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UNIFIED PAYROLL STRUCTURE AND GOVERNMENT RECURRENT EXPENDITURE IN RIVERS STATE.

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ABSTRACT
This study investigated the relationship between the Unified Payroll Structure and Government Recurrent Expenditure in Rivers State. Research questions were raised, hypotheses were formulated, and the extant literature was reviewed to achieve this purpose. The study population consisted of sixty-five (65) respondents from the accounts department of the various ministries in Rivers State. Data for this study were gathered through primary and secondary sources, the questionnaire for the study was designed in a five-point Likert scale. The mean score was used in analyzing the data while the Pearproduct-moment coefficienticient of correlation and multiple regression analysis were adopted in testing the stated hypotheses. The findings show that there is a significant relationship between biometrics and overheads and personnel costs; and also, a significant relationship exists between bank verification numbers and personnel costs but an insignificant relationship between bank verification numbers and overhead costs in Rivers State Ministries. Based on the above, it was recommended among others that the Rivers State Government should ensure that a Unified payroll Structure is implemented in all MDAs to reduce its recurrent expenditure.

Keywords: Unified payroll structure, recurrent expenditure, biometrics, bank verification number, personnel cost.

INTRODUCTION
Recurrent expenditure refers to payments made by governments for all purposes except capital costs. It includes personnel costs, payments made on goods and services, as well as interest and subsidies. The recurrent expenditure in the Nigeria annual budget is taking a substantial part of the public expenditure. Ogwu (2015), "revealed that a critical look at the Nigeria annual budget over time shows a rise in the recurrent expenditure". In the 2014 budget presented to the joint section of the National Assembly, a total of 2.41 trillion naira was budgeted for the recurrent expenditure and 1.24 trillion budgeted for the capital expenditure. This puts the recurrent expenditure between 70%- 74% of the total budget and only 25% to 30 % of the budget goes to the capital expenditure.

Considering the items covered in the recurrent expenditure, which includes payment of salaries, welfare and other overhead and personnel cost, it shows that less than 3% of the population will spend more than 70% of the money that will be generated in Nigeria. There are serious implications of this on an average Nigeria and also to the generation unborn. According to the statistics released by the Ministry of Finance, the data of the recurrent expenditure indicated as follows: 2006 -70.1 % , 2007-64%, 2008-71.4 %, 2009-67%, 2010-64.7 %, 2011-74.4%, 2012- 71.5%, 2013-67.5% and 2014 -74 %.There are compelling needs to drastically reduce the recurrent expenditure. There is a growing need to streamline the ministries, parastatals and agencies (MDA's) to minimise the high recurrent expenditure which is eating deep into our

national solidarity. It is on this premise that the Unified Payroll and Personnel Information Structure (UPPIS) was introduced in the Nigerian public sector.

Prior to the adoption of Unified Payroll structure and Personnel Information Structure (UPPIS) in Nigeria, warrants for the monthly salaries of Ministries, Departments and Agencies (MDAs) were issued by the Budget Office of the Federation (BOF) to the Accountant General of the Federation (AGF). The warrant which must be signed by the Minister of Finance serves as authority to the Accountant General of the Federation to disburse monies specified from Consolidated Revenue Fund (CRF) for the purpose of carrying on the services of government (OAGF, 2013). Upon the receipt of the warrant, the AGF shall issue mandate for cash-backing to the Central Bank of Nigeria (CBN) to credit the individual MDAs account. Federal Treasury Circular 2004) reported that "the MDAs were to prepare their staff payroll and effect the payments to their individual accounts and also responsible to account for the personnel cost given to them". Adrian (2010), noted that "during that period, payroll accounting was done manually without the aid of computers. Accountants invested a lot of time and energy in keeping track of all employees' data, files and information, calculating monthly salaries, hourly remunerations, bonuses, leaves, benefits, taxes and other deductions. All these were done by keeping numerous files filled with track records for each and every employee". Although there are some MDAs that made use of computer for accounting records, but government still observed gross inadequacies in the payroll and personnel records in public service. Hence, the Federal Government of Nigeria carried out reformation of the Nigerian public service one of which is the Unified Payroll and Personnel Information Structure (UPPIS) (Okonjo-Iweala, 2013).

Presently, the personnel costs of the MDAs that have been enrolled into UPPIS are no longer credited into their MDAs accounts; instead, their personnel costs are now with the Central Bank of Nigeria (OAGF 2013). The Office of Accountant General of the Federation (OAGF) prepares payroll and generate mandate which will be sent to the CBN, then the staff salaries will now be credited directly from CBN into the employees account (OAGF, 2013). The Office of the Accountant General of the Federation took over the responsibility of UPPIS since 2008 and for the fact that the personnel costs are now centralized, it is now easier for the OAGF to monitor fund.

The purpose of this reform is to curb fraud in the Nigerian public service. Obaro (2006) asserted that except the public servant staff records are computerized, the fight against ghost workers will achieve limited result. Aganga (2011), also pointed out "that the implementation of Unified Payroll and Personnel information Structure (UPPIS) was part of the efforts to reduce the recurrent expenditure of the government in particular personnel cost, which represents more than 50 percent of recurrent expenditure". Obaro (2006), asserted that "Unified Payroll and Personnel Information Structure (UPPIS), which is biometric, is a Structure where the data of every employee of government has to be captured and payment is made directly into their bank account". This study therefore intends to determine the relationship between Unified payroll Structure (UPS) and government recurrent expenditure. This of course is the crux of the matter.

