

## Payroll Fraud in Nigeria Public Service: Its Evaluation and Nexus with the Efficiency of the Service

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### Abstract

*This paper examined the alleged perversion of public funds through payroll system and its nexus with the efficiency of the service. The study gathered secondary data from the published official records of various government-commissioned verifications on payroll and salary administration in the public service, which were empirically evaluated. To complement this data were also garnered from the responses on the 30-item structured questionnaire administered on many stakeholders across the five (5) Eastern States along the following concerns: adequacy of tools deployed on payroll operation; enforcement agencies, fraud disclosure and reporting; sustainability of regular enquires on wage payment, and possible collaborative employer-employee role in fraud. These data tools and distribution of frequencies on variables powered the descriptive survey and explanatory research design used. The responses were accordingly quantified using the polychotomous variables, the likert ratings, with varying values. The data were analyzed using the Analysis of Variance (ANOVA) statistical tool. The findings validated the inadequacies in the tools used in payroll administration, the poor engagement of enforcement agencies, the inadequacy of the tools for fraud disclosure and reporting, the poor sustainability of efforts on regular enquires on wage payments and the unfortunate collusion by some employees and the management staff in the promotion of payroll fraud. On the basis of these the work recommended multi-dimensional remedial efforts, including the intensified use of forensic techniques in fraud control.*

**Keywords:** Payroll fraud, public service, forensic, ghost worker, salary, wage.

### 1. INTRODUCTION

Labour as a factor of production is rewarded in the form of salary or wage. The core subject area of human resource management (HRM), and particularly, employment contract, is replete with deep concerns about salaries and wages, and their relative implications. Salaries and wages share common features of being rewards or consideration for labour, which are mandatory by law (Sule, Amuni, Obasan & Banjo, 2015). They however differ on the basis of inputting them.

Salaries relate to the routine periodic payments, usually monthly, for labour based on affluxion (passage) of time while wages are made in relation to the size of productivity (output). In value terms salaries are fixed while wages are variable and susceptible to more value fluctuations (Sule, Amuni, Obasan & Banjo, 2015). Furthermore, a salary earner, such as a

civil servant, who is predominantly a skilled staff, is paid at the end of the month (passage of time) irrespective of his volume of output and without discounting values for periods of absence from duty. On the other hand, the less skilled wage earner, such as a labourer, is paid on the basis of the actual work performed without the luxury of earning income when not on duty. However, in addressing the central theme of this work, which is on fraud in payroll, no distinction is drawn between salaries and wages, as they are subject to payroll process. Contemporary labour reforms are now granting “relatively stable time-based earnings” to wage earners, as a humanistic approach to improve not only the quantity and quality of output but the wellbeing of the labour force. Accordingly, Essien, as in Sule, Amah and Alagah (2022), laid credence to the interchangeable use of the words “salaries” and “wages” to reflect the convergence of the hitherto payment dichotomy along the lines of skilled and unskilled employees.

The importance of a workman’s remuneration, by way of salary and wage, cannot be over-emphasized, as it cuts across all employment divides. In public governance it is accorded a first-line charge on the consolidated revenue fund (CRF) (Chima, 2014). Also, the bible, showcasing moral and ecclesiastical standpoints, accords salaries and wages a high profile position, as conveyed in the dictum “a labourer deserves his wage” (1 Tim 5:18; Lk. 10:7). These salaries and wages go through an accounting process known as payroll before the labourers receive their deserved “wages”. Over the years, accounting system evolved the payroll system as a veritable means of documenting (recording) and reporting the payment of salaries and wages.

Specifically, the payroll system captures the employee’s income statistics, which comprise earnings due to him (basic/standard income and allowances) and the deductions on these earnings, such as taxes, check-off deductions, etc., to arrive at the net pay (Jibrin, Ejuru & Nwaorgu, 2015), (Nnanta & Ema, 2013). While aligning with this, Umar and Bappi (2023) aptly see payroll as a means through which private and public organizations process and pay employees’ earnings.

The focal point of this work is on the public sector, ostensibly because of its huge wage bill, and its widely perceived high number and value of fraud cases that snowball into hazardous effects on the economy (Appah & Appiah, 2010). The public service was established to execute public policies, and for this, it is enriched with specialized government institutions or agencies that are established by law, financed by public money and staffed by professionals, who are career bureaucrats. The totality of the public servants’ role as career bureaucrats (public servants) is to ensure that there is effectiveness and efficiency in service delivery (Kalu & Ogah, 2021).

## **1.1 STATEMENT OF THE PROBLEM**

The various stakeholders in public service matters hold a consensus position on payroll being an important activity in financial operation that ensures the payment of employees’ entitlements (Umar & Bappi, 2023). This age-long thrust has largely sustained the integrity of public service, in terms of job security and overall propriety in the determination of the employees’ fair earnings. Regrettably, the payroll exercise in recent times has become toxic and riddled with fraudulent overtures that work against the development of the state. There is the prevalence of leakages and misappropriation of public funds meant for employees’ remuneration through inept payroll system being perpetuated through the payment of false claims (Marasco, 2007). These cases have been unveiled through different committees instituted by Nigerian governments across all tiers. They also derive from briefings and publications from authorized officers of government, including commissioners and Chief

Executives. According to Arowolo, Dahumsi and Ojeka (2021), the high incidence of payroll fraud constitutes a high volume of Nigeria's overall financial losses. To respond to complaints of fraud cases government institutions usually set up committees/panels to investigate the allegations. Regrettably, it is observed that anytime an enquiry on wage payment was instituted and carried out the reports always came up with cases of fraudulent improprieties. This means that for periods not investigated possible frauds were left unreported and the culprits left unsanctioned. This is the tragedy of the public service!

The high spate of fraud may be as a result of many systematic problems, including:

- (i) Inadequacy in the deployment of human manpower and technology in payroll operations
- (ii) Poor engagement of enforcement agencies to control the problem
- (iii) Poor fraud reporting system, giving vent to the persistence of the problem
- (iv) No sustained efforts put in place to secure regular enquiries on wage payment as regular exercises
- (v) Greedy attitude of some employees and employers and management members.

The problem of payroll fraud in the public sector has brought a lot of setbacks on the developmental agenda of nations. Public resources are either lost or misappropriated into selfish ends that do not serve public interest. In consequence unemployment, poverty and general economic dislocation are injected into the economy to the detriment of the masses. Against this background research efforts, including this work, are being put to eliminate or control the menace.

## **1.2 Objectives of the Study**

The main objective of the study is to evaluate the problem of payroll fraud in public service with a view to evolving measures for its elimination or reduction. The specific objectives are:

- (i) To assess the adequacy of the deployment of manual means and technology-driven means in payroll operations
- (ii) To assess the efficiency in the engagement of enforcement agencies in fraud control
- (iii) To evaluate the adequacy of the infrastructure for disclosure and reporting of payroll fraud in public service
- (iv) To assess the sustainability of efforts on regular enquires on wage payments
- (v) To ascertain the role of employees and employers in the incidence of payroll fraud and the driving force for the role.

