by practically eradicating the ghost-worker problem in places where it has been implemented, lowering the cost of government. Since its inception in 2007, the Scheme has saved the government a total of 185 billion (approximately $1 billion), which represents the difference between the amount the government would have released to MDAs based on their estimated nominal roll submissions and the amount actually paid through the IPPIS platform (Ikechukwu & Chikwe, 2015). The program currently encompasses 359 MDAs and has enlisted 237,917 employees while weeding out 60,450 "ghost workers."

Furthermore, Obinna (2015) views public service as a non-elective salaried position in an executive branch of government. The public service is primarily responsible for putting the machinery of governance in place, and its importance cannot be overstated. According to Okoh (2003), the public service is the main institutional tool used by government to accomplish its policies and programs, and so it is the managerial arm of government entrusted with pushing government machinery to the pre-determined objective. The Nigerian government views the implementation of a computerized system as the most important tool for addressing the country's massive personnel costs, as it will increase the effectiveness and efficiency of government transactions while also increasing confidence in personnel costs and budgeting, resulting in better management reporting and information. In addition, the Integrated Personnel Payroll and Information System would assist Ministries, Departments, and Agencies (MDAs) in avoiding regulatory violations as a consequence of ghost workers. This strategy will establish a synergy between government and employees in the fight against corruption (King, 2016).

Payroll Fraud

Fraud is defined as a deliberate misleading conduct that is intended to give the offender with an illicit gain or access to resources, or to deprive a victim a right (Larson, 2016). Fraud is the intentional withholding of vital information or the making of false claims to another person with the objective of obtaining something that would not have been supplied without the deceit. Payroll fraud involving phantom workers is perhaps the largest and most persistent kind of fraud in Nigeria, costing the government hundreds of billions of Naira annually in lost income to the

criminals (Larson, 2016). Payroll fraud, as previously stated, refers to the complete process of employee impersonation that results in a salary cost to the government. All unlawful, unauthorized, unqualified, fake, and non-existent employees who make wage claims from the government coffers are included in this category. The above suggests that ghost employees and payroll fraud in the public sector include underage, overage, backdated employments, inherited employments, unqualified personnel, and unlicensed staff, even if they report for work on a daily basis. In certain cases, these dishonest public officials falsify paperwork and authorizations in order to add an employee to the payroll (Lekubu, 2013).

Ghost workers

Ghost workers are non-existent employees whose names and other information are retained on the company's payroll and wages are given to them, but the money is collected by others (most often the fraudster) who had the name added or left in the register. If payroll administrators take too long to remove the identities of people who are no longer employed by the company, ghost workers may be maintained on the payroll (Lekubu, 2013). Payroll clerks may put fake or separated workers' identities on the payroll, counterfeit their signatures, and collect their wages on their behalf in some situations (Izedonmi & Ibadin, 2012).

Because individuals who should be responsible for preventing the phantom names from entering the payroll are themselves part of the crime, ghost workers put into the payroll through collaboration are generally difficult to identify. Internal control flaws in government institutions also contribute to the spread of such crimes (Wells, 2002). In an organization, the formation of ghost workers may also arise if a single individual is responsible for completing personnel and payroll operations from start to finish. Such people can establish or keep ghost workers on the payroll without their identities being discovered. Because of the enormous number of employees in the public sector, governments frequently perform headcount exercises to detect ghost workers and remove them off the payroll (Tanzi, 2013). However, due of internal cooperation, these exercises seldom produce the desired effects.

Illegal Staff / Unauthorized Employment

Unauthorized employment is the employment that are done without proper process being done by the government agencies. This type of employment is found to be illegal, fraud, deceit and false. This is a situation an employee name will miraculously find itself in the government payroll without passing through the right procedures. Prior to the implementation of IPPIS, employees' wages were distributed to MDAs, and the ministries were responsible for paying individual employees. As a result of this practice, there was a significant army of illegal workers in the MDAs, with 46,000 names on the payroll representing nearly one out of every three workers in the MDAs thus far covered (Oguzierem & Sofiri, 2017). Nonetheless, some of these unauthorized jobs are located within the government's IPPIS system, but they were obtained through system manipulation by certain questionable individuals in control of the system. In 2016, the Ministry of Finance said that over 24,000 illegal personnel in the federal public service payroll had been identified, saving the government approximately N2 billion Naira. This is on top of the approximately 60,000 unidentified workers that were stricken off the federal government's payroll in 2014. (Olken & Pande, 2012).