Statement of the Problem

Otunla (2013), confirmed that "the government had expressed worries about the high costs of its workforce, as the Structure in place made it difficult to plan, manage and make effective budgeting". The payroll Structure allowed for non-existing employees commonly known as

ghost workers in the civil service, and multiple payments of emoluments to an employee which also contributed to the high cost of personnel as a major cost of the recurrent expenditure (Lawanson & Babatunde, 2013). Hence, it has been a problem to ascertain the accurate wage data of civil servants in Nigeria as a result, personnel cost budget has always been on estimation. This has created loopholes whereby some ministries budget more than they require and put the excess fund to other uses other than payment of wages/salaries and allowances. These certainly enlarge government recurrent expenditure which denies the capital expenditure the needed fund to finance capital projects.

It is important that the recurrent expenditure especially personnel cost should be monitored and cut down through appropriate government policy to avoid overspending of government revenue on payment of salaries at the detriment of other challenging sectors. Lawanson and Babatunde (2013), claimed that "Unified payroll Structure (UPS) has been identified by scholars and researchers as a means of reducing the recurrent expenditure of the government in particular personnel cost, which represents more than 60 percent of recurrent expenditure".

Despite the significance of Unified payroll Structure (UPS), there appears to be scanty empirical evidence in Nigeria to the best of my knowledge that establishes a link between Unified payroll and Structure (UPS) and government recurrent revenue. It is on this premise that the current study is being consummated.

Aim /Objectives of the Study

The main aim of this study was to investigate the relationship between Unified Payroll Structure and Government Recurrent Expenditure with other specific objectives such as:

(i) To examine the extent to which the biometrics influence government overhead expenditure in Rivers State Ministries;
(ii) To examine the extent to which the biometrics influence government personnel cost in Rivers State Ministries;
(iii) To investigate the relationship between bank verification numbers and government overhead expenditure in Rivers State Ministries;
(iv) To investigate the relationship between bank verification numbers and government personnel cost in Rivers State Ministries.

The following research questions were raised for the study:

(i) To what extent does biometrics influence government overhead expenditure in Rivers State Ministries?
(ii) To what extent does biometrics influence government personnel costs in Rivers State Ministries?
(iii) What is the relationship between bank verification numbers and government overhead expenditure in Rivers State Ministries?
(iv) What is the relationship between bank verification numbers and government personnel costs in Rivers State Ministries?

Research Hypotheses

With due consideration to the objectives of the study and the research questions, the following hypotheses stated in the null form were raised:

$H_0$1: Biometrics has no significant influence on government overhead expenditure in Rivers State Ministries.

$H_0$2: Biometrics has no significant influence on government personnel cost in Rivers State Ministries.

$H_0$3: There is no significant relationship between bank verification number and government overhead expenditure in Rivers State Ministries.
$H_0$4: There is no significant relationship between bank verification number and government personnel cost in Rivers State Ministries.

LITERATURE REVIEW

Conceptual Framework

Unified Payroll Structure

Unified Payroll Structure (UPS) is one of the Federal Government Reform Programme conceptualized as a central payment process for all civil servants on the payroll of the Federal Government. The Structure was planned to run in phases using the World Bank facility to finance the pilot phase. It was fully implemented consequent on the approval of the Federal Executive Council (FEC) in February, 2006 but went life in April 2007 with seven (7) pilot MDAs.
The Federal Government envisaged that the Structure will be implemented according to best practices as obtainable in other part of the world where Information and Communication Technology (ICT) is used to improve management reporting and information. At the initial stage of formulation and planning of the project, Bureau for Public Service Reform (BPSR) was the custodian of the UPPIS. The scope of the project is to cover the administration of the FGN's human resources beginning with establishment control and cadre management. It will cover all the activities that have to do with recruitment, promotion, transfers and career movements until appointment termination. The Structure is to track all the financial transactions that are related and linked to personnel emoluments.

Biometrics

A biometric Structure according to Aganga (2011), is "where data of every employee of government has to be captured and payment made directly into employee's bank account". The introduction of UPPIS was part of the Federal Government's effort to reduce the level of recurrent expenditure; in particular, personnel cost which represent more than fifty (50%) percent of recurrent expenditure. According to him, the nominal payroll of the Federal Government before the implementation of UPPIS had been 112,000 employees but the Government were able to remove a total of 43,000 "ghost workers" from the payroll of its MDAs within the last one year. He said the implementation of UPPIS in the 36 MDAs had been divided into three phases, noting that the first phase which covered seven (7) MDAs, saved the country over N12 billion. The savings, he explained, represented the difference between releases to the MDAs based on their nominal payroll submissions before enrolment into the UPPIS and actual salaries paid through UPPIS after the exercise.
The Organization for Economic Co-operation and Development-OECD (2015), confirmed that "personnel costs are usually the largest single factor in government budgets. Efficient budgeting and monitoring of personnel therefore has a significant impact on the capacity of a given government to control its expenditure, while at the same time fulfilling its mission (to the satisfaction of the public) with the limited budgetary resources available". The crucial issue is on how to allocate the limited budget resources to the confirmed employees in order to ensure the most efficient and effective use of resources, while at the same time meeting the growing demands of the citizens.