## **2. Literature Review**

### **2.1 Conceptual Review**

#### **2.1.1 The Evolution of Payroll in the Public Service**

The history of payroll in the public service is chequered, as it is as old as the service itself. It started and progressed as follows:

##### **(i) Manual and Decentralized Arrangement:**

Here, the estimated funds for staff salaries were released to the MDAs that subsequently use the listing [payroll] of the individual workers to pay them. The carbonized Kalamazoo paper sheets, which made their debut in 1959, provided the payroll input materials. This manual and decentralized payroll, according to Chima (2014) was effected through cash payroll, for either cash payments at the cashier's table or bank payroll for workers that get their salaries through the banks.

**(ii) Advent of computer-facilitated payroll system.**

This system, whether processed as an in-house electronic system or out-sourced, is characterized by the installation of software packages in the computers to perform various tasks, Nnanta & Eme (2013). The manual technology, though not eliminated, gave way to electronic technology. The forerunner in this technological-driven paradigm was the Common Business Oriented Language (COBOL), and this was followed by the emergence of more sophisticated application softwares.

**(iii) Centralized Payroll System**

The emergence of electronic payroll replaced the manual arrangement which was good, but strongly stigmatized with its decentralized framework that showcased many paying units and inefficient personnel. This invariably created the lacuna of submitting multiple wage bills that, when aggregated, may be higher than the actual salary payable, and this give rise to the obnoxious issue of payroll “padding” or “ghost workers”.

Centralized arrangement replaced this system and under it salaries and wages are paid centrally by a central authority, the Accountant-General. Also, all payroll activities are managed under a single platform. Its advantages include easy accessibility, improved control of activities, with streamlined processes, and secured data sharing arrangement (<https://www.deel.com>).

**(iii) Centralized Payroll in an e-payment platform:**

The new drive of the central and electronically – contrived system blossomed into the emergence of e-payment arrangement, which according to Dankwanbo ,as in Shaibu and Mohammed (2016), is a method of effecting payments from one end to another through the medium of the computer, without manual intervention beyond bringing the payment data. Its implementation generated two options, viz

**(a)End-to-End Processing:**

Here, all the processes from approvals to the receipt of value by the beneficiaries are done electronically and the employers from the convenience of their offices transfer salary value to the beneficiary staff’s account through the bank platform. The bank installs its platform on an internet-enabled computer located in the customer’s office (Accountant-General’s Office), and from there he can initiate payment of staff salary directly from the government’s main account to individual staff account, irrespective of the bank of domiciliation. The salaries are processed through an excel format (or any other enhanced software) and uploaded through the platform to the respective banks that will affect the debit from the employer’s account to the individual staff accounts directly.

**(b)Manual e-payment or use of mandate:**

In recognition of the deficiencies of the unwholesome use of electronic device to effect payment (due to connectivity problems) a hybrid arrangement was made whereby some of the transactions are manual and delivered to the bank as mandates, and will ultimately transfer electronically to the beneficiary account. The central bank of Nigeria circular letter No. BPS/DIR/GEN/CIR/01/015 of 5/1/12 fixed 9/1/2012 as the commencement date for the implementation of the end-to-end payment along with the mandate option, while 26/8/13 was set for the full-scale sole implementation of the scheme.

**2.1.2 Meaning of Fraud and Payroll Fraud**

In general, legal lexicon fraud depicts any form of intentional deception to surreptitiously obtain inflow or unlawful gain or to deprive an innocent victim of a legal right or value

(Wikipedia, 2019). Deception, according to Gbalam, as in Umar and Bappi (2023), the Certified Fraud Examiners, as in Kauji and Mustapha (2019) and Micah and Moses (2018) was identified as being at the heart of every fraud, and is intended to gain undue advantage through falsification, concealment or omission of facts. Obiah and Obiah (2018) shared a narrower view that it can be germinated from an undetected innocent error that breaches a system security.

On the other hand, payroll fraud, which now assumes a global status, especially in less developed third world countries, is a situation where unscrupulous employees and their collaborators use their positions to steal or divert the organizations' funds for staff emoluments (payroll) for personal advantage (Marasco, 2007; Okagu, Obata & Thomas, 2020; Obara, Nangih & Agba, 2017; Umar & Bappi, 2023). Against this background, the World Bank (1999), as in Omilusi (2019) elaborately describes "ghost workers", who are the link names in payroll fraud, as the recipients of salaries or wages but cannot be shown to exist physically – as workers who have died, retired, or left the service who were never recorded as such. They also exist as fictitious persons whose pays are claimed by others, with variants of names attached to them.

### **2.1.3 Types of Payroll Fraud**

Every activity connected to payroll, such as staff hiring, performance of duty and payment of wage is susceptible to fraud. Fraud centres on impropriety in the conduct of the employee, the employer or a third party collaborator. To classify fraud on account of the multiplicity of these factors produces a large motley of types. However, they are collapsed into the following:

#### **(i) Ghost Worker/Staff Fraud:**

In this case the "ghost worker" is used as a metaphor to connect the non-physical existence of the worker. Thus, the identity of the person on payroll is faked with the proceeds of the scheme taken by the perpetrators (Okagu, Obeta & Thomas, 2020; Kauji & Mustapha (2014). The "ghosts" could have physical existence but their services are not rendered. Some fraudulent youth corpsers are alleged to do this in collaboration with the NYSC officials and their host agencies. Other variants of this, according to Shimewua (2020), are the use of minors' names to siphon money, placing an employee on payroll before his engagement and the case of non-implementation of termination and withdrawal notices leading to undue continuation of payroll.

#### **(ii) Time-sheet fraud/theft**

The existence of poor or no control may lead to falsification of work hours, and overpayment for lower productivity (Okagu, Obeta & Thomas, 2020; Etale & Peuzigba, 2020).

#### **(iii) Falsification of wages claims and bonuses**

Here, the staff wages and bonuses can be padded through an arrangement between the employee and the compromised officers, with the excess amounts, representing the fraudulently acquired value, shared between the criminal partners

#### **(iv) Misclassification fraud**

This may arise from employee's wrong tax records whereby tax liabilities understated to the detriment of the government. On account of this tax audit schemes are gaining relevance.

#### **(v) Duplication of voucher**

Some government agencies, including local governments, tertiary institutions and parastatals are in this dubious corporate fraud of presenting two different vouchers for one activity, one for attracting bloated funding from payroll and another for the actual accounting and auditing work. The excess funding so attracted may be either genuinely used to fund the non-salary requirements of the organization or mischievously used.



