

**PROGRESS REPORT ON PAYROLL CLEAN-UP PLAN**

**Objective: - To formulate and implement measures to clean up the payroll data and ensure integrity of data**

**PROGRESS AS AT END OF DECEMBER 2015**

MEASURES	DETAILED ACTIVITIES	PROGRESS AS AT END SEPTEMBER, 2015	RESPONSIBILITY	TIMELINE	TENURE	COMMENTS
<b>A. Cleaning of payroll database and payroll data</b>	<b>A.1.</b> Provide data on the payroll to all Unit Heads for verification on the first day of each month	With effect from September 2014 (recent data submitted is November 2015) Monthly Mgt. Unit data for MDAs have been provided to Sector Ministers.  Feedback are updated on the payroll system by both PPSs and or CAGD  The feedbacks cover broad range of issues such as 1..alignmentof organizations 2.Non alignment of staff 3.request for merger of management units 4.Differences between the nominal roll and the payroll data 5.deletion of separated staff 6.budget overruns	CAGD/MDAs	On going		
	<b>A. 2.</b> Use verified data to update the payroll records	As at end December, 2015 the E-SPV system has been deployed in 9 regions, namely Gt. Accra, Ashanti, Brong Ahafo, Northern, Upper East, Upper West, Western, Central and Eastern regions.  As part of the E-SPV validation and certification of monthly payroll data, all Heads of management Units in	CAGD/MDAs	Nationwide rollout to be complete by January, 2015	Verification and update of data is a continuous activity	

	<p><b>A.3.</b>CAGD/MOF will coordinate the verification exercise (involving Chief Directors)</p>	<p>Greater Accra, Ashanti and Brong-Ahafo Northern, Upper East and Upper West, Western , Eastern and Central regions now certify online the staff to be paid for their management units for a particular month</p> <p>A focused training on the report available on the E-SPV has been given to stakeholders of the MDAs and MMDAs as part of the roll-out to enable them maximise the benefits of the system.</p> <p>Chief Directors have been sensitized on the verification and collation of data from Districts to Regions and Headquarters of MDAs. Reporting template was developed and circulated to Chief directors.</p> <p>The report for November was circulated at the end of December</p>	CAGD/MOF		Short term	<p>In view of the practical difficulties of collating information from the Districts, it has been agreed that feedback from E-SPV which is currently being used will serve the same purpose. However, feedback from monthly payroll reports from Sector Minister (in A1 above) is used to update the payroll.</p>
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	<p><b>A.4.</b> Suspension, validation and possible restoration of employees with “zero” bank accounts.</p>	<p>Salaries of about 47,186 employees with zero bank account were suspended in Sept &amp; Oct.</p> <p>As at end of February, 2015, 44,496 names have been validated by the Audit Service and recommended to be</p>	CAGD/Audit Service	Completed in Feb, 2015	Audit Service has provided final report and brought a closure to the verification and restoration of	<p>BNI is yet to submit the report on the investigation conducted into the 2,690 staff</p>
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	<p><b>A.5. Audit &amp; investigation of staff with zero bank accounts who may not be restored back to the payroll ( i.e. potential ghost employees)</b></p> <p>Use current biometric data base at MOF to validate employees with zero bank accounts restored onto the payroll</p>	<p>restored for payment. This leaves 2,690 not validated by the Audit Service.</p> <p>Of the number validated 44,496 have been restored onto the payroll by end January 2015. The names of the remaining 2,690 who failed to present themselves to the Auditor General to validate their position were submitted to the Bureau of National Investigation (BNI) for investigation.</p> <p>February was the last month of update of payroll with suspended names for zero bank account.</p> <p>Names not restored as per the Auditor General's report on the validation has been handed over to BNI for investigation and appropriate sanctions to be applied</p> <p>As part of the reforms, a reconciliation of the payroll data with that of MOF was undertaken. A preliminary report shows that 1,277 employees were paid on the payroll without the biometric registration. These staff were suspended and were restored only after biometric registration</p> <p>Biometric re enrolment of 327,864 staff on CAGD payroll have been completed by SSNIT.</p> <p>Discussion on the interface for continuous verification has begun with</p>	<p>Audit Service, CAGD &amp; BNI</p>	<p>Report expected from BNI</p>	<p>employees with zero bank account.</p>	<p>Going forward, it has been decided to interface the payroll with the biometric data base of SSNIT</p> <p>The remaining staff will be enrolled by May</p>
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		<p>full participation of PSC because of the HR relevance of this activity</p> <p>Interface requirement have been agreed for implementation</p>		Interface will be completed by July 2016		
	<b>A, 6.</b> Suspension of staff without financial clearance	<p>Names without financial clearance were suspended from the payroll by the CAGD</p> <p>Continue to enforce the policy of Financial Clearance as precondition for payment of salary on the payroll.</p>	CAGD		On-going activity	
	<b>A, 7.</b> Use report on feedback from the E-Payslips system to update records (investigate complaints and take necessary action)	<p>Employee feedback from the E- payslip system are forwarded to MDAs for resolution. Issues to be addressed by CAGD are duly actioned.</p> <p>Meanwhile, some feedback from employees through the E-payslip system have been addressed by CAGD on the payroll</p>	CAGD	Continuous activity	Ongoing activity	
	<b>A, 8.</b> Complete roll out of the E-SPV nationwide to enable Unit heads of all MDAs to review and approve staff to be paid at end of every month	<p>Roll out of the E-SPV completed in 9 regions i.e Greater Accra, Ashanti, Brong Ahafo Northern, Upper East and Upper West, Western and Central and Eastern Regions. E-SPV validation is now mandatory for MDAs and MMDAs in these regions and form the basis of payment of salaries to employees for a particular month.</p>	CAGD	January, 2015	Short term	<p>Development of the system was outsourced</p> <p>Roll out of system being done with private sector support</p>