Bank Verification Numbers (BVN)

Bank verification number (BVN) is an identification Structure implemented by the Central Bank of Nigeria to curb or reduce recurrent expenditure associated with illegal banking transactions in Nigeria. The comprehensive employees' data in the Personnel records module of UPPIS are the major ingredients, supplied by the Office of Head of Civil Service of the Federation (OHCSF) and verified by the Federal Civil Service Commission (FCSC) augmented by other details that are captured during staff enrolment, that are used in the monthly payroll process.

The main input into the personnel records are data extracted from employee's files that are kept by OHCSF and FCSC because majority of civil servants have been recruited, promoted and moved around the MDAs before the UPPIS project was commissioned. These data are converted into a format acceptable by the UPPIS, verified and validated before they are transferred into the database. The second input into the personnel records is the staff biometric data (fingerprints)and passport photographs that are captured during the enrolment process. Other data generated from personnel transactions like promotion, transfer, and in-service training are added to make the database complete.

Unified Payroll and Administration

Payroll administration is the second module of UPPIS and major processes in the monthly payroll cycle are: variation capture at the MDAs; payroll run at the MDAs; payroll closure by MDAs; payroll audit; payslip generation at MDAs; rollover to a new month; payroll warrant generation by BOF; payroll mandate generation by OAGF; send Payroll warrants to CBN. The payroll cycle at the MDAs starts immediately salaries have been paid to the banks and ends after notifications have been sent to Budget Office of the Federation (BOF). The process starts with making sure that all eligible civil servants, each with unique (UPPIS) identity number, are enrolled into the UPPIS database compliant to the necessary regulations.

Recurrent Expenditure

Recurrent expenditure refers to payments made by governments for wages and salaries and other overheads.

Personnel Costs

The current staff strength of the various ministries and agencies of government are over bloated. The government should be able to rationalise the staff and identify those relevant to the organisations they serve. They should also engage in massive retraining of some of the trainable staff members to ensure efficiency and effectiveness. A thorough auditing of the staff strength is needed. Also, a careful identification of the ghost workers, those working with fake identity and fake qualifications should be flourished out of the Structure to provide space for competent and qualified individuals. Okechukwu (2015), "the civil service is the engine room for policy formation and programme so it deserves a high productivity work force. The government can reduce the large wage bill by the adoption of out- sourcing and the use of private sector services and consultancy to tackle some specialised jobs. This would also reduce the various obligations and labour demand. A high productivity civil service will provide an enabling environment for most sectors of the economy to thrive. The issue of good governance, transparency and accountability will also thrive under such condition".

Overhead Costs

The academic literature provides two basic definitions of overhead: direct versus indirect costs (overhead); and primary versus secondary activities (overhead). Although a fundamentally different definition does not need to be added, there is a need for clarification. The first definition, the distinction between direct and indirect costs, is not very clear, because the question of which costs are direct or indirect largely depends on an organization's structure and administrative Structure. Some organizations measure the use of particular support services by primary services, while others allocate the costs of those support services to the primary services. In the first case, the costs of support services are direct costs, while in the latter case they are indirect costs. So, because organizations differ largely in what they consider to be indirect costs, this hinders a proper comparison.

Generic overhead - The concept of generic overhead typically includes functions that are common in all sectors. Our definition includes all centralized and decentralized departments dealing with the following functions: board, management, and secretarial support; personnel affairs/ human resources (HR); IT; finance and control; communication; legal affairs; facility services, for example security, maintenance, delivery of internal mail, and reception desk services. These activities are only considered to be overhead insofar as they do not form part of the organization's primary tasks. This applies to some of the functions mentioned here, as the following examples illustrate: *We characterize the restaurant in a municipal organization as 'overhead' because it serves the employees in the primary process rather than the citizens. The restaurant in a nursing home is considered mainly a 'primary process' because it exists to serve the residents of this institution. It only serves the organization's employees to a limited degree, so it can only partly be characterized as overhead.*

Specific overhead - This concept relates to the particularities of a certain sector, in the sense that overhead concerns those specific functions that fit the basic definition but only apply to one particular sector. For example, universities need 'student support' (which includes sports instructors and psychologists for students) and 'educational administration' functions. The work of a courtroom messenger may serve as another example—the messenger supports the primary process of the courtroom. This type of work is not relevant in other sectors, so it is a sector specific overhead function.

In government and business, overhead cost refers to an ongoing expense of operation. Overheads are the expenditure which cannot be conveniently traced to or identified with any particular cost unit. Therefore, overheads cannot be immediately associated with the products or services being offered, thus do not directly generate profits for a business. Overhead is a phenomenon that many people dislike; it is often associated with the 'fat' of an organization and one of our interviewees labeled it as 'self-rising flour'. Nevertheless, it fulfills an important function, namely steering and supporting an organization's primary processes. Overhead is also an emotionally charged subject and discussions about the issue often stir up strong feelings. The notion of too much overhead aggravates people because it is associated with a loss of financial resources for primary processes. Moreover, not everybody recognizes its added value, while the emotions of the employees involved in overhead functions run high every time drastic overhead cuts are made without a thorough analysis.