## **2.2 Theoretical Framework**

Apart from a few peculiar circumstances the reasons for payroll fraud are not fundamentally different from the general reasons for fraud. On the basis of this there have been many opinions each trying to explain the causes of fraud, the fraudsters, and the issues of when and why people commit frauds. To explain these issues two important theories fraud have emerged:

### **2.2.1 The Fraud Triangle theory:**

This was formulated by the great criminologist, educator and writer, Donald Cressey in 1950. It seeks to explain why frauds are committed in the work place and to help organizations understand and address them, with a view to evolving detection and prevention measures. He identified the fact that man has reasons for every conduct of his, which may lead him to violate trust that he earlier accepted to uphold. The three factors that form the ingredients of Fraud triangle, graphically represented hereunder, as cited by Abdullahi & Mansur (2015) are: Perceived Pressure, Perceived opportunity and Rationalization.

#### **(i) Perceived Pressure**

Pressure is influenced by prevailing socio-economic conditions of public officers and the society at large. According to Kassem & Higson (2012) and Stanclu [2012] pressures of inadequacies leave the public officer with the option of sorting them out inordinately, since ego and pride, according to Dorminey, Kranacher & Riley (2012) may restrain people from seeking facility.

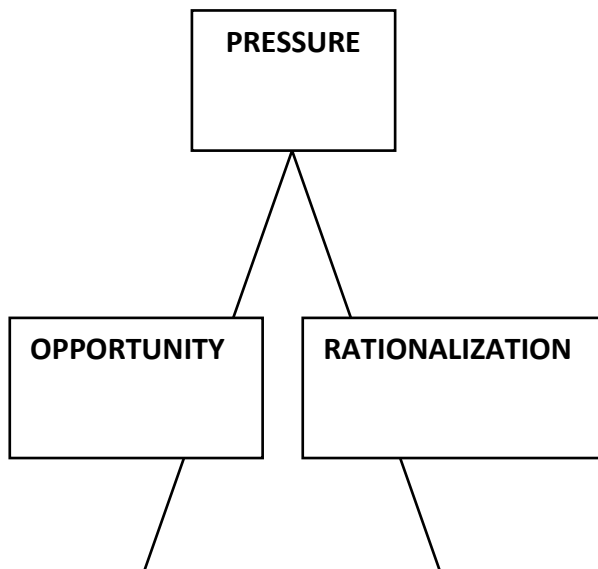
#### **(ii) Perceived Opportunity**

The weaknesses in the internal control and leadership structures create opportunities for fraudulent activities to flourish. The size and complexity of organizations may inhibit effective monitoring and give vent to poor data base and officers of low integrity in the workforce (Kiragu & Mukandala, 2013)

#### **(iii) Rationalization**

Rationalization justifies or rationalizes fraud on account of personal need, availability of common funds, conviction on the safety in doing so as the regulations and sanctions on violation can be overcome. No crime may be committed if the action or plan is not rationalized. To eliminate any of these pillars of the fraud Triangle in order to eliminate fraud may be difficult as the pillars are linked to personal circumstances controlled by individuals who may resist any elimination.

**Fig 1: Graph: Fraud Triangle**



**Source: Cressey (1953)**

### **2.2.2 The Fraud Diamond Theory**

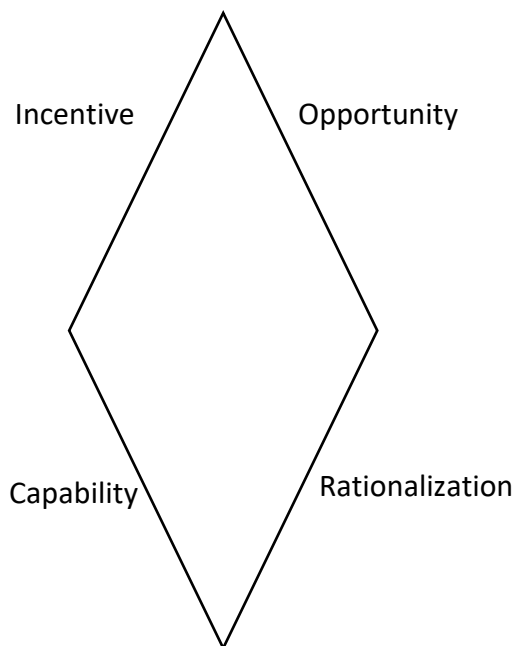
This Theory, which was developed by Wolfe and Hermanson (2004), modified the fraud triangle by adding another crucial factor in fraud sustenance, capability.

According to Oguzierem and Sofiri (2017) capability posits that fraud will not occur unless the fraudster possesses the right capabilities to carry the nefarious activity. Accordingly, fraud capability is characterized by ability to:

- (i) Occupy the position of authority
- (ii) Manipulate the weaknesses of organization's accounting and internal control system
- (iii) Assurance that the fraud will be covered undetected and that at the extreme case of being caught the fraudster will easily escape any punitive measures, maybe through his connection or influence on the operators.

Albrecht, et al (1955), as in Abdullahi & Mansor (2015), stated that it is only persons with deep-rooted capacity that will be able to use such skill to plan and implement frauds.

**Fig 2: The Fraud Diamond**



**Source:** Wolfe and Hermanson (2004)

In both Fraud Triangle and Fraud Diamond graphic representations the perceived pressure provides the incentive or motive for the commission of fraud.

## **2.3 Empirical Framework**

### **2.3.1 The Status of payroll fraud before the advent of IPPIS**

Payroll fraud has always been a recurring feature of the public service, and this has largely impeded all efforts to evolve a transparent and efficient management system. What is worrisome is its continued growth ratio despite all efforts to reduce it. At the heart of payroll fraud is the issue of “Ghost workers” who are fictitious employees added to the payroll as a means of diverting funds (Umar & Bappi, 2023). In all considerations they represent people or names not legally entitled to receive salary. A lot of factors have helped to create and sustain a fertile ground for payroll fraud in Nigeria. Umar and Bappi (2023) collaborated on the following main drivers of fraud:

- (i) Weak internal controls
- (ii) Manual processes and lack of automation, which are susceptible to errors, frauds and other forms of material defalcation
- (iii) Inaccurate input data, either intentionally made or not, that create incorrect effects.
- (iv) Poor record keeping, that can impede effective audit trails to localize irregularities
- (v) Inadequate technological infrastructure that can give vent to unauthorized access or data breaches that are risky to payroll.
- (vi) Lack of stringent sanctions and penalties for erring employees, thereby preventing deterrence for future deviant behaviours.

Against this background and prior to the introduction of the integrated payroll and personnel information system (IPPIS) the public service has been riddled with different shades of fraud, with values amounting to billions of naira. Further, Onuoha (2018) estimates that ghost workers, including ghost pensioners, account to over 60% of public service workforce. He further stated that prior to the introduction of IPPIS the Accountant-General of the federation



revealed the existence of 12622 bank accounts operated by MDAs in commercial banks, most of which with criminal activities embedded in them. Following this discovery various public sector financial reforms such as the introduction to the Treasury Single Account (TSA), International Financial Management Information System (IFMIS), Government Integrated Financial Management Information System (GIFMIS) and International Public Sector Accounting Standards (IPSAS) were made to change the ugly tide, but not much has been achieved. It was only the introduction of the IPPIS that the issue of fishing out ghost workers and making savings out of them became a primary objective.

