

EXECUTIVE SUMMARY

OVERVIEW

This report gives the overall breakdown of Compensation of employees for April 2018, and ongoing payroll initiatives at the Controller and Accountant General's Department.

Compensation of Employees for the month of **April 2018** was **GHS 1,649.54 million** on accrual basis as against GHS 1,735.02 million for March 2018. A breakdown of April compensation of employees is specified below:

- Wages & Salaries GHS 1,450.60 million
- Social Contributions GHS 198.94 million

Wages and Salaries is further analyzed as follows:

- Mechanized GHS 1,043.15 million
- Non-Mechanized GHS 407.45 million

Social contributions consist of:

- Pensions GHS 94.77 million
- Gratuities GHS 14.25 million
- Social security GHS 104.17 million

PAYROLL EVENTS

There was no major main payroll activity for April 2018;

VARIANCE ANALYSIS:

The budget is compared to the actual cost every month to establish either a favorable or an adverse variance. This is used to monitor budget performance of all MDAs to ensure that they spend within their budget allocation.

The following table shows MDAs who registered significant negative variances on compensation for April 2018.

Table 1.0

MDA	Budget overrun for the month of April 2018 (cedis million)	% Over run
Ministry Of Education	174.55	29.09
Ministry Of Health	11.61	5.38

Page 7 of the report provides further details.

PAYROLL AND GIFMIS FINANCIAL INTEGRATION

The team assigned to map payroll Management units with the Chart Of Accounts successfully completed in March 2018.

ELECTRONIC SALARY PAYMENT VOUCHER (ESPV)

There was discontinuation or termination of salaries of **798 employees** from the payroll leading to a cost saving of **GHS 1.66 million**.

RECOVERY OF SALARIES

CAGD recovered an amount of **GHS 34,539.15** from Three (3) Employees who had double salaries.

STAFF STRENGTH

The total number of staff paid for the month is as follows

Mechanized	528,245
Subvented	138,498

STAFF MOVEMENT

The month of April 2018 registered a net decrease in mechanized staff strength of **4,131** as against a net increase of 8,910 in March 2018.

Ministries of Education and Health recorded decreases in staff strength for the month of April 2018. Ministry of Health had 660 additions and 4,155 deletions resulting in a net decrease of 3,495 staff.

Ministry of Education had an addition of 3,475 staff and a deletion of 3,697 resulting in a net decrease in staff strength of 222.

A total number of **178** employees retired and were terminated from the payroll.

A detail of movement of staff strength is provided in the transactional report on Table 3.1 of Page 6.

SALARY ARREARS

The total amount paid in April 2018 as salary arrears to employees on GOG Mechanised payroll was **GHS 40.36 million** as against GHS 76.67 million in March 2018.

Pension arrears paid for April 2018 totaled **GHS 26.15 million**.

Refer to Appendices A and B of the Payroll Cost Information for April 2018 for details of Compensation of Employees for the month under review.

1.0 INTRODUCTION:

Section 43, sub-section 4 of the Public Financial Management Act 2016, ACT 921 authorises the Controller and Accountant-General to submit any other reports which the Minister of Finance may require in writing. The purpose of this report is to give a summary of payroll activities for the month of April 2018 as per Section 43 (4) of the Public Financial Management Act 2016, Act 921. This report therefore looks at total compensation of employees, staff strength and updates on payroll initiatives for April 2018.

2.0 SUMMARY OF PAYROLL COST FOR APRIL 2018

Table 2.0

DESCRIPTION	ACTUAL	BUDGET	VARIANCE
	GHC million	GHC million	GHC million
Mechanized Payroll	1,002.78		
Non Mechanized Payroll (including Subventions)	407.45		
Total Wages and Salaries (excluding Arrears)	1,410.23	1,336.74	(73.49)
Outstanding /Arrears Payment: (Mechanized)	40.36		
Outstanding /Arrears Payment: (Subventions)			
Total Outstanding/ Arrears Payment	40.36		
WAGES & SALARIES	1,450.59	1,336.74	(113.85)
Pensions and Gratuity	109.02	115.94	6.92
SSF Employer	104.17	120.13	15.96
COMPENSATION OF EMPLOYEES	1,663.78	1,572.81	(90.97)

Total Compensation of Employees for the month of April 2018 was **GHS 1,663.78 million**, as against a budget of **GHS 1,572.81 million** resulting in an adverse variance of **GHS 90.97 million**. This is equivalent to **5.78%** of compensation of employees budget allocation for the month under review.