	<p><b>A.9.</b> Recovery of ineligible payments to potential ghost employees</p>	<p>Validation process for zero bank account has been completed and a report issued by Audit Service at end of February.</p> <p>Recovery of salaries made through the banks are paid into salary suspense bank accounts at Commercial and Rural Banks and transferred to Salary suspense bank account with BOG</p>	<p>Economic and Organized Crime Office (EOCO)/Attorney Gen. Dept.</p> <p>BNI</p>	<p>A continuing activity</p>	<p>Short term</p>	<p>Internal</p> <p>Final report from BNI is yet to be issued</p>
	<p><b>A, 10.</b> Conduct HR Audit (this will involve census as well).</p> <p>Outcome of audit will be used to update the payroll data</p>	<p>HR audit with private sector support is currently on going. The first batch of report covering the Ashanti region has been submitted to CAGD for suspension of 2,706 staff who did not present themselves for verification</p> <p>CAGD has issued press release for staff to contact their MDAs and the District Auditor General staff concerning procedures for reinstatement</p>	<p>Public Service Commission /CAGD/MOF</p>	<p>June, 2016</p>		<p>The HR audit was conducted with private sector support</p> <p>Reports for other regions are yet to be received</p>
	<p><b>A, 11.</b> Compile list of employees without SSNIT numbers and reconcile with SSNIT data. Investigate employees on the payroll who do not have SSNIT numbers.</p>	<p>Staff without SSNIT numbers totalling 27,805 are on the payroll as at end of June. As at end December, 2015, the total number of staff on the payroll without SSNIT numbers was 5,975 of which GES is 1,848 and others 4,127 The 5,975 names were suspended from the October payroll and the names will be submitted to BNI for Investigation.</p> <p>SSNIT has resumed biometric registration of contributors with priority being given to GoG employees on</p>	<p>CAGD/SSNIT</p>		<p>Immediate</p>	

		<p>CAGD payroll. This is the first step towards interfacing CAGD system with SSNIT system for periodic verification of employees. Verification of employees using the SSNIT system is expected to begin by July 2016.</p> <p>As at end December 327,864 employees on the mechanised payroll were enrolled on SSNIT biometric system out of the August total of 467,781 eligible SSNIT contributors.</p> <p>SSNIT biometric registration is expected to be completed by May 2016 and will be followed by continuous verification of staff.</p> <p>Initial discussion on the biometric interface with SSNIT has begun and the interface requirements have been agreed</p> <p>CAGD is collaborating with PSC to implement the Biometric Interface with SSNIT</p>				
	<p><b>A, 12</b> Biometric validation of employees at the point of payment using E-zwich database.</p> <p>National Service personnel to be paid via E-zwich</p>	<p>With effect from February, 2015 National Service Personnel are paid monthly on the E-zwich system.</p> <p>Use of E-Zwich for employees on the mechanized payroll, as a form of identity verification at point of payment rests on the success story of payment of National Service allowances on E-zwich.</p> <p>Technical Committee of GhIPSS and CAGD is developing a nationwide</p>	GhIPSS/BOG/Commercial banks.		Short term	Integration is to be outsourced