Nigeria's unemployment rate rose to 23.9 percent in 2011 from 21.0 percent in 2010, after averaging 14.6 percent from 2006 to 2010. In 2014, the unemployment rate in Nigeria was around 80%. More importantly, this has an impact on individuals' socio-economic well-being, and the

prevalence of corruption is clearly one of the factors contributing to this trend (Hyaledzigbor, 2015). For example, a 2013 staff audit in the federal capital area found that 6000 of the 26,017 employees on the payroll were fake (Adongoi & Eyo, 2014). The audit reveals the scale of massive corruption, embezzlement, and financial irregularities that might have been prevented if the computerized payroll system had been completely deployed in the public sector.

Integrated Personnel Payroll and Information System (IPPIS) and Payroll fraud in Nigeria

The Federal Government of Nigeria saves N20 billion every month, according to the Accountant General of the Federation (Enakirerhi & Temile, 2017). As a result, since April 2007, when the scheme began, 459 MDAs have enrolled, employing a total of 310,453 people, saving over N120 billion as a result of the difference between the amount the government would have released based on appropriation and the actual amount released and paid through IPPIS (King, 2016). Because of the implementation of IPPIS, enormous financial losses caused by payroll fraud through the employment of ghost workers are progressively being detected and removed. Huge savings have been realized, which have been put towards improving overhead and capital flows to MDAs (Haruna et al., 2015).

Despite its human flaws, the Nigerian public service is said to be excessively burdened by a ghost population that not only writes job applications and shows up for interviews, but also opens bank accounts and collects paychecks! Surprisingly, the CBN's "know your customers" instruction to banks had little effect on the creation of bank accounts for such phantoms (Enakirerhi & Temile, 2017). The Rivers State Universal Basic Education Board reported annual losses of N2.4 billion due to 1477 ghost workers in July 2011, while the National Identity Management Commission revealed that it had discovered 4000 ghost workers out of about 10,000 employees on its payroll after conducting a biometric data exercise. Furthermore, Garba Tagwai, the Niger State Commissioner for Local Government Affairs, stated in December 2011 that 20000 ghost workers had been discovered on the payrolls of Niger State's 25 Local Government Areas (Tanzi, 2013).

Prior to his administration, Ekiti State Governor, Dr. Kayode Fayemi, noticed phantom workers. Prior to his administration, the Ekiti State government lost about N3 billion yearly to ghost workers out of an annual budget of N80 billion. Unfortunately, the federal government is not immune to such income leakages; in fact, the Accountant General of the Federation, Chief Joseph Naiyeju, announced the finding of 40,000 ghost workers during a manpower verification effort in 2001. (Haruna et al., 2015).

Similarly, while Mallam Nasir El Rufai was Minister of the Federal Capital Territory in 2006, 6000 phantom workers were discovered following the conclusion of a personnel audit; the FCT government was losing around $8 million per year due to ghost workers on its payroll. When El Rufai was Chairman of the Bureau of Public Service Reforms, the Nigerian-based System Specs Consortium was awarded a $4.9 million World Bank-sponsored contract in October 2006 to provide a more cohesive Integrated Personnel Payroll and Information System (IPPIS). In May 2009, the House of Representatives Committees on Customs and Excise revealed that approximately half of the Nigeria Customs Service's 20,000 employees were ghost workers. Through the deployment of the IPPIS, Mr. Olusegun Aganga announced in July 2011 that the federal government has removed a total of 43,000 ghost workers from the former payroll of 112,000 employees in different MDAs between 2010 and 2011. In February 2012, the Chairman of the Nigeria Pension Reform Task Force, Ahaji Abdulrasheed Maina, revealed that his team discovered 71,133 fraudulent pensioners after completing a successful national biometric

verification of pensioners. In addition, N151 billion at fraud was discovered in pension offices around the country (Adongoi & Victor, 2016).

Despite the available documentation proof, particularly from banks, none of the identified beneficiaries of the ghost worker fraud has ever been prosecuted, convicted, or even ordered to refund all stolen monies or forfeit any assets or property gained from the scheme. Inexplicably, these unseen "blood sucking" monsters have continued to oppressively thrive and torment us for the past three years, as the following, more recent media stories reveal. "The federal government is looking into 11,000 phantom workers" (King, 2016). "The Federal Government is examining an additional 11,000 people to see if they are ghost workers," says Finance Minister Kemi Adeosun, "but approximately 23,000 such workers were recently identified, saving the government N2.29 billion monthly." The EFCC is looking into the payment of N1b to "ghost employees" (King, 2016). "Investigators are looking into new leads in the suspected use of public funds to pay 23,000 phantom workers."