The component of the compensation of employees (excluding arrears, pensions & gratuity, and SSF employer) at April 2018 is **GHS 1,410.23 million** as against a budget of **GHS 1,336.74** resulting in an adverse variance of **GHS 73.49 million** representing **5.50%** of April 2018 budget for Wages & Salaries.

The total wages and salary cost including mechanized arrears is **GHS 1,450.59 million** as against a budget allocation of **GHS1,336.74 million**, resulting in an adverse variance of **GHS 113.85 million**. This represents **8.52%** of wages and salaries budget for the month of March 2018.

3.0 STAFF STRENGTH

The total staff strength recorded for the month of April is **666,743** as against 670,743 in March 2018. The breakdown is indicated below;

Table 3.0

PARTICULARS	JANUARY	FEBRUARY	MARCH (B)	APRIL (A)	DIFF (A-B)
MECHANISED	517,951	523,466	532,376	528,245	(4,131)
SUBVENTION	132,051	67,570	138,172	138,498	326
TOTAL	650,002	591,036	670,548	666,743	(3,805)

3.1 Mechanized Staff Strength

Staff Strength on the mechanized payroll registered a net decrease of 4,131 (from 532,376 in March 2018 to 528,245 in April 2018). There were total additions of 4,932 and deletion of 9,063 for the month of April 2018 on the Mechanised payroll. Reactivations for April is 315.

3.2 Non-Mechanized Staff Strength

There is an increase in non-mechanized staff strength by 326 compared to March 2018.

3.3 Pension Staff Strength

The total number of active pensioners on Government payroll was **60,900** as at April 2018.

3.4 Transactional Report on Mechanized Payroll for Selected MDAs for April 2018

The table below shows the highlight of transactional report on the mechanized payroll for selected MDAs for April 2018.

Table 3.1

MDA	Reactivation / Addition	Deletions / Termination
Ministry of Education	3,475	3,697
Ministry of Health	660	4,155
Others	797	1,211
Total	4,932	9,063

The institutions in the table above registered significant movements in staff strength by way of New Entrants, Additions/Reactivations, and Terminations during the month of April 2018.

4.0 OVERALL BUDGET PERFORMANCE:

Total compensation budget for the months of January to April 2018 was **GHS 6,291.22 million**; however, actual compensation of employees for the same period was **GHS 6,597.32 million**. Budget variance recorded was **GHS 306.10 million** (adverse). This is **4.87%** of compensation budget for the period.

Compensation budget for April 2018 was **GHS 1,572.81 million**. On the other hand, actual compensation of employees recorded was **GHS 1,663.79 million** resulting in an adverse variance of **GHS 90.98 million**. This represents **5.78%** of compensation budget for April 2018. The major reason for the adverse variance recorded in April 2018 could be attributable to budget overruns for Ministries of Health and Education.

The table below shows Ministries with negative cost variances for April 2018.

Table: 4.0

MINISTRY	BUDGETED COMPENSATION OF EMPLOYEES	GOG COMPENSATION OF EMPLOYEES	VARIANCE	% VARIANCE
MINISTRY OF LOCAL GOVERNMENT AND RURAL DEVELOPMENT	1,665,509.00	2,756,055.67	(1,090,546.67)	(65.48)
LOCAL GOVERNMENT SERVICES	6,339,910.00	13,022,348.42	(6,682,438.42)	(105.40)
MINISTRY OF ENERGY	219,199.00	263,449.88	(44,250.88)	(20.19)
MINISTRY OF WORKS AND HOUSING	792,314.00	1,069,498.96	(277,184.96)	(34.98)
MINISTRY OF ROADS AND HIGHWAYS	3,369,898.00	3,578,051.63	(208,153.63)	(6.18)
MINISTRY OF AVIATION	64,165.00	76,040.58	(11,875.58)	(18.51)
MINISTRY OF EDUCATION	599,978,719.00	774,530,956.45	(174,552,237.45)	(29.09)
MINISTRY OF HEALTH	215,711,816.00	227,323,313.11	(11,611,497.11)	(5.38)
COMMISSION ON HUMAN RIGHTS AND ADMINISTRATIVE JUSTICE	1,468,206.00	1,664,395.55	(196,189.55)	(13.36)