	<p>Biometric validation of employees on the mechanized payroll</p> <p><b>A, 13,</b> Payment of a x% of salaries on E-zwich cards of employees. Pay all employees on the mechanized payroll via E-zwich</p> <p>Request all employees on the mechanized payroll to register for E-zwich on regional basis, starting with Greater Accra Region</p>	<p>rollout strategy for payment of employees on the mechanized payroll through the E-zwich</p> <p>GhIPSS has provided certification on the readiness of the banks for the roll out of E-zwich system to employees in the Greater Accra Region</p> <p>Integrate current biometric database with payroll. The current bio database is centralized and will not provide effective system of periodic validation of staff.</p> <p>With respect to use of the E-Zwich to pay employee on the mechanised payroll, an exchange of files between CAGD and GHIPSS systems has been completed. Data of 78,572 government employees in Greater Accra Region has been analyzed, on E-zwich system. Strategy for roll out is being done by CAGD/GhIPSS. Stakeholders meetings between GhIPSS and MoF as well as various Labour Unions and the Cabinet Committee on Payroll management has taken place in preparation for the roll-out to Public Servants on CAGD payroll as a whole.</p>	<p>MOF/CAGD</p> <p>MOF ( to be done under PFM phase 2)</p> <p>CAGD/GhIPSS/BOG/Commercial banks</p>	<p>June 2016</p>	<p>Medium (integration with current database)</p> <p>Short term</p>	<p>CAGD will make another press release for employees in the Greater Accra Region to begin registration with their salary bankers</p> <p>E-zwich roll out will be on regional basis ,starting with Greater Accra in May 2016</p>
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	<p><b>A. 14.</b> Implement improved business processes with introduction of E- payroll input forms that provide ready audit trail to act as deterrent to submission of fraudulent forms.</p> <p>Automation of 1 input forms will be undertaken by CAGD except those that are being developed by PSC</p> <p><b>A.15</b> Inter Ministerial Committee will publish quarterly report on implementation of the Clean-up plan.</p> <p><b>A.16 Migration of Subvented organisation</b></p>	<p>Procurement process for the award of contract for the development of the E-forms have reached the stage the evaluation of tender.</p> <p>Interim report for third quarter 2015 has been produced and published.</p> <p>Report for period ending June, 2015 has been approved by Cabinet Committee on payroll.</p> <p>This report will be published by end 23<sup>rd</sup> October, 2015</p> <p>The migration of smaller subvented organisation such as VAG, Africa Bio fuel and centre for distance and open learning have been completed</p> <p>The revised policy to interface rather than migrate state universities on the basis of the strength of their Payroll System is being implemented.</p> <p>A technical meeting is underway to establish the strength of each university payroll system and it qualification for interface</p>	CAGD/PSC	June 2016		<p>To be outsourced. Procurement process in progress</p> <p>The expected completion date of May 2016 for this activity is not likely to be met because of resistance to the initial policy directive and the need to adopt a different approach all together</p>
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		Interface discussion has however started with University of Ghana				
<b>B .Merger of payrolls</b>	<b>B, 1.</b> Alignment of Management Units to the correct Divisions/Dept. and the Ministries and alignment of staff to the correct management units	Alignment of management units on the payroll has been completed. However, reconciliation of the data with the HR data of MDAs has revealed some fall outs that are being reviewed and addressed with MDAs, PSC (as part of HRMIS) and CAGD. Fall outs in the Chart of Accounts have been addressed.	CAGD	Completed	Short term	Combination of Internal and Outsourced
<b>B, 2.</b> Aligning of the structure of data in IPPD3 to IPPD2 and vice versa and loading of data on IPPD3 to IPPD2 and vice versa	Migration of IPPD3 data onto IPPD2 and reconciliation is completed up to the month of December 2015  Loading and reconciliation for January data is currently on-going.	CAGD	Merger of the two data bases to be completed by March 2016	Short term	Outsourced & Internal parallel data capture of GES data on IPPD 2 will start in February	
<b>B, 3.</b> Audit of the Payroll systems	The CAGD contracted Messrs Ernst and Young a private Audit	CAGD	Completed	Short term	Audit has been outsourced.	

	<p>Firm to audit the two payroll systems (IPPD 2 and IPPD 3). It may be recalled that KPMG conducted a payroll assurance on the IPPD 2 payroll system in 2012 and submitted its report to the CAGD. The auditors have submitted a final</p> <p>Report in August and which was also presented to some Development Partners on 21<sup>st</sup> October 2015.</p> <p>Tender process is underway to fix some of the weaknesses identified through the audit.</p>				<p>The audit which is a system audit of a computer environment was expanded to include issues on the HR practices at the MDA level.</p>
<b>C, 1. Upgrade of Payroll</b>	<p>The potential risks associated with reporting platform as noted previously have been addressed as part of the payroll upgrade. The reporting tables are now permanent structures within the application itself and are viewed.</p> <p>Processing time for payroll on IPPD 2 has</p>	CAGD	Completed		Outsourced