The IPPIS scheme as at April 2009 had 459 MDAs on roll with a total staff strength of 310453. The intervention of IPPIS gave rise to a savings of over N120 billion from the salaries of these 459 MDAs. In 2014 alone over 60,000 ghost workers were weeded out from the MDAs being investigated (Micah & Moses, 2018). Following these exploits various government MDAs have embarked on salaries/wages verifications and the results hugely reveal the gross leakage of public funds through the fraudulent payroll system in place. To deepen knowledge on the fraud statistics this work investigated the outcomes of various wage investigations across the 36 states and the FCT

### 2.3.2 Payroll Fraud Control Efforts

The governments at all levels and their agencies have committed so much efforts and resources to redress the deep concerns about payroll fraud. The efforts, despite the challenges, are yielding huge results. To put this into perspectives Folorunso and Simeon (2021) stated that as at July 2020 over 1.1 million workers drawn from 701 MDAs are expected to be brought under the IPPIS framework with over N361 billion-naira savings. A current update of the savings will surely bring them in excess of N400 billion. The state governments and their agencies, including the local governments, have embraced the biometric technology and the results, when put together in terms of fraud discoveries and cost savings, are higher than those of the federal government and its agencies. To achieve these feats on mitigation of payroll fraud the following control efforts are being put in place:

#### 1(a). Use of Non-Technology-Driven Measures.

It is generally known that most human engagements are now fast in embracing technology, with the result that technology has earned for itself a position of great relevance and assistance. However, there are some engagements that have little or no exoteric deployment of technology to implement. For the purpose of this work they are classified as non-technology-driven measures. They include:

- (i) **Awareness creation**, which specifies the organization's stand on accountability. This awareness, is aided with a well-defined code of conduct, which specifies what constitutes fraud in an organization and how to deal with it. Effective fraud awareness training programmes can significantly reduce the incidence of fraud by creating a culture of awareness, encouraging whistle blowing, and promoting a strong ethical tone within an organization, as reinforced by Institute of Internal Auditors (2022).
- (ii) **Internal control mechanism**: This specifies all the financial and administrative control measures to save the service from loss of assets. According to Templers Law (2018) the internal control measures include getting approvals for all additions to salary; having periodic payroll audits for physical identification, segregation of duties in the payroll functions and staff rotation. It was further recommended that relieving staff for vacations should form part of the control agenda.
- (iii) **Background Check in hiring and Promotion of Employees**: The checks are intended to consider not only the academic qualifications but also the ethical status of the employees,

just like the KYC-know your customer, as in the banking sector. Binns and Kempt (2020) elaborated further by stating that such checks are necessary in view of the high spate of employee involvement in crimes.

**(iv) Welfare Package to public officers:** The provision of various welfare packages to staff will help to increase their output, Godwin (2020). It will also help to dissuade them from the alluring influence of fraud, occasioned by greed and inadequacy.

**1(b) Use of Technology-Driven Measures:**

Technology, especially the improved contemporary one, has come to revolutionize almost all operations, to the advantage of mankind and governments. As technologies emerge their gains are more embraced, and the need for a higher technology becomes more challenging. Fraud control is one of the beneficiaries of the emergent revolution in technology. Some technologically-driven measures that are in use include:

**(a) Treasury Single Account (TSA)**

The TSA was introduced to handle the government's cash resources through the banking system. Under it the financial resources of the government are consolidated in one bank. Where the inflows are decentralized in multiple bank accounts the TSA framework ensures that they are linked (swept) into one account without leakage. According to Chima (2017) this arrangement allows the government to have the harvest of transparency and accountability in operations and also improvements in public service efficiency. The beauty of the TSA is that it is fast, less prone to fraud, more accurate, less labour-intensive and can ably guide government in the management of cash resources.

**(b) Biometric Technology**

Biometric technology involves the use of an individual's biological or physical characteristics as a veritable means of identification. The advanced technology involved in this exercise is the digitalization of the measurement of any of the employee's parts such as eyes, hands (thumb), voice, face, etc. This measurement is subsequently stored in the computer's memory. Any subsequent measurement of any of these parts will be compared with what is stored in the computer. The beauty of this technology is that it detects fake identity (Tuffur, 2012 in Obara, Nangih & Agba, 2017; Etale & Peuzigba, 2020). When this is applied in employee records it eradicates the ghost worker syndrome

**(c) Bank Verification Number (BVN)**

The BVN takes input from the biometric data of an individual customer of the bank which reflects his unique physical features. Any alteration on the information contained in the customer's BVN can only be effected by the bank branch where the individual is registered. The BVN helps to eliminate ghost workers and ensures that only bona-fide holders of the BVNs can receive payments on them.

**(d) Electronic Payment System (e-payment)**

This electronic technology-driven payment is a payment arrangement involving the use of electronic transfer of values without physical cash movements. Ayodele (2015) in Etale and Preuzegba (2020) aptly associates e-payment to electronic transfer of cash via online transactions for business to business, or business to customer or person to person, or administration to customer. It was further stated that the e-payment can be used not only to give effect to salaries values electronically to workers but also to conduct electronic payroll with a platform that can factor in all payroll statistics, and this, upon proper verification, can help to eliminate ghost workers.

**(e) Integrated Payroll and Personnel Information System (IPPIS)**

This is a new technology-driven approach in the management of, not only payroll financial data, but also in human resource management activities. It takes data from payroll and

personnel details, bio-data, to enter and exit data platform. It also harvests data for salary and pension payroll processing. Thus, it provides a centralized and planning platform for computer application in government payroll management as it calculates each employee's income statistics as opined by Kauji & Mustapha (2019), and ensures that data are stored, updated and retrieved when needed (Omilusi, 2019). Data in IPPIS framework are intended to provide unique identity for each public officer and enhance efficiency (Akwu, Unanam & Okon, 2021; Kaoje, et al, 2020; and Akande, 2019). According to World Bank [39], with IPPIS the vices of pre-IPPIS era such as salary padding and multiple salary payments are minimized, with the ultimate aim of achieving the efficiency of public sector payroll system.

## **2. Engagement of Enforcement Agencies:**

Payroll budget constitutes over 40% of the recurrent costs in almost all governments in Nigeria. Because of this huge size it is often attractive to fraudsters, who are largely drawn from within the service. To curb the problem of payroll fraud, the use of enforcement agencies is a logical follow-up measure to complement the other efforts. These agencies generally enlighten the workers, enforce compliance to the regulations and control measures, and also execute sanctions. They include: The Police; The Judiciary/Courts; The Central Bank/Ministry of Finance; The Economic & Financial Crimes Commission (EFCC); The Independent Corrupt Practices and Related Offences Commission (ICPC), etc.

These agencies collectively ensure that there are no infractions of the extant regulations, and when they exist such are curbed through recoveries and sanctions. The EFCC has laid strong claim on uncovering of fraud cases of high values. These include the recovery of over \$3.2 billion and over N30 billion stolen funds, from the proceeds of crime recoveries paid into dedicated accounts in the CBN (Omilusi, 2019). Also, these agencies, particularly the EFCC made strong impact during the Paris club refund era of the 2015/2016 when most state governments misappropriated funds for the payment of staff salary and pension.