Ministry of Health recorded an adverse variance of **GHS 11.61 million** representing **5.38%** of its budget for April 2018.

Ministry of Education registered an adverse variance of **GHS 174.55 million** representing **29.09%** of its budget allocation for the month of April 2018.

The table below shows MDAs with positive variances for April 2018.

CONTROLLER AND ACCOUNTANT GENERAL'S DEPARTMENT

Table 4.1

MINISTRY	BUDGETED COMPENSATION OF EMPLOYEES	GOG COMPENSATION OF EMPLOYEES	VARIANCE	% VARIANCE
OFFICE OF GOVERNMENT MACHINERY	10,061,109.00	7,759,742.80	2,301,366.20	22.87
OFFICE OF THE HEAD OF CIVIL SERVICE	741,374.00	661,171.26	80,202.74	10.82
PARLIAMENT OF GHANA	11,826,011.00	7,771,128.34	4,054,882.66	34.29
AUDIT SERVICE	18,201,405.00	10,442,960.21	7,758,444.79	42.63
PUBLIC SERVICES COMMISSION	367,052.00	182,300.03	184,751.97	50.33
ELECTORAL COMMISSION	4,033,133.50	2,469,232.28	1,563,901.22	38.78
MINISTRY OF FOREIGN AFFAIRS AND REGIONAL INTEGRATION	25,835,008.00	24,300,720.82	1,534,287.18	5.94
MINISTRY OF FINANCE	21,689,222.00	10,952,065.05	10,737,156.95	49.50
METROPOLITAN, MUNICIPAL, DEPT & AGENCIES (MMDA)	40,196,315.00	35,783,732.46	4,412,582.54	10.98
NATIONAL MEDIA COMMISSION	237,325.00	164,599.31	72,725.69	30.64
NATIONAL DEVELOPMENT PLANNING COMMISSION	362,431.00	114,424.13	248,006.87	68.43
MINISTRY OF INFORMATION	6,326,800.00	5,212,946.79	1,113,853.21	17.61
MINISTRY OF PARLIAMENTARY AFFAIRS	46,211.00	3,293.16	42,917.84	92.87
MINISTRY FOR BUSINESS DEVELOPMENT	29,167.00		29,167.00	100.00
MINISTRY FOR INNER CITY AND ZONGO DEVELOPMENT	29,167.00		29,167.00	100.00
MINISTRY FOR SPECIAL DEVELOPMENT INITIATIVES	29,167.00	945.93	28,221.07	96.76
MINISTRY FOR PLANNING	29,167.00		29,167.00	100.00
MINISTRY FOR REGIONAL RE-ORGANIZATION	29,167.00		29,167.00	100.00
MINISTRY FOR MONITORING AND EVALUATION	29,167.00	4,135.95	25,031.05	85.82
MINISTRY OF AGRICULTURE	5,087,726.00	3,859,374.14	1,228,351.86	24.14
MINISTRY OF FISHERIES AND AQUACULTURE DEVELOPMENT	811,934.00	499,624.37	312,309.63	38.46
MINISTRY OF LANDS AND NATURAL RESOURCES	11,401,469.00	10,450,933.38	950,535.62	8.34
MINISTRY OF TRADE AND INDUSTRY	3,802,135.00	3,076,045.96	726,089.04	19.10
MINISTRY OF TOURISM, CULTURE AND CREATIVE ARTS	2,786,044.00	2,584,777.06	201,266.94	7.22
MINISTRY OF ENVIRONMENT, SCIENCE, TECH. AND INNOVATION	17,647,742.00	15,180,931.69	2,466,810.31	13.98
MINISTRY OF WATER RESOURCES AND SANITATION	756,796.00	713,700.52	43,095.48	5.69
MINISTRY OF COMMUNICATIONS	1,790,790.00	1,243,887.01	546,902.99	30.54
MINISTRY OF RAILWAYS DEVELOPMENT	416,667.00	77,902.44	338,764.56	81.30
MINISTRY OF TRANSPORT	436,030.00	243,800.26	192,229.74	44.09
MINISTRY OF EMPLOYMENT AND LABOUR RELATIONS	3,277,067.00	3,233,205.92	43,861.08	1.34
MINISTRY OF YOUTH AND SPORTS	1,404,816.00	1,211,431.09	193,384.91	13.77
NATIONAL COMMISSION FOR CIVIC EDUCATION	3,739,460.00	2,954,142.75	785,317.25	21.00
MINISTRY OF CHIEFTAINCY AND RELIGIOUS AFFAIRS	2,904,885.00	1,047,026.16	1,857,858.84	63.96
MINISTRY OF GENDER, CHILDREN AND SOCIAL PROTECTION	2,252,834.00	2,046,024.54	206,809.46	9.18
NATIONAL LABOUR COMMISSION	207,544.00	130,268.22	77,275.78	37.23
MINISTRY OF JUSTICE AND ATTORNEY GENERAL'S DEPARTMENT	6,488,538.00	5,330,738.39	1,157,799.61	17.84
MINISTRY OF DEFENCE	72,618,700.00	69,954,526.07	2,664,173.93	3.67
JUDICIAL SERVICE	23,781,268.00	13,418,927.47	10,362,340.53	43.57
MINISTRY OF INTERIOR	175,754,208.00	162,881,961.78	12,872,246.22	7.32
MINISTRY OF NATIONAL SECURITY	29,660,586.67	20,349,159.88	9,311,426.79	31.39