Slush funds, The Economic and Financial Crimes Commission (EFCC) was taken aback when they discovered that the majority of the slush accounts used in the pay scam had either a faulty or non-existent Bank Verification Number (BVN). Ms Chinelo Amazu, the Director General of the Pension Commission, has also been summoned by the Minister to testify before a panel investigating how Pension Funds Administrators (PFAs) reportedly produced bogus PFA numbers for "ghost workers." According to Magu, the EFCC has identified 37,395 phantom workers in the federal public service. (Adongoi & Victor, 2016). "The EFCC chairman said in Abuja that the agency has discovered 37,395 phantom workers on the federal public service payroll. "In terms of procurement scams, the number of petitions coming to the commission pertaining to violations of the Public Procurement Act 2007 has increased dramatically," he added. According to Osibanjo, the federal government has discovered 5,000 additional phantom workers (Adongoi & Victor, 2016) "Prof. Osibanjo stated the administration discovered an extra 5,000 ghost workers in the public service while speaking at a church event in Ogere, Ogun State. The finding brings the total number of phantom workers discovered under the Single Treasury Account to 40,000. (TSA). "The FG has removed 50,000 fraudulent personnel from the payroll" (Adongoi & Victor, 2016).

According to Garba Shehu, Senior Special Assistant to the President on Media and Publicity, the government has embarked on continuous auditing of government departments' salaries and wages, as a result of a notable initiative by the Federal Ministry of Finance's Efficiency Unit; as a result, about N13 billion will be saved from the existing monthly salary bill of N151 billion as of February 201. Additionally, N1.1 billion will be saved from the current monthly pension cost of N15.5 billion. Sadly, based on the preceding, the federal, state, and 774 local governments throughout the country may have more ghost workers on its payroll than actual employees (King, 2016). Despite the removal of thousands of ghost workers from government payrolls, government recurrent expenditure budgets have continued to rise rather than fall; worse, both the federal government and some state and local governments owe a backlog of several month salaries, which they are now attempting to fund with high-cost loans (Ziad, 2015).

On Monday, June 10, 2013, the Federal Government said that it had discovered 46,821 ghost workers in 215 of its ministries, divisions, and agencies where the Integrated Payroll and Personal Information System – IPPIS – had been implemented. The IPPIS is a government-developed system that aims to improve effective personnel cost planning and budgeting by using real, confirmed statistics rather than estimations. Dr. Ngozi Okonjo-Iweala, the Minister of Finance, announced the news during her presentation at the 2013 Ministerial Platform in Abuja.

Furthermore, according to Okonjo-Iweala, the IPPIS has 153,019 members of staff from 215 MDAs as of January this year. Most notably, work is now underway to integrate the remaining 321 MDAs into the system. This was also part of the reform initiatives aimed at increasing openness and accountability in government resource management. "The Integrated Payroll Personnel and Information System (IPPIS) improves the effectiveness of personnel cost planning and budgeting since personnel costs are based on real verified data rather than estimates," the minister added. As of January 2013, 215 MDAs (153,019 employees) are on the IPPIS, saving N118.9 billion in payroll costs to date, while work continues to bring in the other 321 MDAs not yet on the IPPIS. In terms of locating 46,821 phantom workers (Jing, 2013). The Federal Government of Nigeria found 80,115 phantom officers on the payroll of the Nigeria Police Force after merging the force's payroll into the Integrated Payroll and Personnel Information System (IPPIS) (King, 2016). According to a Premium Times article, the Nigeria Police Force had 371,800 people on its payroll prior to the merger. However, a later audit by the Office of the Accountant-General of the Federation revealed that the total number of employees was 291,685, with a gross compensation of roughly N22.3 billion. According to Presidency sources, the NPF was eventually enrolled into the Integrated Payroll Personnel and Information System (IPPIS) after overcoming stiff opposition "including sponsored protests by policemen in Abuja and Lagos," which revealed that officials of the force had padded the monthly emolument register with 78,315 ghost personnel (Lekubu, 2013).

