

HIGHLIGHTS OF OBSERVATIONS ON KEY ISSUES RAISED IN THE
AUDIT OF IPPIS BY THE OFFICE OF THE AUDITOR-GENERAL
FOR THE FEDERATION
14 MARCH, 2016

IT WAS NOTED THAT:-

- (1) (a) Some contractors from Soft Alliance Ltd have access to the database and the ability to set up new users and to change live data and could not easily be identified.
- (b) The password controls for access to IPPIS are not adequate (this is important as access can be undertaken remotely via the internet), for example:
 - (i) Passwords do not expire after 90 days, so officers could use their password after leaving the service.
 - (ii) Some user names and passwords were shared by several users.
 - (iii) Users cannot necessarily be adequately identified as the user name is just "Consultant" or "Technical".
 - (iv) There is no restriction on the number of sign-on attempts.
 - (v) There is no minimum password length.
- (c) The audit trail for IPPIS has not been enabled. As a result, it is not always possible to trace which user made particular inputs or changes (for example fraudulent transactions cannot be traced to a particular user).
- (d) Application controls have not been activated in IPPIS to ensure, for example, that:
 - (i) Gross pay is input from salary and allowance tables, rather than the actual amounts being input directly.
 - (ii) Completeness checks are not activated to ensure that all necessary data has been entered, for example, bank account number, grade level and job title.
 - (iii) Duplicate checks to check, for example, that bank account numbers or employee numbers are not used by more than one payee.
 - (iv) Reasonableness checks not activated so that an officer age less than 18 years or more than 60 years can still be paid.
 - (v) User profiles are not adequately restricted, so for example, an officer in one MDA can amend the payroll date for other MDAs.

- (vi) The ability to create new users on the system is not adequately protected and restricted to a few, "Super users".
- (vii) Changes to date of birth and date of first appointment are not adequately controlled.

(2) As a result of these deficiencies in the controls, audit identified the following potential overpayments:-

- (a) Nearly 300,000 payments totalling ~~N~~330 million where the gross pay differed from approved salary scale.
- (b) Double payments of nearly ~~N~~30 million in September – December, 2011.
- (c) Forty (40) payees were paid a total of over ~~N~~12 million each month, but were not included in the nominal role of the relevant MDA.
- (d) 152 officers on IPPIS did not have personnel files in their relevant MDAs.
- (e) 193 payments of more than one million naira each were identified.
- (f) 1,163 payments were made to 596 employees without income tax deductions (from April 2012 and September. 2013).
- (g) Nearly 2,000 employees had no pension deductions.