Refer to the Appendix E of the Payroll Cost Information for April 2018 for a detailed variance analysis for the month under review.

5.0 COST ANALYSIS

The Department continues to monitor cost on monthly basis to ascertain Ministries with significant increases or decreases in compensation of employees and the reasons for them.

MINISTRY WITH INCREASE IN COST

Cost of wages and salaries for Ministry of Environment, Science, Technology and Innovation was **GHS 14.07 million** in March 2018, but this increased to **GHS 15.07 million** in April 2018. This is **7.91%** increment. The increment was due to an increase in compensation of employees recorded for the Council for Scientific and Industrial Research (CSIR).

Table 5.0

MINISTRY	COST FOR MARCH	COST FOR APRIL	INCREMENT	% CHANGE
	GHS 'MILLION	GHS 'MILLION	GHS 'MILLION	
MINISTRY OF ENVIRONMENT, SCIENCE, TECH. AND INNOVATION	14.07	15.18	1.11	7.91

MINISTRIES WITH DECREASE IN COST

The table below shows Ministries with significant reduction in wages and salaries for April 2018.

Table5.1

MINISTRY	COST FOR MARCH	COST FOR APRIL	REDUCTION	% CHANGE
	GHS 'MILLION	GHS 'MILLION	GHS 'MILLION	
OFFICE OF GOVERNMENT MACHINERY	9.19	7.76	(1.43)	(15.60)
MINISTRY OF FINANCE	15.69	10.95	(4.74)	(30.20)
METROPOLITAN, MUNICIPAL, DEPT & AGENCIES (MMDA)	36.80	35.78	(1.02)	(2.76)
MINISTRY OF EDUCATION	827.54	774.53	(53.01)	(6.41)
MINISTRY OF HEALTH	234.64	227.32	(7.32)	(3.12)
MINISTRY OF INTERIOR	175.84	162.88	(12.96)	(7.37)
MINISTRY OF NATIONAL SECURITY	23.55	20.35	(3.20)	(13.58)

Ministry of Education registered **6.41%** reduction in compensation of employees largely because of Ghana Education Service recording a significant decrease in wages and salaries for April 2018. This was due to a decrease in arrears paid to staff of GES for April 2018.