Challenges of Integrated Personnel Payroll and Information System (IPPIS)

Although the integration of personnel records and payroll has reduced paperwork, end of month activity is still partly paper based. Hard copies of nominal roll are sent by the open hand open space to the respective MDAs for staff verification and processing of warrants before sending the hard copies of nominal roll and warrants to the AG for payment. However, the AG who is one of the few that has access code to the HRMIS, does reconciliation of the hard against the electronic versions of nominal roll before authorizing payment of salaries. This is undoubtedly a long process dependent on paper, which is subject to human errors and possible financial leakages, and some delays in payments. This process can be shortened with the consolidation of IPPIS. Integrated and consolidated reporting has been difficult without a comprehensive database. The current human resources management information system (HRMIS) still does not have comprehensive personnel information. For example, it does not have information to track career progress, develop workforce and succession plans or develop employee capacity based on needs and performance. It however has some information for tracking nominal seniority in the service such as date of appointment and dates of last two promotions of officers etc. It can also generate a report outlining on each employee's total compensation package for management when required.

Some of the possible challenges when information is not fully captured and/or is not fully integrated with payroll are: Collating, inputting and controlling the HR and payroll data is challenging making it difficult to combine information for reporting which may delay the production of reports as you deal with different types of databases such as paper based and electronic; loss of revenue due to leakages in payroll system and inefficient HR record keeping that is manually driven. Non-employees ("ghost workers") and non-existent/dead pensioners in the database and payroll are now being handled.

2.2   Theoretical Framework

Institutional Theory

Institutional theory examines the deeper and more durable components of social organization, according to Nagalinagm, Mangala, and Kumudine (2015). The mechanisms through which structures such as cognitive, normative, and regulatory structures, as well as norms, rules, and routines, get established as authoritative guides for social behavior and practice are the subject of this theory. The new recognized behaviors, regulations, and norms that must be followed in Nigeria's public accounting framework, and the question common in this theory and addressed here is whether these recent changes (financial management reforms) are attributable to normative or regulatory practices. This theory is concerned with practices that have been the topic of recent events in the public sector. Adoption of IPSAS, TSA, GIFMIS, and IPPIS, among other things, can improve the technical efficiency of the business or institution implementing these techniques (Nagalinagm et al., 2015). It also legitimizes conventional procedures, and if they aren't followed, the organization is labeled illogical, crooked, and incompetent. The total impact of these reforms is to promote organizational uniformity, with the MDAs serving as a point of reference throughout Nigeria. It can even go so far as to assure worldwide uniformity, and this structure was designed to enhance efficiency, effectiveness, openness, and accountability. This makes the theory serve as a benchmark for this study.

Public Finance Management Theory

This theory believes that government should effectively manage all elements of financial resources, including mobilization and expenditure, for the benefit of citizens. It includes resource mobilization, program priority, budgeting processes, resource management efficiency, and the use of control to counsel against dangers. The purpose of the Treasury Single Account (TSA) is to prevent the misuse of public monies.

2.3   Empirical Review

Enakirerhi and Temile (2017) investigated Nigeria's Integrated Personnel Payroll and Information System (IPPIS) by examining the obstacles of implementation, the advantages that would be realized after IPPIS is completely implemented, and what the future holds. The study was descriptive in nature, and the data was gathered from primary sources using a five-point likert scale questionnaire. According to the report, the primary benefits of IPPIS include accurate and trustworthy personnel information, the reduction or eradication of corrupt and sharp activities, and the facilitation of contemporary scientific and accurate budgeting and forecasting. These advantages, however, are jeopardized by a lack of skills transfer, a lack of supporting infrastructure, technology obstacles to infer MDAs transfer, stakeholder opposition, and a lack of desire to adopt quickly.

Unauthorized employment as an increasing feature of ghost employees and payroll fraud was investigated by Oguzierem and Sofiri (2017) in Bayelsa State, and how it impacts salary bills of Local Government Areas (LGAs) and Rural Development Areas (RDAs). Ex post facto research was used in this study, and data was gathered from secondary sources. The findings of the study indicated that public office holders in LGAs and RDAs in Bayelsa State engaged in continual unlawful employment for monetary and other motives, bloating the wage bill and diverting monies allocated for local area development. The research proposed, among other things, that

employment-related problems be handled by the Local Government Service Commission, which would be subject to rigorous guidelines established by the Governor.