	<p>been reduced from 21days in 2011 to 3days in 2015. More time is now devoted to payroll checking, including time for E-SPV validation.</p>				
<p><b>C, 2.</b> Review of user access on the system</p>	<p>Audit issues raised in the KPMG reports on user access have been largely addressed.</p> <p>User responsibility per our business rules has been reviewed and user assignment on the system is being updated. System Administrators for payroll, and GIFMIS financials have been identified with clearly defined roles to enable them regularly update user access on the system.</p> <p>Payroll manual was developed in July 2014 and spells out the duties and responsibilities of the different users in the system. However, a review will be carried out and the manual updated to reflect changes in business</p>	<p>CAGD/MDAs</p> <p>CAGD/MDAs</p>	<p>September, 2015</p> <p>October, 2016</p>	<p>Short term</p>	<p>Internal and Outsourcing</p> <p>The existing responsibility matrix will be reviewed for proper documentation as well as expansion to cover the integrated environment</p> <p>The development of the integrated responsibility matrix and together with their documentation are going through tender process under the world bank sponsored programme of IFMIS</p>

	processes arising from audit recommendations. The tender process for this job has started				
<b>C. 3</b> Develop an ICT policy to guide ICT management	Review to be done by March, 2016 when all system improvements processes would have been completed	CAGD	Completed 2013		
<b>D,1.</b> Submit recommendations for prosecution as identified in the investigative report	Some payroll fraud cases are currently in the courts and others are being investigated by BNI	Attorney General's Dept./BNI	On going		Internal
<b>D, 2 .</b> Bank Accounts have to be opened at Regional level for transfer of salaries into suspense.	These accounts are monitored by the CAG Directors at the regional level.	CAGD	Continuing activity		Internal
<b>D. 3.</b> Large scale public audit to be launched.	This activity has been re-evaluated. The decision is to rely on outcome of HR audit to be undertaken by PSC to update the payroll	CAGD	June, 2016		Internal
<b>D, 4.</b> New payroll management guidelines to be adopted	New guidelines to be adopted after		September , 2016		

	completion of all reviews on the payroll				
<b>E,1</b> ,Integration of Payroll to GIFMIS HRMIS, GIFMIS Financials and GIFMIS Hyperion ( budget)	Integration of IPPD2 into GIFMIS financials was completed in June 2014  Work is currently on-going on the integration of HRMIS and Hyperion onto to the payroll	GIFMIS Team/MOF and PSC  Completed		Short term	
<b>E, 2.</b> Implement budgetary control over payroll cost  <b>Payroll integration with GIFMIS Financials</b>	Full effect is dependent on the integration with GIFMIS HRMIS and Hyperion.  The objective of this activity was to integrate the payroll system (IPPD), the HRMIS and the GIFMIS financials to run on common database. This would also help implement set-ups to achieve seamless posting of payroll cost into the General ledger	CAGD	June 2016	Short term	Internal /Outsource

	<p>for reporting in the Public Accounts, instead of the manual journalisation. As part of the process, the Payroll Structure has been aligned with the Harmonised Chart of Accounts (Organisational Segment), vis-a-vis the budget structure. So far, the integration has been completed and the payroll structure has also been aligned to the CoA awaiting availability of server environment (cloned instance) to carry out final testing of the set-ups for deployment. Ultimately, budgetary controls would be achieved when the HRMIS is fully functional and deployed to MDAs.</p>				
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<p><b>E,3</b> .Install replication server on IPPD2 to ensure continuous data capture onto the payroll.</p> <p>Management has adopted an alternative approach that will allow data entry round the clock and in addition provide for online approval of entries by MDAs and the validation by CAGD.</p>	<p>Replication server is to ensure availability of the system to MDAs during payroll run to allow for data entry. Business and validation processes have been reviewed to facilitate implementation.</p> <p>Project is going through tender process at IFMIS</p> <p>The e- form too is under tender consideration</p>	<p>CAGD</p> <p>CAGD</p>	<p>March, 2016</p> <p>September, 2016</p> <p>August, 2016</p>	<p>Short term</p>	<p>Solution will be developed for continuous data capture by September 2016</p>
<p><b>E,4</b>.Disaster Recovery Implementation at Ho for all GIFMIS applications</p>	<p>The DR is currently up and running. However, network limitations only allow updates twice a week.</p>	<p>CAGD</p>	<p>October 2015</p>	<p>Short</p>	<p>Has been outsourced</p> <p>The Eastern corridor fibre now in Ho, is expected to enhance the connectivity so that daily updates can be achieved.</p>
<p><b>E, 5</b>. Network Connectivity</p>	<p>On going</p>				<p>Installation of Redundant Network to be outsourced</p>

E,6. Hardware and Software support	Support of the hardware and Software are outsourced through a Service Level Agreement with Service providers				
	1. Services currently outsourced	CAGD			Developed IPPD 3 and provides system support for the IPPD 3 System. Processing of monthly Payroll (for GES and Pension ) has been outsourced.. Payroll is processed based on data keyed into the system by MDAs
	2. Support services for the IBM servers and operating systems	CAGD			Periodic support for the IBM servers and operating systems outsourced