Compensation of employees for Ministry of Health was **GHS 234.64** million in March 2018, but this reduced to **GHS 227.32** million in April 2018, representing **7.32%** reduction in wages and salaries. This was because of decreases in Compensation of employees recorded for Ghana Health Service, Christian Health Association of Ghana, among others. Staff strength for the above two institutions reduced significantly thus causing the basic salary and arrears paid to decrease substantially. The overall net effect was the reduction in compensation of employees for the Ministry of Health.

6.0 PAYROLL INITIATIVES

6.1 Electronic Pay-slip (E-Pay-slip)

3,486 employees on Government of Ghana (GoG) payroll registered on the E-Payslip system in April 2018. This has increased the total registered number to **608,852**.

The table below shows the statistics of staff registered on the E-Pay-slip platform.

Table 6.0

MONTHS	TOTAL REGISTERED	CUMMULATIVE
2013/14		384,699
2015	106,284	490,983
2016	49,135	540,118
2017	50,594	590,712
Jan-18	2,564	593,276
Feb-18	6,815	600,091
Mar-18	5,275	605,366
Apr-18	3,486	608,852

6.2 E-SPV Validation

The table below shows the results from the Electronic Salary Payment Voucher (ESPV) system validation for the month of April 2018.

REGION	STAFF STRENGTH BEFORE VALIDATION	DISCONTINUED	UNVALIDATED	UNVERIFIED	EXPECTED STAFF STRENGTH AFTER VALIDATION
	A	B	C	D	E= A- (B+C+D)
Ashanti	102,871	112	340	210	102,209
Brong-Ahafo	59,933	68	413	103	59,349
Central	52,839	100	535	83	52,121
Eastern	63,037	64	311	141	62,521
Greater Accra	82,119	157	309	137	81,516
Northern	49,894	78	476	104	49,236
Upper East	28,286	44	331	57	27,854
Upper west	20,958	50	78	47	20,783
Volta	50,009	45	531	135	49,298
Western	43,986	80	418	118	43,370
TOTAL	553,932	798	3,742	1,135	548,257

Table 6.1

798 employees who were marked Discontinued across the regions were terminated from the system and thus were not paid. Again, unverified staff and unvalidated were suspended and thus were not paid.

REGIONAL BREAKDOWN OF UNVERIFIED

REGION	MISSING	LOST & FOUND	UNVERIFIED (GHOST)
Ashanti	6,522	2,740	210
Brong-Ahafo	3,320	1,511	103
Central	3,752	1,625	83
Eastern	4,628	2,152	141
Greater Accra	2,999	1,200	137
Northern	3,126	1,631	104
Upper East	1,571	771	57
Upper West	1,673	1,089	47
Volta	3,686	1,644	135
Western	2,517	1,026	118
TOTAL	33,794	15,389	1,135

Table 6.2

6.3 Integration of GIFMIS with IPPD 2 Payroll System

Out of **56,419** management units assigned to active employees of 132 payrolls on the system, 49,253 management units have been successfully mapped to GIFMIS GL Chart of Accounts.

6.4 Public Financial Management Project Component

The Payroll Component has two main output namely:

- Payroll Cleaning Plan & Implementation
- Payroll & Personnel verification

The payroll cleaning contract was awarded to KPMG in November 2016 and Pro vision in March 2017.

KPMG has completed their deliverables and are expected to Go live in June 2018.

There was an entry conference between CAGD and Ghana Audit service in February 2018 to discuss the payroll verification of all government employees nationwide. This is expected to be completed in December 2018.

7.0 CONCLUSION

Compensation of Employees in general reduced from **GHS 1,735.02 million** in March 2018 to **GHS 1,663.79 million**, in April 2018.

Salaries were run and dispatched to all banks in accordance with payroll timetable for the month under review.