### **2.3.3 Problems of Control Efforts**

The control efforts have surely made huge successes in fraud control. Despite these successes they are still saddled with many problems, including:

- (a) Failure of Technology-driven measures to deliver satisfactorily due to poor technology in use, or poor equipment to drive the technology or outright sabotage by the operators
- (b) Limitations on connectivity and poor power supply. The current interventions made have not significantly abated the limitations.
- (c) Poor literacy of operators and workers in the use of the technology-driven infrastructure
- (d) Shortcomings of the Police and judiciary: The police and the judiciary are not helping sufficiently, as most payroll fraudsters in the agencies take cover from some administrative and logistic shortcomings to evade justice or delay justice and escape with their loot. In the management of most fraud cases the government's germane positions have often been defeated on grounds of technicalities. Public probity has become the loser in most of our everyday legal tussles with the sophisticated fraudsters
- (e) Collusion of operators, employees and monitors: We have high degree of criminal collusion, by all cadres of stakeholders in public sector. This is quite inimical to the enthronement of probity in fraud control. It is really difficult to beat payroll fraud when there is criminal collusion of operators, employees and monitors. The unfortunate success story of the fraudsters in some cybercrimes is because of the criminal collaboration that exist among the parties in crime control

### 3. RESEARCH METHODOLOGY

The data for the work were obtained from both secondary and primary sources, with the aim of reinforcing each other.

#### 3.1 Secondary Data

The Federal Capital Territory, the federal and state MDAs, and the local governments within the period of this study carried out various salary verification exercises, with the reports arising from them eminently standing as official published positions. The details of these official reports are shown in table 1 below:

**Table 1: Reported fraud cases in the public service of Nigeria**

S/NO	GOVERNMENT/AGENCY	VERIFICATIONS RESULTS
1.	FGN	<ol style="list-style-type: none"> <li>Evaluation of IPPIS from 2007 – 2014 from 359 MDAs covered and 237,917 employees <ol style="list-style-type: none"> <li>60450 ghost workers</li> <li>N185 billion saved (about US\$ 1 Billion)</li> </ol> </li> <li>Update as at July 2020 with 701 MDAs and 1,121,031 public servants <ol style="list-style-type: none"> <li>Over N361 billion cumulated savings in personnel between 2017 and 2019</li> <li>As at February 2022 the floor suspended the salaries of 243 staff deemed as “ghost” out of the 1173 listed on 26/1/2021</li> </ol> </li> <li>Some specific records of ghost workers/fraud <ol style="list-style-type: none"> <li>2012 <ol style="list-style-type: none"> <li>71133 fake Federal pensioners unveiled</li> <li>N151 billion fraud uncovered</li> </ol> </li> <li>2021 – verification by the office of the Accountant-General of the Federation (OAGF) on Police Force shows 80115 ghost Policemen</li> </ol> </li> </ol>
2.	FCT	<ol style="list-style-type: none"> <li>300 ghost workers</li> <li>N63 million lost annually</li> </ol>
3.	KANO	<p>Head of Service Report</p> <ol style="list-style-type: none"> <li>7629 ghost workers discovered following biometric check</li> <li>N283.5 million saved monthly</li> <li>17 newly recruited workers collecting double salaries monthly with proceeds hitting N1.01 million monthly.</li> </ol> <p>Kano State public complaint and Anti-corruption commission</p> <ol style="list-style-type: none"> <li>A further 1134 ghost workers with foreign names were discovered in the payroll by the commission.</li> </ol>
4.	KEBBI	<p>2015/2016 Government Verification Exercises</p> <ol style="list-style-type: none"> <li>25,000 ghost primary school teachers</li> <li>10,000 ghost secondary school teachers</li> <li>200 “ghost” schools with their staff being paid by the government</li> <li>636 Bank Accounts used to siphon money</li> <li>N153 lost monthly to ghost workers</li> </ol>

5.	BORNU	2020 Update: Report of Local Government Audit and Public Primary School (a) Ghost workers for LG = 14762 (b) Ghost workers for school teachers = 7794 (c) Total ghost workers = 22556 (d) Monthly savings = N420 billion
6.	KADUNA	2015/2016 Verification Exercises (a) 2087 ghost workers discovered in 20 unit of the 23 LGAs vide Staff Audit by the government (b) An update on the 2016 verification 9000 suspected ghost workers were removed from the payroll, from the 13336 uncovered
7.	BENUE	1. 2015/2016 Verification Exercise (a) 4000 ghost workers in all the 23 LGAs (b) N2.8 billion saved of the bailout fund which could have been used to pay ghost workers 2. Verification of local government by Benue State Local Service Commission headed by Dr. BemMaladu: (a) 3460 ghost workers (18426 – 14966) (b) LG overstaffed (c) 433 ghost teachers on the payroll of Benue State Teaching Commission headed by the Executive Secretary Dr. Frank Kyungu
8.	NASARAWA	(a) 1600 ghost workers (b) N83 million saved monthly and N990 million saved annually 2. 2020 verification on the LGAs (a) 366 ghost workers and teachers discovered
9.	SOKOTO	1. 2015/2016 Government Verification Exercise (a) 12915 ghost workers across the 23 LGAs (b) A savings of N300 million 2. 2019 – May 2020 (i) Updated savings from 2019 – May 2020 N1.6 billion (ii) 1370 ghost workers discovered. (iii) Government granted 8000 amnesty for ghost workers who open up
10.	NIGER	1. 2015/2016 verification (a) 7000 ghost workers in the 25 LGAs (b) N15n lost monthly 2. 2019 – 2021 verification (a) 134 ghost workers discovered at Lapai LGA (b) N50 million saved monthly (c) 11000 ghost civil servants (d) N672 million monthly saving.
11.	OYO STATE	Verification Exercise (a) Suspension of salaries of 16532 on account of alleged fraud (b) 569 workers incriminated for drawing up multiple salaries (c) 1277 retired staff were still drawing salaries 2019/2020 Verification:

		Implementation of Sally Tilbot Consultancy Report. Review channed by Mr. D.O. Olatunde, Permanent Secretary, CSC (a) That of 602 indicted by the consultants: (i) 170 were cleared for retirement (ii) 41 declared ghost workers (iii) 10 dead (iv) 40 cleared of infraction (v) 341 of those indicted were pardoned with the option of retiring within 2 months
12.	KOGI	1. State Verification up to 2016 (13 years review) 18211 ghost workers comprising (i) 7606 LGAs (ii) 5872 civil servants (iii) 1040 pensions Lost value N213 billion 2. 2019 Update 300 ghost workers seen
13.	BAUCHI	Government verification up to 2021 (a) 1115 ghost workers (b) N763 million saved (c) Salary of 715 workers stopped on the first instance
14.	PLATEAU	Government verification up to 2021 (a) Investigates the case of a non-civil servant receiving the salaries of 800 ghost workers, after initial allegation of 1832
15.	ADAMAWA	1. 2015/2016 Government Verification (a) 12609 ghost workers in the LGA (b) 1780 under-aged person in the payroll (c) 563 overdue for retirement (d) N300 million lost every month in the LGAs
16.	GOMBE	2021 Verification (a) 668 ghost workers comprising (i) 431 state staff (ii) 237 LGA (b) Savings of N38 million monthly, comprising (i) State service – N31.1 (ii) LGAs N7m
17.	JIGAWA	2016 Government Verification (a) 84 ghost workers (b) 41 teachers lack the competence (c) 29 teachers illegally provided (d) N2.5 billion lost annually in the LGAs and State service
18.	TARABA	1. Government verification (a) 2311 ghost workers (b) 123 ghost pensioners (c) N2.5 billion lost monthly by the state service & the LGAs
19.	KWARA	EFCC Investigation



		<p>(a) 1000 ghost workers at Kwara State Universal Basic Education Board</p> <p>(b) N138 recovered</p> <p>(c) 8863 ghost workers in the 16 LGAs &amp; State</p> <p>(d) Saving of N437 million monthly for state and LGAs</p>
20.	LAGOS	<p>2016 Government verification</p> <p>(a) 100 ghost workers and impersonators</p> <p>(b) N82 million recovered by the Perm. Sec/Auditor-General for LG</p>
21.	IMO	<p>2015/2016 Government Verification</p> <p>(a) N650 million retrieved from ghost workers</p> <p>(b) N1 billion also saved from being used to pay planton pensioners</p> <p>2019-2021 Verification had made some verification exercises for LGAs, pension &amp; civil/public officers and reports made. The reports have not been made available as a public document reference material</p>
22.	BAYELSA	<p>2016 Judicial Commission on payroll fraud</p> <p>(a) Non existing staff (LGA + RDA) = 3989</p> <p>(b) Unauthorized employment (LGA + RDA) (3037 + 3243) = 6280</p> <p>(c) Annual implication</p> <p>(i) Unauthorized – N2.5B</p> <p>(ii) Non-existing – N1.4 billion</p> <p>March 2021 verification</p> <p>(a) 612 ghost workers (Primary School teachers; LG &amp; health staff)</p> <p>(b) 573 physical but in the roll; 10 dead in the roll, 13 Rtd in the roll.</p>
23.	CROSS RIVERS	<p>2016 Verification</p> <p>(a) 800 ghost workers</p> <p>(b) 1735 fake pensioners</p> <p>(c) Monthly savings = N1.3 billion</p>
24.	ABIA	<p>2015/2016 Government verification</p> <p>(a) 558 ghost workers</p> <p>(b) N20 million saved every month in the civil service</p>
25.	RIVERS	<p>2019/2020 Government verification</p> <p>(a) 11000 ghost public servants, including fake pensioners</p> <p>(b) 1000 civil servants also receiving salaries outside their areas of service</p> <p>(c) An interim report shows that only 4000 turned up for verification</p> <p>2011 verification</p> <p>(a) 1477 ghost workers at UBE Board</p> <p>(b) N2.4 billion lost annually</p>
26.	EBONYI	<p>2019 Government verification</p> <p>(a) 838 ghost workers discovered from state &amp; LGA – with cemetery work being included in the health salary scale</p>

		(b) A saving of N60 million recovered (c) Amnesty granted to ghost workers to return lost
27.	ENUGU	2016 Verification (a) 3916 ghost workers in the LGAs (b) A saving of N161,494,570
28.	ANAMBRA	2016 Verification (a) 850 ghost workers
29.	EDO	Verification 2018 – 2019 (a) 63 ghost workers in Etsako West LGA unverified saving N6.03 million (b) N46 million monthly loss 1 fraud from July 2018 – May 2019
30	DELTA	2016 Verification (a) 291 overdue for retirement (b) 731 ghost workers (c) 45 workers earn double salary (d) N1.9 billion saved
31.	YOBE	2017 verification (a) N6.12 billion saved from verification @ N510 million monthly average in the 17 LGAs
32.	KATSINA	2016 verification (a) 9000 ghost workers (b) N700 million cost monthly
33.	ZAMFARA	2012 verification committee (a) 7000 ghost workers 2019 verification (b) 4,972 ghost workers (c) N216 million
34.	OSUN	2016 Verification (a) 71 ghost workers
35.	AKWA IBOM	Verification instituted for pensioners and local government employee. Reports submitted but not made available as public reference material
36.	OGUN	Verification was carried out in April 2021 but its result was not made available as a public reference material.
37.	ONDO	2019 Audit Report (a) 88 ghost workers obtained car loans with N48.2 million (b) N38,460,000 paid to 66 workers whose names were not in the payroll (c) 51 workers not present at verification exercise declared ghost
38.	EKITI	Verification Report 2019 (a) 362 ghost workers in the LGAs (b) N500 million saved monthly.

**Source: Compiled from various salary verifications in Nigeria.**

### 3.1.1 Findings on the salary verification exercises

The findings of these exercises are as follow:

- (a) The local governments harbor the highest cases of payroll fraud because of weak control measures. Many employments in the local governments were made to patronize

political structure or cultural affinity, and as a result many of the employees are never at work; some are engaged in other paying full-time jobs; many are under-aged children whose names were surreptitiously used to siphon money.

(b) Poor reporting system: The alleged fraud cases are poorly reported and managed. It is expected that in verification cases the existence or otherwise of crime should be logically established before drawing conclusions. Regrettably, while it is true that a good number of ghost workers exist there is this ugly habit of branding every staff that was absent at the verification a ghost staff and using the statistics on this wrong hasty declaration to go viral, without reversing them when the staff clear themselves

(c) Arising from the above we hear of many conflicting reports by the politically-inclined chief executives who use same to draw publicity stunt to whip sympathy and to explain their perceived constraints, and of course, non-performance. The public service is challenged on how not to allow these bloated reports to smear the integrity of the properly executed verification works and their reports

(d) FCT/FGN Verification: The use of IPPIS is limited to FCT and FGN and their agencies. Many of the federal government agencies that are “milk cows” are not included, for one reason or the other. The verifications are hardly extended to outstations where some of these frauds are grossly experienced, may be because of logistic constraints. Worse still, the states and local governments and their agencies are yet to queue into the IPPIS platform. These omitted tiers of government have the highest number of public officers and yet lagging behind. This inaction sustains the doubts as to whether the state agencies and local governments are really sincere about the drive to eliminate all traces of payroll fraud, or do they prefer selective enquiry?

(e) The crux of the matter: The undiluted crux of the matter is that there are widespread verified cases of fraud in public service that are fast destroying public trust and the economy of the nation. These cases are on the increase; with the sophistication in them evolving as the technology to check them are evolving. It is difficult to say now which one is evolving faster. To compound the problem some people who are entrusted with control initiatives are not doing so with clean hands, as some of them have done what they are not supposed to do or failed to do what they are supposed to do.