Theoretical Framework

Unified Theory of Acceptance and Use of Technology (UTAUT)

Unified theory of acceptance and use of technology (UTAUT) is a technology acceptance model formulated by Venkatesh and others in "User acceptance of information technology: Toward a unified view". The UTAUT aims to explain user intentions to use a Structure and subsequent usage behavior, in this research the UTAUT theory is used to illustrate acceptance and use of technology in Government. The theory holds that four key constructs: performance expectancy, effort expectancy, social influence, by citizen and facilitating ideal conditions; i.e. the Structure tools. The first three being direct determinants of usage intention and behavior, and the fourth a direct determinant of use behavior.

The theory was developed through a review and consolidation of the constructs of eight models that earlier researcher had employed to explain information Structures usage behavior (theory of reasoned action, technology acceptance model, motivational model, theory of planned behavior, a combined theory of planned behavior/technology acceptance model, model of personal computer use, diffusion of innovations theory, and social cognitive theory). Subsequent validation by Venkatesh et al. of UTAUT in a longitudinal study found it to account for 70% of the variance in behavioral intention and about 50% in actual use and thus test the pattern as regards implementation of IPPD.

Equity Theory

According to Adams in Gerhart (1994), "equity theory suggests that employee perceptions of what they contribute to the organization, what they get in return and how their return-contribution ratio compares to others inside and outside the organization, determine how faire they perceive their employment relationship to be". Perceptions of inequity are expected to cause employees to take actions to restore equity. Unfortunately, some of such actions like quitting, lack of cooperation especially in form of fraud may not be helpful to the organization. Cowherd and Levine in Gerhart (1994), also added that "individuals often compare their pay to that of people higher in the organization structure. If lower-level employees feel inequitable treated, they may seek to reduce their effort to achieve equity".
Anyaduba (2013), revealed that "in government's organizations, government spending and Taxation are key tools of Fiscal Policy. Government expenditure refers to the recurrent and capital expenditure incurred by the public sector for the absorption and maintenance of its resources". Recurrent expenditure is the ongoing expenditure of an organization or expenses that occur repeatedly which involve the payment of salaries, travelling expenses and other miscellaneous expenses. It is paid from the Consolidated Revenue Fund (CRF) and no such expenditure may be incurred except on the authority of a warrant duly signed by the Minister of Finance (Ani, 1998:96). This means that salaries are paid from recurrent expenditure of government and they are monitored using Fiscal Policy to avoid over spending. It is used by governments in an attempt to maintain economic growth, high employment and low inflation (Ogwu, 2015).

According to Heakal (2013), "the policy is based on the theory of British economist John Maynard Keynes also known as Keynesian economics. This theory basically states that governments can influence macroeconomic productivity levels by increasing or decreasing tax level and public spending. It in turn, curbs inflation, increase employment and maintains a healthy value of money". Ebiringa (2017), posits that "fiscal policy is said to be tight or

contraction when revenue is higher than spending (government budget in surplus) and loose or expansionary when spending is higher than revenue (budget is in deficit)". This study is however based on the Equity Theory.

Empirical Review:

El-Rufai (2011) in Mike (2019) stated that while the public service pay is low relative to the cost of living, the overall burden of payroll as a percentage of the budget is huge. In most states other than Lagos, Kano, Kaduna and Rivers States, an average of 50% of the budget goes towards the payment of salaries: to about 1% of their population - an unfair and unsustainable state of affairs. Out of theN2,425 billion included in the 2011 Budget for recurrent expenditure, between 73% and 84% for each MDA constitutes personnel cost. IPPIS will ensure accurate budget estimate for sustainable development.

Folorunsho (2017) in Chima and Folorunsho (2020) observed that the manual computation of personnel information and salary administration in the Nigerian Federal Civil Service resulted to the inaccurate computation of salary leading to over payment, underpayment, the omission of staff name in payment, wrong calculation of promotion and pension, easy manipulation of personnel records, unreliable data for human resource planning and management and other various forms of payroll and credential fraud which Integrated Payroll and Personnel Information System has corrected.

Nwosu (2010) examined Integrated Payroll and Personnel Information System in the Nigerian Civil Service. Survey method was use for the study, data were sourced from both primary and secondary sources. Questionnaire and Interview methods were used extensively. The sample was 200 respondents drawn from a population of 400 staff of Accounts and Personnel units of selected Federal Ministry in Enugu State, Nigeria. Chi-square was used for data analysis. One of the hypotheses stated that proper implementation of Integrated Personnel and Payroll Information System will not significantly eliminate payroll fraud thereby reducing the recurrent expenditure. Comparing the values of X2 Critical (12.59) with X2 Computed (23.45). Results showed that the Computed value is greater than Critical value. Therefore, the null hypothesis was rejected. This implies that proper implementation of Integrated Payroll and Personnel Information System will significantly eliminate payroll fraud thereby reducing government recurrent expenditure.

Nangih and Davies (2017) defined payroll fraud as a fictitious employee added to the payroll. Wages or salary is paid to the ghost and is diverted for the beneficiary of the perpetrator. They further posited that the term ghost workers were born in reference to employees who convert salaries through false means, or where a fictitious person or a real worker simply did not work but got paid.

For Lekubu (2013) Payroll fraud occurs when employees take money from an establishment through the payroll illegitimately with the aim of usurping those monies for themselves.

Nwosu (2010) in Oguzierem and Sofiri (2017) found that capturing of civil servants bio-data in Integrated Personnel and Payroll System (IPPIS) platform will make the existence of ghost workers difficult and minimize payroll fraud. This will enhance the sustainability of such establishment.

