



National Economic & Fiscal Commission

Highlands Regional Workshop

PROVINCIAL ESTABLISHMENT COSTING MODEL- Overview of Issues in the Payroll

11th-12th June, 2014

Paradise Hotel

Presentation Outline

1. Overview of issues associated with Payroll

- I. The Outlook of Payroll Expenditure (2009-2014)
- II. Identified Issues

2. Background to the PECM (*Path Forward*)

3. PECM & Key Features

4. Limitations

5. Benefits

6. Conclusion

1. Overview

- As part of the ongoing (RIGFA), the NEFC is now progressing to advise and inform government on the other major areas of decentralised expenditure (Recurrent, Development & Payroll).
- Payroll is one of the major expenditure areas that NEFC is currently exploring.
- 2011 CoS study highlighted a need to further explore Payroll cost and process;
 - I. Inconsistency of the establishment data between Central Agencies & Prov. Admin. (It is hard to accurately determine the actual cost for the approved Staff Establishments)
 - II. Payroll expenditures overruns

2.Path Forward

- Thorough verification and validation of processed payroll transactions at all levels of government.
- Planning & Budgeting, calculation and timeliness of final payments must be effective
- Actual cost of the approved establishment must be known

3. PECM & KEY FEATURES

- The tool is developed in consultation with DPM, DPLGA, 6 pilot provinces (Central, MB, WNB, ENB, ESP & WHP)
- The PECM is a tool developed by NEFC to assist provinces in managing and monitoring manpower
- To better manage over-runs on salaries and staff establishment

i. The Key Features

- The model provides the statistics and the costing as follows;
 - PHQ staff
 - DHQ staff
 - LLG Admin. Staff
 - District Rural Health Workers (for Non-PHA provinces)
 - Other statistics & Cost (*Casuals, Unattached, SOS, gender & Aging*)

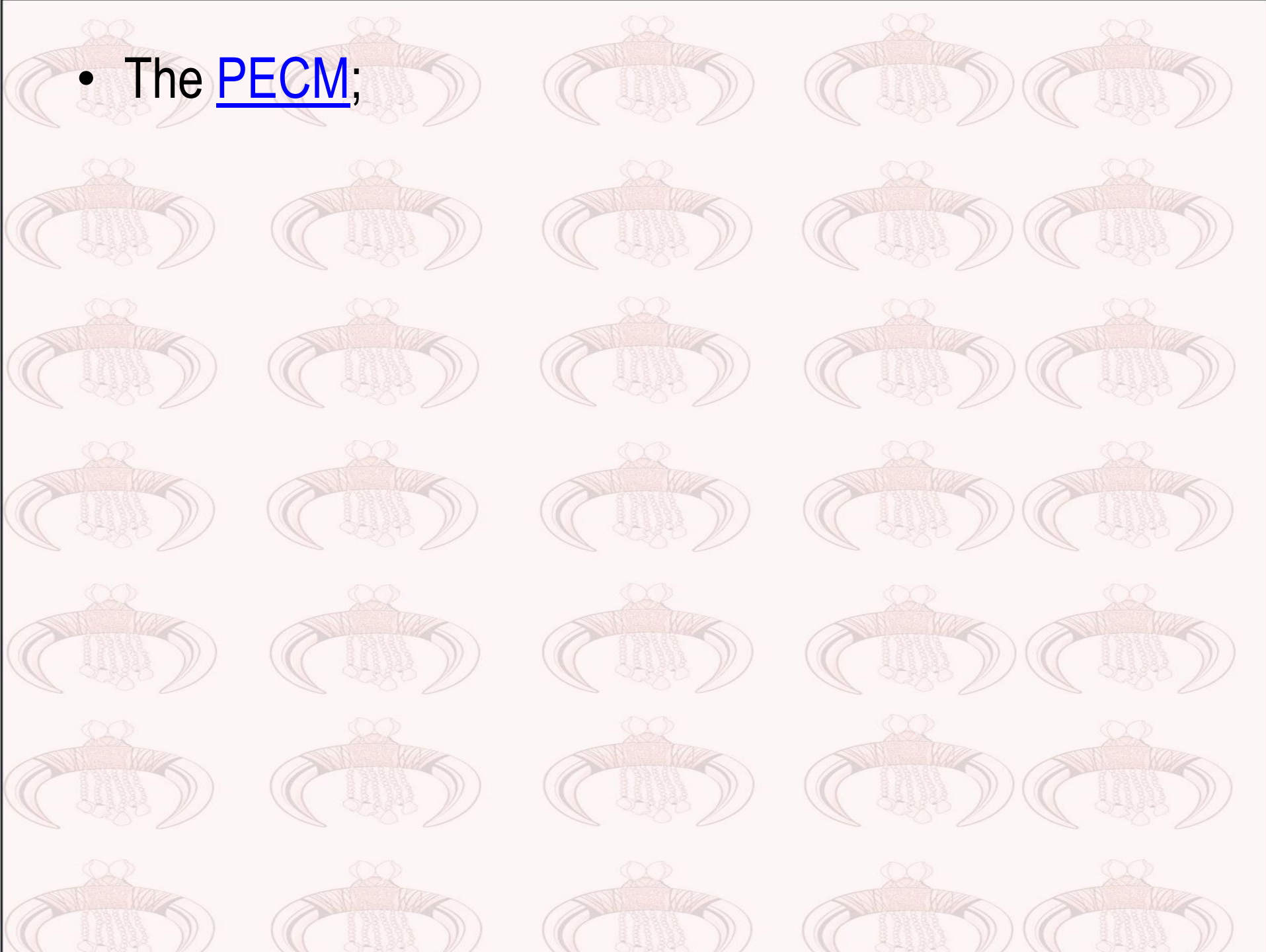
4. Benefits

- Improve management and monitoring of payroll/staffing cost
- Funding available for other priority areas
- Overall, it helps better management and planning of resources

5. Limitations

- Only takes into account the base cost (*salaries*) of the Establishment
- It does not include allowances, awards and other benefits (this will come later)
- It is based on the 2014 revised base salary structure

- The [PECM](#);



6. Conclusion

- The PECM is developed to assist provinces to better manage their manpower cost
- NEFC with other stakeholders (DPM, DoT & DoF) must work in collaboration to address the payroll expenditure overruns.