Ikechukwu and Chikwe (2015) were focused on local government areas in IMO state on phantom workers' syndrome and electronic human resources management. The study employed a descriptive method and data from the 164 surveys were obtained through a five-point Likert Scale questionnaire given by senior staff members of the seventeen selected local administrative districts in Imo State. The results of the Mann Whitney test (U) revealed that the maladies that have infested the Nigerian local government system can be addressed through the effective deployment of electronic human resources management tools, which will result in a reduction in personnel costs, allowing the LGAs to better position themselves for effective and efficient grassroots service delivery.

The effects of ghost names in Ghana on the Government Wage Bill were studied by Nyaledzigbor (2015) on Payroll Fraud. The goal of this study is to extend the conceptualisation of the fraud triangle theory to Cressy by selecting 85 heads of public agencies to participate in the survey to evaluate the applicability of the graft estimate model of Reinikka and Svennson using non-probability quota sampling systems. The results indicate a statistically significant, positive link between the amount of chances for ghost employees and the number of ghost workers using correlations and multiple regression as a technique of analysis. The size of government agencies, on the other hand, had a negative connection with both the number of possibilities for ghost workers and the number of ghost workers. Revision of the Financial Administration Act of Ghana by establishing additional controls in payroll administration at the Controller and Accountant General's office is one of the proposals for social transformation.

Idris, Adaja, and Audu (2015) investigated the consequences of ghost employees' syndrome and how the Integrated Personnel Payroll and Information System (IPPIS) may be used to combat the problem in the public sector. For data collecting, the researchers used both primary and secondary sources. Simple percentages, frequency tables, mean scores, and the spearman rank order correlation approach were used to evaluate the data. The study indicates that the occurrence of ghost workers in the public sector is extremely likely. In Jordan, Ziad (2015) performed study to determine the efficiency of IPSAS implementation. To achieve their goal, SPSS and other statistical tools were used, and the study discovered that the Jordanian public sector was poor in its implementation of IPSAS, and it was advised that it be used more widely and that its application be monitored more effectively.

3.1   Methodology

This study basically adopted a field survey research design in which structured questionnaire was designed and distributed to the respondents as a means of gathering information. This study used primary source of data due to the fact that the data needed from this study will be obtained by the field survey of knowledgeable individuals through the administration of questionnaire to respondents. The population of this study focus on government Ministries, Department and Agencies. The population shall consist of staff of Lagos State Civil Service from Grade Level 08 and above and who have been in the Civil Service before the implementation of IPPIS in the state. Purposive sampling technique was used to sample 100 respondents from the government MDAs who are State Civil Service in Nigeria which are easily accessible for the researcher. For the purpose of this study, the needed data was collected with the use of questionnaire designed to elicit the needed responses on the effect of integrated personnel payroll and information system (IPPIS) on payroll

fraud in Nigerian public sector. One hundred (100) questionnaires were administered to Lagos State Civil Servant. Therefore, 100 questionnaires were raised and distributed to the respondents in order to achieve the objectives of this study. Method of data analysis for this study was frequency analysis and chi square t-test econometric models which explain the variation in the values of the independent variable on the basis of change in other dependent variables.

4.1 Data Analysis, Interpretation and Presentation

Table 1 shows the reliability statistics using Cronbach's alpha test. The acceptable reliability coefficient is seventy or higher in most social science research. Excellent values are between seventy percentile and eighty percentiles, while very good values are between eighty percentile and ninety percentiles. As a result, the majority of the variables received a score of at least 0.70, implying that the research instrument is trustworthy due to its high degree of internal consistency.

Table 1 Reliability Statistics

Cronbach's Alpha	N of Items
0.715	10

Source: Author's computation 2021.

Likewise, the survey contained questions of a demographic nature. The sample included individuals whom 58% were female and 42% were male. The respondents were also asked to indicate their Grade Level. The study found that majority of the respondents which constitute 79% of the respondents were above GL 08. The age bracket of the respondents was required. It was revealed that two third of the respondents, 66% were between the ages of 40-49years, one quarter of them between 20 to 39 and 9% were 50 years and above. Majority of the respondents representing 59 percent of the respondents indicated that they have year of service of more than 11 years. The respondents were required to indicate their educational qualification. Majority (68%) of the respondents indicated that they possessed either BSC/HND qualification. The second set of questions, measured through Likert-type scales, investigate the effect of implementation of integrated personnel payroll and information system (IPPIS) on ghost workers and unauthorized staffs in the Nigeria public sector. The Likert scale used in the study comprised of four scale points with labels ranging from strongly disagree to strongly agree. The data is measured and scrutinized by inspecting the regularity of occurrences and the importance of the problem. The research findings pertaining to payroll fraud will be discussed below.