Anyanwu and Ewhe (2020)believed that since the inception of IPPIS in April 2007, it has eliminated thousands of ghost workers thereby saving the Federal Government billions of naira. Micah and Moses (2018) opined that the Integrated Payroll and Personnel Information System (IPPIS)is to provide a reliable and comprehensive database for the public service to facilitate International Journal of Capacity Building in Education and Management.

Emanghe, Emmanuel E. & Amoramo, John Davis, 2020, 4 (1):35-43 38 manpower planning, eliminate record and payroll fraud, facilitate easy storage, update and retrieve personnel records for administrative and pension processes, and facilitate convenient staff remuneration payment with minimal waste and leakage.

Haruna, Joseph and Samson (2015) collaborated that the massive financial losses occasioned by payroll fraud through the use of ghost workers are gradually being discovered and eliminated by reason of the introduction of IPPIS. Enormous savings have been made which is been used to enhance overhead and capital releases to the MDAs.

El-Rufai (2011) in Akande (2019) noted that in the Federal Capital Territory (FCT), out of an initial headcount of 26,000, 3,000 ghosts were discovered, in the first round of audit. By the time biometric ID was introduced and centralized in the computerized payroll, more 2,500 employees whose name were on the pay roll failed to show up for documentation exercise. The repetitive nature of payroll preparation makes payroll fraud a widespread through the use of a computer for recessing payroll. Hence, the need to study the incidence of Accounting Systems and Payroll Fraud Management in Nigeria with a view to contribute to building a strong accounting system capable of curbing payroll fraud in the public sector of developing nations.

Adedeji (2015) in Enakirerhi and Temile (2017) asserted that the purpose of IPPIS is to ensure the elimination of wastages noticed in the administration of payroll in public service. Mede (2016) noted that government effort to regenerate the civil service for efficient and effective service delivery and elimination of payroll fraud led to the conceptualization and implementation of IPPIS.
Idris, Adaja and Audu (2015) added that IPPIS implementation ensured and would ensure virile economy through enhanced productivity and save billions of Naira in personnel cost through wastage elimination.

Okoye and Gbegi (2013) opined that the failure of internal auditing system of the organization in detecting fraudulent practices has led to the use of specialized procedures to detect fraud, collectively known as forensic auditing.

Obinna (2013) noted that, there is collaboration within the system that enhances the operation of payroll fraud. For example, a top official of government must approve wage payment, another official must audit the pay vouchers for another official to pay the salary. The collaboration appears to have paralyzed the possibility of apprehending the culprits and encouraged the fraud.

Oguzierem, Sofiri and Okodudu (2017) reported that recently, the Nigeria Federal Government through biometrics applications uncovered that it was wastefully making payment running in billions of Naira to illegitimate workers.

METHODOLOGY

Research Design

A research design is the blueprint that guides the researcher in obtaining and generating necessary data for the study. Ezeani (2009), posit that "the research designs commonly used in administrative sciences, social sciences and education research are the case study and survey methods". Since the case study is directed at a comprehensive understanding of a single idiosyncratic case, the results may not be generalized; hence the case study would therefore be inappropriate for this study. But the survey method involves a Structuralistic gathering of information from respondents for the purpose of understanding and /or predicting some aspect of the behaviour of the population of interest. It is particularly useful for the study of non-observable events, such as opinions, attitudes and preferences or dispositions and also offers the researcher the opportunity to study a wider range of the study subjects for a valid generalization.

In view of the above, the survey research design was adopted in this study.

Population of the Study

According to Cohen (2011), "a population is the animate and inanimate objects, which a study is focused". It is made up of all conceivable elements, traits, events, people, subject or observation relating to a particular phenomenon of interest to the researcher.

The population of this study consisted of selected ministries in Rivers State such as ministries of Finance, Education, Power, Environment and Urban Development, Works, Agriculture, Justice, Woman Affairs, Culture and Tourism, Commerce and Industry, Sports, Land and Housing, and Health. Five respondents from each of the ministry were considered for this study. On the whole, the population of the study consisted of a total of sixty-five (65) respondents.

Sample and Sampling Techniques

According to Cohen (2011), sampling is the process of selecting sufficient number of elements from the population so that a study of the sample and understanding of its properties or characteristics would make it possible for us to generalize such properties to the population elements. Cohen (2011), further observed that the reasons for sampling, rather than collecting data from the entire population, are self-evident. He held that in research investigation involving several hundreds and even thousands of elements, it would be practically impossible to collect data from, or test, or examine every element.

In this study, since the population is within manageable limit, we considered the entire population rather resorting to sample study.

Methods of Data Collection

In every study, the researcher may have the choice of collecting the relevant data himself or by relying entirely on existing data either in published or unpublished form. Hence, there are basically two methods of data collection, these are the primary source and secondary source.

Primary Method: This method is very useful due to the fact that the data obtained from it are normally tailored to the framework of the study in question. It involves the use of questionnaire, observation and personal interview.

Secondary Method: This method involves the collection of already existing data. Through the secondary method, collection of data is economical and also provides information which would normally be difficult to obtain by the researcher.

However, considering the objectives of this research work, both the primary and secondary methods of data collection were adopted.

The Research Instrument

The instrument for collection of data in this study was the questionnaire. The questionnaire was structured and designed in five-point Likert scale; strongly agree (5), agree (4), indifferent (3), disagree (2), and strongly disagree (1). It was designed in two parts. Part A was be used to generate background information of the respondents and the organization of the study. Part B was used to gather information on the variables of the study, such as biometrics, bank verification number, and financial regulation.