### **3.2 Primary Data**

To complement the official records arising from the government-ordered salary verification exercises data were gathered from questionnaires administered on many stakeholders on salary administration and control in the public service. These questionnaires were drawn on the areas of concern:

- (i) The adequacy of the deployment of manual and technologically assisted means of payroll operations
- (ii) The efficiency in the engagement of enforcement agencies in fraud control
- (iii) The evaluation of the adequacy of the extant infrastructure for payroll fraud disclosure and reporting in the public sector
- (iv) An assessment of the sustainability of efforts on regular enquiries on wage payments
- (v) Ascertainment of the role of the employees and employers (management) in the incidence of payroll fraud and the driving force for the role

It is however perceived that payroll fraud cuts across all government agencies in the country. For this reasons any result obtained from a segment of the country shall constitute a valid basis for generalization. It is also for this reason that the questionnaires were administered across the five South Eastern States of Imo, Abia, Anambra, Enugu and Ebonyi. The respondents include the following categories of people: Public service bureaucrats-Accountants, Administrators,

Auditors, commercial bank personnel, control Agencies-central bank, Ministry of Finance/Accountant General, enforcement agencies- the Police, Judiciary/Courts, ICPC, EFCC, as well as ICT professionals.

The study employed a descriptive survey and explanatory research design, using data tools and distribution of frequencies on variables. The 30-item structured questionnaires administered on one-on-one basis with the aid of two research assistants were 550; with 520 completed and retrieved. The responses were quantified using polychotomous variables-likert ratings, with values thus: Extremely poor/strongly Agree=5; Highly Poor/Agree=4; Fairly Poor/Slightly Agree=3; Lowly Poor/Disagree=2; and Not at all/Strongly Disagree=1. The empirical analysis of the data employed the Analysis of Variance (ANOVA) statistical tool in testing the hypothesis, using the level of significance and P-value at 5% (0.05)

#### 4. ANALYSIS OF RESULTS AND DISCUSION OF FINDINGS

##### Section A: Descriptive Analysis of Responses

Frequencies, percentages and means are employed in describing the level of agreement/disagreement to the itemized items in the questionnaire. Any item with a Mean score of 4.50 – 5.00 was considered Extremely Poor/Strongly Agree; Mean scores of 3.50 – 4.49 were considered Highly Poor/Agree; Mean score of 2.50 – 3.49 were considered Fairly Poor/Slightly Agree; Mean score of 1.50 – 2.49 were considered Lowly Poor/Disagree; and any Mean score of 1.00 – 1.49 was considered as Not Poor at all/Strongly Disagree.

##### 4.1. Responses to the Adequacy of the Deployment of Manual and Technologically-assisted means of Payroll of Operations

Table 2: Mean Ratings of the responses on the adequacy of the deployment of manual and technologically-assisted means of operations. (n=520)

S/No	STATEMENT	5	4	3	2	1	MEAN (X)	REMARK
1	Increases processing time and workload	280 (53.85%)	150 (28.85%)	65 (12.5%)	20 (3.84%)	5 (0.96%)	4.31	Agree
2	Produces high error rates and accuracy problems	225 (43.27%)	140 (26.92%)	60 (11.54%)	55 (10.58%)	40 (7.69%)	3.88	Agree
3	Leads to low automation level and integration with HR system	270 (51.92%)	140 (26.92%)	62 (11.92)	33 (6.35%)	15 (2.89%)	4.22	Agree
4	Reduces system reliability, uptime and scalability	215 (41.35%)	175 (33.65%)	90 (17.31%)	15 (2.88)	25 (4.81%)	4.04	Agree
5	Creates low data accuracy, security and backup procedures	208 (40%)	124 (35.38%)	73 (14.04%)	35 (6.73%)	20 (3.75%)	4.01	Agree
6	Poor user's experience, training and support	265 (50.96%)	146 (28.08%)	67 (12.88%)	30 (5.77%)	12 (2.31%)	4.20	Agree
	Cluster Summary						4.11	Agree

Source: Survey Report, 2025

## 4.2. Responses as to the Efficiency in the Engagement of Enforcement Agencies in Fraud Control

Table 3: Mean Ratings of the responses on the efficiency in the engagement of enforcement agencies in fraud control. (n=520)

S/No	KEY PERFORMANCE INDICATORS	5	4	3	2	1	MEAN (X)	REMARK
7	Fraud Detection and Prevention	215 (41.35%)	175 (33.15%)	90 (17.31%)	15 (2.88%)	25 (4.81%)	4.04	Highly Poor
8	Number of Fraud Cases Investigated and Resolved	275 (52.88%)	145 (27.88%)	70 (13.46%)	20 (3.85%)	10 (1.93%)	4.26	Highly Poor
9	Conviction Rates and Penalties Imposed	210 (40.38%)	165 (31.73%)	95 (18.27%)	25 (4.81%)	25 (4.81%)	3.98	Highly Poor
10	Recovery of Fraudulently Obtained Assets or Funds	230 (44.23%)	135 (25.96%)	65 (12.5%)	50 (9.62%)	40 (7.69%)	3.89	Highly Poor
11	Response Time and Timeliness of Intervention	265 (50.96%)	146 (28.08%)	60 (11.54%)	32 (6.15%)	17 (3.27%)	4.17	Highly Poor
12	Collaboration and Information Sharing with Other Agencies	195 (37.50%)	180 (34.61%)	92 (17.69%)	33 (6.35%)	20 (3.85%)	3.96	Highly Poor
	<b>Cluster Summary</b>						<b>4.05</b>	<b>Highly Poor</b>

Source: Survey Report, 2025

### 4.3. Responses as to the Evaluation of the Extant Infrastructure for Payroll Fraud Disclosure and Reporting in the Public Sector

Table 4: Mean Ratings of the responses on the evaluation of the extant infrastructures for payroll fraud disclosure and reporting in the public sector. (n=520)

S/No	MAJOR COMPONENTS	5	4	3	2	1	MEAN (X)	REMARK
1	Legal Framework	208 (40%)	184 (35.38%)	73 (14.04%)	35 (6.73%)	20 (3.85%)	4.01	Highly Poor
2	Institutional Framework	225 (43.27%)	134 (25.77%)	63 (12.12%)	57 (10.96%)	41 (7.88%)	3.86	Highly Poor
3	Reporting Mechanism	232 (44.62%)	133 (25.58%)	61 (11.73%)	52 (10.0%)	42 (8.08%)	3.87	Highly Poor
4	Investigation and Enforcement	258 (49.62%)	144 (27.69%)	76 (14.62%)	32 (6.15%)	10 (1.92%)	4.17	Highly Poor
5	Performance Metrics and Monitoring	217 (41.73%)	130 (25.0%)	84 (16.15%)	55 (10.88%)	34 (6.54%)	3.84	Highly Poor
6	Public Engagement and Transparency	249 (47.88%)	127 (24.43%)	66 (12.69%)	56 (10.77%)	22 (4.23%)	4.02	Highly Poor
	Cluster Summary						3.96	Highly Poor