Table 2: Frequency Distribution of Responses

	Factors	Responses in %				
		SA	A	D	SD	Total
i.	Payroll fraud is one of the serious challenges faced by the government as a result of corruption in Nigeria	33	29	25	13	**100**
ii.	The advent of IPPIS helps to checkmate the problem of payroll fraud and save government a lot of irrelevant cost.	33	32	20	15	**100**
iii.	IPPIS aid in correcting the inaccuracies and fallacies among government MDAs payrolls.	32	48	16	4	**100**
iv.	Implementation of IPPIS leads to reduction of ghost workers in the Nigeria public sector	41	47	9	3	**100**
v.	IPPIS has void the ministry of ghost worker syndrome due to centralization of personnel data	22	61	10	7	**100**
vi.	IPPIS enhance the opportunity for staff training and development in public sector by minimizing ghost workers in public sector	35	40	15	10	**100**
vii.	IPPIS enhance provision of appropriate Personnel information to ensure that no unauthorized staff is find in the payroll	12	46	25	17	**100**
viii.	IPPIS has brought about efficiency in public sector as genuine staff is being employed	23	38	28	11	**100**
ix.	Adoption of IPPIS through employment of authorized staff enhances the morale of employee in the public sector and promote team work.	13	48	32	7	**100**
x.	With the implementation of IPPIS it's difficult to make mistake during salary payment	17	27	33	23	**100**

Result from table 2 present the distribution of the respondents from the government MDAs who are State Civil Service in Lagos on effect of implementation of integrated personnel payroll and information system (IPPIS) on ghost workers and unauthorized staffs in the Nigeria. Majority of the respondents opined that IPPIS has a huge positive effect on the payroll fraud in Nigeria. Respondent from the government MDAs who are civil servant in Lagos State Nigeria opined that there exists positive relationship between implementation of IPPIS in Nigeria public sector and its exhibit a significant effect in curbing and preventing the payroll fraud activities such as ghost workers as well as the unauthorized employment in public sector from the unanimously agreement presented in the frequency table. These findings were further supported by chi-square test.

Chi- Square Test Statistics

Test Statistics

	IPPIS and Payroll Fraud
Chi-Square	288.415[a]
df	13
Asymp. Sig.	.000

a. 0 cells (.0%) have expected frequencies less than 5. The minimum expected cell frequency is 14.6.

The chi-square test showed that with chi-square stat of 288.415 and a degree of freedom of 13, the test statistics is significant at 1% level since the probability value 0.000 which is less than 0.01. This means that there is a significant relationship between implementation of IPPIS and payroll fraud in Nigeria public sector. This finding is in tandem with the Enakirerhi and Temile (2017), Ikechukwu and Chikwe (2015) whose studies found a significant influence of IPPIS on ghost workers and unauthorized employment in government parastatals.

5.1   Conclusion and Recommendation

The problem of payroll fraud has become quite pronounced and noticeable considering the present economic realities in the country. This fraud ranging from ghost workers, unrecognized staff, false wages claim etc. has dampened the purse of the government. Rendering the government incapable of paying the actual and recognized employee in the public sector. This prompt the introduction of Integrated Personnel Payroll and Information System (IPPIS) by the government to capture the bio-data of her staff and fished out the ghost ones. The integrated payroll and Information System and the integrated Financial Management System have enabled the use of government funds to improve transparency and accountability. As the focus of this study is to investigate effectiveness of IPPIS on the payroll fraud using ghost workers and unauthorized employment as a dimension of payroll fraud, empirical findings revealed that IPPIS has a positive and significant influence on ghost workers and unauthorized employment fraud of Nigeria public sector. Therefore, this study concluded that IPPIS has a positive and significant effect on payroll fraud of Nigeria public sector. The study recommends IPPIS should be enforced in all government parastatals as well as agencies in order to broadened employment opportunities, reduces corruption in the public service and reduced personnel costs. More importantly, because the adoption and implementation of IPPIS will increase public confidence in payroll costs and budgeting, improve management reporting and information, rebuild public confidence, provide opportunities for improved infrastructure, and create a conducive work environment and job security, the government must make all government MDAs aware of the benefits associated with IPPIS adoption.

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