The questionnaire was administered on sixty-five (65) accounting staff of the various ministries in Rivers State.

Validity and Reliability of Research Instrument

Validity is the extent to which an instrument measures what it is supposed to measure while reliability measures the extent of consistency or dependability of the instrument that guides the study. Prior to administration of the questionnaire, it was subjected to a face and content validity before the supervisor of this research work and other experts, and its reliability / internal consistency will be tested using the Cronbach alpha coefficient. This method indicates the degree to which a set of items measures a single un-dimensional construct. When the Cronbach's alpha is closer to 1, the test items are closely related to each other. When the test items are not closely related to each other, it will be closer to 0.

The result of the reliability test is as shown in the Table below.

Cronbach's Alpha	Cronbach's Alpha based on Standardized Items	No of Items
0.899	0.965	5

Source: SPSS Version 22 Window Output

The results of the reliability test indicated by the Cronbach alpha coefficients showed that our measures fall within the standard of 0.70 and above as established by Nunnally (1978). We therefore conclude that our research instrument is highly reliable and the internal consistency of the variables measures is high. It therefore serves as a useful instrument for this study.

Method of Data Analysis

There are two types of data analysis; these are descriptive data analysis and inferential data analysis.

Descriptive Analysis: This involves a univariate analysis which is used in analyzing the personal data and research questions in describing the dependent and independent variables. Descriptive data for the dependent and independent variables generated in this study were analysed using the mean scores.

Inferential Analysis: This entails bivariate and multivariate analyses, which are used in hypotheses testing. The null hypotheses stated in this study were tested at 5% level of significance using both the Pearson product moment coefficient of correlation and the linear regression model. These statistical techniques seem appropriate considering the parametric nature of the data to be generated and the nature of the research hypotheses, which are intended to measure the effect of one variable on the other.These analyses were conducted with the aid of the Statistical Package for Social Sciences (SPSS) version 22.

Model Specification and Estimation

In this study Unified Payroll Structure is the independent variable operationalized as Biometrics and Bank Verification Number while the measures of government recurrent expenditure dependent variable are personnel costs and overhead cost. This is as captured in the model shown below:

In functional form, our model is:

PCOST = f (BTRIC) ..... (i)

PCOST = f (BVN) ..... (ii)

OH = f (BTRIC) .....(iii)

OH = f (BVN) ..... (iv)

UPPIS = f (FR) ..... (v)

In statistics form, our model is:

PCOST = f[$\propto_o$+β_1BTRIC+β_2BVN+β_3FR + U ----------] (vi)

OH = f[$\propto_o$+β_1BTRIC+β_2BVN+β_3FR+ U ----------] (vii)

Where:

PCOST = Personnel Costs

OH = Overheads

BTRIC= Biometrics

BVN = Bank Verification Number

FR = Financial Regulation

$\propto$ = Regression Constant

β = Regression Coefficient

DATA PRESENTATION AND ANALYSIS OF DATA

Table 4.1: Respondents Perception of Overhead Costs in Rivers State Ministries

S/N	Statements on Overhead Cost	SA(5)	A(4)	I(3)	D(2)	SD(1)	Total	Mean
1.	Payment of overheads in the ministry are made without proper authorization	2 (10)	7 (28)	1 (3)	1 (2)	2 (2)	13 (45)	3.46
2.	Office expenses are grossly over-stated in the ministry	4 (20)	3 (12)	1 (3)	2 (6)	3 (3)	13 (44)	3.38
3.	Suppliers are fraudulently paid in excess by the ministry	3 (15)	6 (24)	2 (6)	2 (2)	0 (0)	13 (47)	3.62
4.	Receipts for the payment of services are usually misappropriated in the ministry	2 (10)	2 (8)	3 (9)	4 (8)	2 (2)	13 (36)	2.85
5.	Supplies to the ministry are usually in shortage	4 (20)	5 (20)	0 (0)	3 (6)	1 (1)	13 (47)	3.62
	Average							**3.39**

Source: Field Work (2025).
Note: The figures in bracket are weighted frequencies.
Personnel Costs: The data on personnel costs were obtained using five (5) test items raised in the questionnaire which were rated by the respondents. The result obtained is presented in Table 4.2 below.

Table 4. 2: Respondents Perception of Personnel Costs in Rivers State Ministries

S/N	Statements on Personnel Cost	SA(5)	A(4)	I(3)	D(2)	SD(1)	Total	Mean
1.	Unclaimed wages of staff that have left the ministry are usually misappropriated	4 (20)	3 (12)	3 (9)	1 (2)	2 (2)	13 (45)	3.46
2.	Excesses and floats are fraudulently paid out to employees in the ministry	2 (10)	6 (24)	3 (9)	1 (2)	1 (1)	13 (46)	3.54
3.	Pensions and gratuities constitute a greater portion of personnel cost in the ministry	1 (5)	4 (16)	0 (0)	4 (8)	4 (4)	13 (33)	2.54
4.	The staff strength of the ministry is usually over bloated	2 (10)	2 (8)	2 (6)	6 (12)	1 (1)	13 (37)	3.85
5.	The number of ghost workers in the ministry is very high	3 (15)	7 (28)	1 (3)	1 (2)	1 (1)	13 (49)	3.77
	Average							**3.43**

Source: Field Work (2025)
Note: The figures in bracket are weighted frequencies.