Source: Survey Report, 2025

### 4.4. Responses on the Assessment of the Sustainability of Efforts on Regular Enquires on Wage Payment

Table 5: Mean Rating of the responses on the assessment of efforts on regular enquires on wage payments

S/No	MAJOR FACTORS	5	4	3	2	1	MEAN (X)	REMARK
1	Institutional Commitment	275 (52.88%)	145 (27.88%)	60 (11.54%)	25 (4.82%)	15 (2.88%)	4.23	Agree
2	Resource Allocation	220 (42.31%)	131 (25.19%)	82 (15.77%)	53 (10.19%)	34 (6.84%)	3.87	Agree
3	Process Integration	212 (40.77%)	102 (19.61%)	74 (14.23%)	56 (10.77%)	76 (14.62%)	3.61	Agree
4	Stakeholders Engagement	190 (36.54%)	185 (35.58%)	88 (16.92%)	35 (6.73%)	22 (4.23%)	4.13	Agree
5	Feedback and Follow-ups	244 (46.92%)	161 (30.96%)	59 (11.35%)	40 (7.69%)	16 (3.08%)	4.11	Agree
6	Continuous Improvement	203 (39.04%)	174 (33.46%)	102 (19.62%)	24 (4.62%)	17 (3.26%)	4.01	Agree
	Cluster Summary						3.99	Agree

Source: Survey Report, 2025



#### 4.5. Responses on the Ascertainment of the Role of the Employees and Employers (management) in the incidence of payroll fraud and the driving force of their role

Table 6: Mean Ratings of the responses on the ascertainment of the role of the employees and employers (management) in the incidence of payroll fraud and the driving force of their role

S/No	MAJOR FACTORS	5	4	3	2	1	MEAN (X)	REMARK
1	Opportunistic Fraud	215 (41.35%)	175 (33.65%)	90 (17.31%)	15 (2.88%)	25 (4.81%)	4.04	Agree
2	Collusion	210 (40.38%)	165 (31.73%)	95 (18.27%)	25 (4.8%)	25 (4.81%)	3.98	Agree
3	Financial Pressure or Greed	258 (49.62%)	144 (27.69%)	76 (14.62%)	32 (6.15%)	10 (1.92%)	4.17	Agree
4	Weak Internal Control	220 (42.31%)	125 (24.04%)	71 (13.65%)	55 (10.58%)	49 (9.42%)	3.79	agree
5	Inadequate Supervision	244 (46.92%)	158 (30.38%)	67 (12.88%)	37 (7.12%)	14 (2.70%)	4.12	Agree
6	Poor policies or Procedures	265 (50.96%)	140 (26.92%)	60 (11.54%)	32 (6.15%)	23 (4.42%)	4.14	Agree
	<b>Cluster Summary</b>						<b>4.04</b>	<b>Agree</b>

Source: Survey Report, 2025

TABLE 7: CLUSTER SUMMARY OF ANALYSIS

TABLE	PARAMETERS	MEAN RATING	IMPLICATIONS
2	Adequacy of the deployment of manual & technologically-assisted tools	4.11 – Highly poor (agree)	Fell between 3.50-4.49 on a 5-point rating. Meaning that respondents agree to the inadequacy
3	Efficiency in the engagement of enforcement agencies in fraud control	4.05 – highly poor (agree)	Fell between 3.50-4.49 on a 5-point rating. Meaning that there is poor engagement and outcomes
4	Evaluation of extant infrastructure for payroll fraud disclosure and reporting in the public sector	3.96 – highly poor (agree)	Fell between 3.50-4.49 on a 5-point rating. Meaning that there is poor and inadequate extant infrastructure
5	Assessment of the sustainability of efforts on regular enquires on wage payment	3.99 – highly poor (agree)	Fell between 3.50-4.49 on a 5-point rating. Meaning that there are no sustained efforts
6	Ascertainment of one role of the employees and employers (management) in the incidence of payroll fraud and the driving force for their role	4.04 – highly poor (agree)	Fell between 3.50-4.49 on a 5-point rating. Meaning that there is agreement on the greedy attitude of employers, employees and control agencies.

## Section B: Empirical Analysis

**Table 8: Inferential Analysis of Responses on Payroll Fraud in Nigeria Public Service: Its Evaluation and Nexus with the Efficiency of the service**

ANOVA							
Source of Variation	SS	Df	MS	F	P-value	F crit	
Between Groups	0.077453	4	0.019363	0.73567	0.576383	2.75871	
Within Groups	0.658017	25	0.026321				
Total	0.73547	29					

*Source: Excel Data Analysis, 2024*

Ho: All group means are equal

Ha: All group means are not equal

Since the p-value of 0.576383 is greater than the level of significance of 0.05, we accept the null hypothesis, and reject the alternative hypothesis, therefore conclude that we have sufficient evidence that not all the group means are equal.

This means that there is a significant difference between the evaluations of incidence of payroll fraud in Nigeria public service and nexus with the efficiency of the service.

## 5. CONCLUSION

The public service is in search of efficiency in its operations. The search is seriously hamstrung by the large scale fraud in our payroll system. The ugly effect of this is the massive stealing of the cash resources of our country by the fraudsters in our midst. This has adversely affected the quality and quantity of services rendered by our government at all levels. It is against this background that the work sought out to x-ray the damning report across the length and breadth of the country, ostensibly to establish the reality of the problem. Efforts made by the government to address the problem were unveiled. The need to intensify the eradication measures, using the technology-driven measures, the non-technology driven measures, and of course the involvement of specialized agencies was made. On the basis of these approaches and their potential upgrades the problem of payroll fraud is expected to be eradicated and the public service efficiency restored. To do this however massive commitments are necessary.

The following specific ways to eliminate payroll fraud, as highlighted by Omilusi (2019), are hereby recommended:

- Periodic review of hiring and firing policies so that they shall accord with actions, establishment and appropriate recruitment figures
- Periodic review of public service personnel, and the maintenance of records of all officials and personnel actions, including sacks, retirements and deaths
- Maintenance of organogram of every MDA that reflects approved staff strength
- Identifying the accounting officers, mostly in the offices of the Head of Service (HOS) responsible for monitoring the establishments quotas, and handling public service recruitment, preparations and approving salary vouchers sent
- Ensuring that personnel and supernumeraries brought by political appointees are aligned with their principals
- Working with labour unions concerned to ensure that innocent civil servants, with incomplete documentation, who are not ghost will be given opportunities to submit appropriate records without being excluded in the payroll

- Adequate monitoring of banks and other financial institutions used for payment of salaries
  - Internal control checks and segregations of duties in the payroll units.
- To complement these, the advocacy by Dada (2014); Chavis and Barrum (2012); and Owolabi, Dada and Olaoye (2013) for the intensified use of forensic technique, which is rich in legal niceties, should be implemented.

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