

PRESS STATEMENT FOR THE COMMENCEMENT OF THE INDEPENDENT AUDIT OF THE NATIONAL CIVIL SERVICE PAYROLL – FRIDAY, DECEMBER 10, 2021 BY THE AUDITOR GENERAL OF LIBERIA, HON. P. GARSWA JACKSON, SR.



Auditor General P. Garswa Jackson, Sr

INTRODUCTION

Distinguished members of media, the General Auditing Commission is conducting an independent audit of the National Civil Service Payroll. The audit is being sponsored by the **World Bank** and its development partners based on negotiations with the Government of Liberia relative to the importance of this exercise.

BACKGROUND & PURPOSE OF THE AUDIT

In 2012, the Government of Liberia adopted the FreeBalance Civil Service Management (CSM) payroll module for processing and paying civil servants' salaries. In 2018, the Government set up the National Wage-Bill Team, a technical Inter-Agency team comprising the Civil Service Agency and the Ministry of Finance & Development Planning, to undertake a critical review of the civil servants' remuneration structure. Based on the scope of this assignment, and given that the multicurrency functionalities in (CSM) payroll module were not fully functional at the time, the Government approved the development of an alternative system that could facilitate the implementation of this assignment. The scope of the Wage-Bill Team was to collapse salaries across Government in an automated payroll system that would pay employees in two denominations: United States Dollars & Liberian Dollars, in percentage ratios determined on the availability and amount of monies in the Government's coffers for any given payment period. Unfortunately, the Integrated Financial Management Information Systems (IFMIS) (CSM) payroll module was configured to pay salaries only in Liberian Dollars. The Alternative Temporary Automated Payroll System (ATAPS),

developed and programmed to pay salaries in multi currencies was approved in the interim, while the Civil Service Agency and Ministry of Finance & Development Planning worked with **Freebalance** (the company that built the (CSM) payroll module) to reconfigure multi- currency functionalities in the Civil Service Management payroll module. Since July 2018, Alternative Temporary Automated Payroll System (ATAPS) has been used for processing and paying of civil servants’ salaries, and now that the (CSM) payroll module has been reconfigured to handle multi-currency functionalities, there is a need to seamlessly migrate the harmonized payroll dataset from (ATAPS) into the IFMIS (CSM) payroll module.

Therefore, The Government of Liberia in collaboration with the World Bank engaged the services of the General Auditing Commission (GAC) to verify the civil servants’ payroll data in ATAPS and the effectiveness of the controls over the use of the payroll data before it is migrated to CSM payroll module.

OBJECTIVES OF THE AUDIT

There are three (3) major objectives of the National Civil Service Payroll Audit:

OBJECTIVE 1: Establishing the Completeness & Accuracy of Payroll Data in ATAPS

The Government of Liberia and the World Bank have concluded that before the migration of payroll data from the ATAPS to CSM payroll module, a comprehensive (100%) head count verification of all Government’s employees must be performed. This process, the stakeholders agreed, will provide reasonable assurance over the completeness of payroll data in ATAPS before migration to the CSM.

Therefore, in establishing the completeness and accuracy of payroll data in the ATAPS, the General Auditing Commission (GAC) will validate these assertions using the following chronology:

Mapping the Country into Regions

The GAC has mapped the country into five (5) regions. The five regions along with the respective counties are as follows:

Region One	Region Two	Region Three	Region Four	Region Five
Bomi	Grand Bassa	Bong	Grand Gedeh	Montserrado
Gbarpolu	Margibi	Lofa	River Gee	
Cape Mount	River Cess	Nimba	Maryland	
	Sinoe		Grand Kru	

The GAC will update the general public on the location and dates of the head count verification for each region and county.

Comprehensive Head Count Verification

The GAC plans to perform the comprehensive head count verification in the regions simultaneously to prevent significant movement of employees across the country, thereby minimizing the risks of employees being counted more than once. The initial count exercise will last for thirty (30) working days.

The GAC will utilize payroll data extracted from the ATAPS as source documents for performing the verification. Employees will be validated by presentation of their Identification Cards, credentials and through inquiries conducted by auditors.

The Heads of Government Ministries and Agencies (which are the Principal Accounting Officers per the Public Financial Management Regulations) will also be expected to take ownership of this process by facilitating the full participation of their employees during the verification.

After the initial verification, reconciliation will be performed between the system data and the head count results. There will be a subsequent verification period of fifteen (15) working days given to individuals who were not physically verified during the process or those classified as "doubtful" to prove their existence. These individuals will be expected to assemble at designated centers in the regions with evidence of employment to substantiate their employment claims. **The GAC will recommend removal from the payroll for employees who were not verified during both verification periods.** To further ascertain the completeness and accuracy of payroll data in the ATAPS, the GAC will segment individuals of similar portfolios in Government and reconcile the salaries of selected individuals to the GoL harmonized paygrades. We will also reconcile the net salaries per the payroll data in ATAPS to net salaries sent to employees' bank accounts. Significant difference resulting from the performance of these reconciliations will be subsequently recommended for adjustments.

OBJECTIVE 2: Establishing the Adequacy of Controls in ATAPS

The GAC will conduct a comprehensive review of the controls in ATAPS to examine the adequacy of the system. In doing so, we will examine the existence of segregation of duties, the application of checks and balances and the execution of these functions by experienced individuals and the involvement of senior management personnel.

OBJECTIVE 3: Establishing the Seamless Migration of Payroll Data from ATAPS to CSM

The GAC will analyze the framework that has been established for migration activities to provide reasonable assurance over the seamless migration of data from ATAPS to CMS.

DELIVERABLES & TIMELINES

The GAC will submit its report to the National Legislature with a copy to the President and other stakeholders in keeping with our mandate as provided under Section 4.2 of the GAC Act of 2014.

The audit commenced on October 15, 2021 and is expected to be concluded on April 29, 2022 with the issuance of the Auditor General's report.

CONCLUSION

The GAC recognizes the significance of the National Civil Service Payroll Audit, as personnel costs on average constitute about Fifty Eight percent (58%) of the national budget. We also appreciate the enormity of resources committed to this exercise and the importance and urgency the World Bank and the Government of Liberia has attached to this project. We are committed to play our part to ensure that we provide reasonable assurance over the integrity, completeness and accuracy of payroll data in ATAP before they are migrated to the reconfigured CSM, as well as the seamless migration and business continuity of the CSM. **Thank you!**