Biometric (BTRIC): The data on BTRIC were obtained using five (5) test items raised in the questionnaire which were rated by the respondents. The result obtained is presented in Table 4.3 below.

Table 4.3: Respondents Perception of Biometrics in Rivers State Ministries

S/N	Statements on Biometrics	SA(5)	A(4)	I(3)	D(2)	SD(1)	Total	Mean
1.	Accountability and transparency of government revenue in the ministry has increased with BTRIC	2 (10)	2 (8)	2 (6)	6 (12)	1 (1)	13 (37)	3.85
2.	Monthly payment of staff emoluments are being monitored in the ministry	3 (15)	7 (28)	1 (3)	1 (2)	1 (1)	13 (49)	3.77
3.	Ghost workers and multiple payments of emoluments to a single employee is eliminated in the ministry	4 (20)	3 (12)	1 (3)	2 (6)	3 (3)	13 (44)	3.38
4.	BTRIC facilitate easy storage, updating and retrieval of personnel records for administrative and pension processes in the ministries	3 (15)	6 (24)	2 (6)	2 (2)	0 (0)	13 (47)	3.62

5.	Fraudulent employees in the ministry are easily identified afterwards with BTRIC	4 (20)	4 (16)	0 (0)	3 (6)	2 (2)	13 (44)	3.38
	Average							**3.60**

Source: Field Work (2025)
Note: The figures in bracket are weighted frequencies.

Bank Verification Number (BVN): The data on the level of satisfaction of BVN were obtained using five (5) test items raised in the questionnaire which were rated by the respondents. The result obtained is presented in Table 4.4 below.

Table 4.4 : Respondents Level of Satisfaction with Bank Verification Number (BVN) in Rivers State Ministries

S/N	Statements on Bank Verification Number	SA(5)	A(4)	I(3)	D(2)	SD(1)	Total	Mean
1.	The act of money laundering is reduced in the ministry with BVN	3 (15)	6 (24)	2 (6)	2 (2)	0 (0)	13 (47)	3.62
2.	There is simplicity and speed in the ministry banking process	4 (20)	4 (16)	0 (0)	3 (6)	2 (2)	13 (44)	3.38
3.	Reported cases of scam, impersonation and account hacking are reduced in the ministry	3 (15)	6 (24)	2 (6)	2 (2)	0 (0)	13 (47)	3.62
4.	Transactions made by employees of the ministry are being tracked across all banks	3 (15)	3 (12)	3 (9)	3 (6)	1 (1)	13 (43)	3.31
5.	Illegal banking transactions by employees of the ministry are easily curbed	2 (10)	5 (20)	4 (12)	0 (0)	2 (2)	13 (44)	3.38
	Average							**3.46**

Source: Field Work (2025).
Note: The figures in bracket are weighted frequencies.

Relationship between Unified Payroll and Overhead Cost in Rivers State Ministries

Hypothesis one states that Unified payroll has no significant influence on overhead cost in Rivers State Ministries. In testing this hypothesis, data generated on the level of satisfaction of Unified payroll were regressed with data on the perception of overhead cost and the result obtained is presented in Table 4.6 below.

Table 4.6:Relationship Between Unified Payroll and Overhead Cost in Rivers State Ministries

		BTRIC	OH
BTRIC	Pearson Correlation	1.000	-.614
	Sig. (2-tailed)		.009
	N	13	13
OH	Pearson Correlation	-.614	1.000
	Sig. (2-tailed)	.009	
	N	13	13

Source: SPSS Version 25 Window Output

The result presented in Table 4.6 revealed a correlation coefficient (R) of -0.614, which is negative and high. This suggests that there is astrong negative relationship between BTRIC and OH. The p-value (0.009) which is less than 0.05 level of significance indicates a significant relationship. This suggests that the adoption of Unified payroll brings about a decrease in overhead cost in Rivers State Ministries hence the null hypothesis is rejected.

Relationship between Unified Payroll and Personnel Costs in Rivers State Ministries

The null hypothesis tested here is that Unified payroll has no significant influence on overhead cost in Rivers State Ministries. In testing this hypothesis, data generated on the level of satisfaction of Unified payroll in Rivers State Ministries were regressed with data on personnel costs and the result obtained is presented in Table 4.7 below.

Table 4.7: Relationship Between Unified Payroll and Personnel Cost in Rivers State Ministries

		BTRIC	PCOST
BTRIC	Pearson Correlation	1.000	-.881
	Sig. (2-tailed)		.000
	N	13	13
PCOST	Pearson Correlation	-.881	1.000
	Sig. (2-tailed)	.000	
	N	13	13

Source: SPSS Version 25 Window Output

The result presented in Table 4.7 revealed a correlation coefficient (R) of -0.881, which is negative and high. This suggests that there is a strong negative relationship between BTRIC and PCOST. The p-value (0.000) which is less than 0.05 level of significance indicates a significant relationship. This suggests that the adoption of Unified payroll brings about a decrease in personnel cost in Rivers State Ministries hence the null hypothesis is rejected.

Relationship Between Bank Verification Number and Overhead Costs in Rivers State Ministries

The null hypothesis tested here is that there is no significant relationship between bank verification number and overhead cost in Rivers State Ministries.

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In testing this hypothesis, data generated on the level of satisfaction of bank verification number in Rivers State Ministries were regressed with data on overhead costs and the result obtained is presented in Table 4.8 below.

Table 4.8:Relationship Between Bank Verification Number and Overhead Cost in Rivers State Ministries

		BVN	OH
BVN	Pearson Correlation	1.000	-.006
	Sig. (2-tailed)		.237
	N	13	13
OH	Pearson Correlation	-.006	1.000
	Sig. (2-tailed)	.237	
	N	13	13

Source: SPSS Version 25 Window Output

The result presented in Table 4.8 revealed a correlation coefficient (R) of -0.006, which is negative and weak. This suggests that there is a weak negative relationship between BVN and OH. The p-value (0.237) which is greater than 0.05 level of significance indicates a insignificant relationship. This suggests that the adoption of bank verification number brings about an insignificant decrease in overhead cost in Rivers State Ministries hence the null hypothesis is accepted.

Relationship Between Bank Verification Number and Personnel Costs in Rivers State Ministries

The null hypothesis tested here is that there is no significant relationship between bank verification number and personnel cost in Rivers State Ministries.

In testing this hypothesis, data generated on the level of satisfaction of bank verification number in Rivers State Ministries were regressed with data on personnel costs and the result obtained is presented in Table 4.9 below.

Table 4.9:Relationship Between Bank Verification Number and Personnel Cost in Rivers State Ministries

		BVN	PCOST
BVN	Pearson Correlation	1.000	-.584
	Sig. (2-tailed)		.011
	N	13	13
PCOST	Pearson Correlation	-.584	1.000
	Sig. (2-tailed)	.011	
	N	13	13

Source: SPSS Version 25 Window Output

The result presented in Table 4.9 revealed a correlation coefficient (R) of -0.584, which is negative and moderate. This suggests that there is a moderate negative relationship between BVN and PCOST. The p-value (0.011) which is less than 0.05 level of significance indicates a significant relationship. This suggests that the adoption of bank verification number brings about a significant decrease in personnel cost in Rivers State Ministries hence the null hypothesis is rejected.

Discussions of Findings

The analysis in this study has shown that Unified payroll Structure influences government recurrent expenditure in Rivers State Ministries. It has revealed that overhead and personnel costs in Rivers State ministries are high; the level of satisfaction with IPS and BVN in Rivers State Ministries is also high but the level of satisfaction with financial regulations is low in Rivers State ministries.

It was also gathered in this study that a significant relationship exists between Unified payroll and overhead and personnel costs in Rivers State Ministries. These findings agree with Lawanson and Babatunde (2013) and Aganga (2011) who in their various studies also posited that the implementation of Unified Payroll Structure (UPS) reduces recurrent expenditure of the government in particular personnel cost, which represents more than 50 per cent of recurrent expenditure.

On the relationship between bank verification number and recurrent expenditure, this study only established a significant association between bank verification number and personnel cost but insignificant relationship with overhead costs. These findings are not in agreement with Afolabi (2018), Pic and Jan (2017) . In their studies it was revealed that in the long run bank verification number will bring about a reduction in government recurrent expenditure both in overhead and personnel costs.

Summary of Findings

This section presents summary of findings, conclusion and possible recommendation we were concerned with the methodology of this study.

The findings generated from this study are as follows:

(i) Overhead and personnel costs in Rivers State ministries are high.
(ii) The level of satisfaction with BTRIC and BVN in Rivers State Ministries is high.
(iii) There is a significant relationship between biometrics and overhead and personnel costs in Rivers State Ministries.
(iv) A significant relationship exists between biometrics and personnel costs in Rivers State Ministries.
(v) There is an insignificant relationship between bank verification number and overhead costs in Rivers State Ministries.
(vi) There is a significant relationship between bank verification and personnel costs in Rivers State Ministries.

CONCLUSION

The recurrent expenditure in the Nigeria annual budget is taking a substantial part of the public expenditure. Considering the items covered in the recurrent expenditure, which includes payment of salaries, welfare and other overhead and personnel cost, it shows that less than 3% of the population will spend more than 70% of the money that will be generated in Nigeria. There are serious implications of this on an average Nigeria and also to the generation unborn.

In the 2016 budget, a total of 4.47 trillion naira was budgeted for the recurrent expenditure and 1.6 trillion budgeted for the capital expenditure. This puts the recurrent expenditure about 73% of the total budget and only 27% of the budget goes to the capital expenditure. This clearly demonstrates that recurrent expenditure of government is very high and a means of reducing such is the Unified payroll Structure. The purpose of this reform in public financial management

is to curb fraud in the Nigerian public service. Except the public servant staff records are computerized, the fight against ghost workers will achieve limited result. Unified Payroll Structure (UPS), which is biometric, is a Structure where the data of every employee of government has to be captured and payment is made directly into their bank account.

RECOMMENDATIONS

Based on the findings of this study and the conclusion drawn there from, the following recommendations are made:

(i) The Rivers State Government should ensure that Unified payroll Structure is implemented in all MDAs in order to reduce its recurrent expenditure.

(ii) There must be a periodic monitoring or verification exercise of the MDAs by the Office of the Accountant General of the State to verify the civil servants that have left the service.

(iii) There should be continuous training and re-training of operators of Unified payroll Structure to be technologically compliant.

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