APPENDIX · PAYROLL ANALYTICS ENGAGEMENT

Proven Results in Government Payroll Integrity & Fraud Detection

A Track Record of Delivering Measurable Savings for Papua New Guinea's Public Sector

TWO ENGAGEMENTS · REAL DATA · REAL SAVINGS

ENTITY 01

Government Sector

400+
Ghost / Ineligible Names Removed

K20M+
Annual Savings Achieved

< 3 months
Engagement Completion Time

ENTITY 02

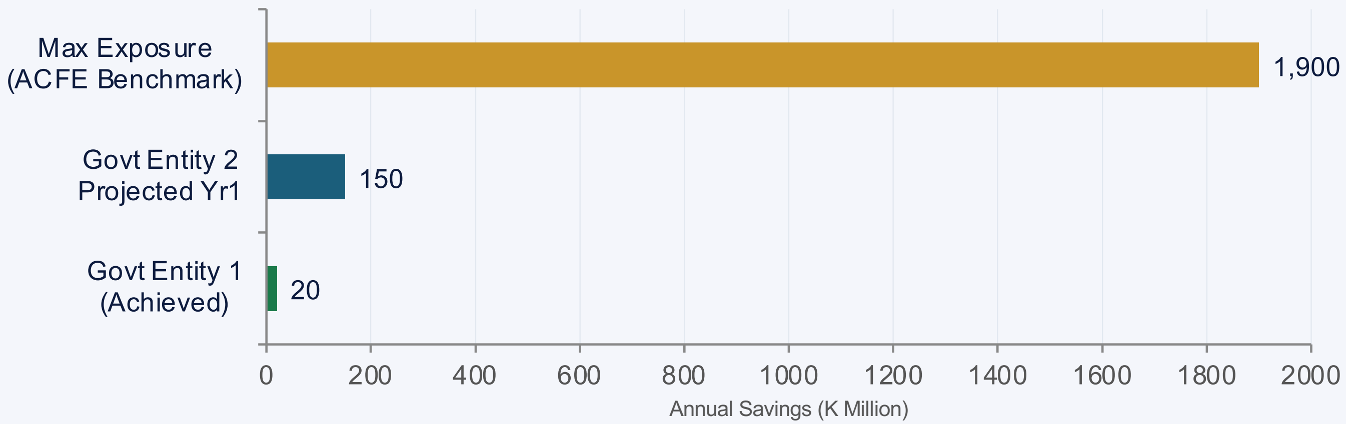
Government Sector

2,481 vs 1,048
Payroll Names vs Actual Staff (237% over)

27.2%
Duplicate Records Identified

K1.9B
Estimated Annual Leakage on K7B Payroll

SAVINGS REALISED & PROJECTED — GOVERNMENT-WIDE APPLICATION



KEY FINDINGS ACROSS BOTH ENGAGEMENTS

GHOST EMPLOYEES — Confirmed ghost & ineligible names actively receiving government salary payments.

ILLEGAL NAMES — Illegal names positively identified whereby no valid employment record or entitlement exists,

UNATTACHED OFFICERS — Officers with no active-duty posting confirmed to be compensated through payroll.

DUPLICATE RECORDS — 27.2% of payroll data were duplicates, concentrated in two provinces.

UNDERAGE STAFF — 4% of records showed individuals under 18; a regulatory red flag.

AGE & TENURE — Avg. age >52 yrs, avg. tenure 25 yrs, workforce management red flags.

BIRTHDATE IRREGULARITIES — Irregular DOB patterns, primary indicator of fabricated/ghost records.

K1.9B SAVINGS SCOPE — Duplicate records alone point to up to K1.9B savings on the K7B payroll.

Our Engagement Methodology & Data Analytics Capability

A two-phase approach delivering immediate savings and long-term payroll integrity

PHASE 1 · Payroll Data Cleansing

- Full extraction and analysis of current Alesco payroll dataset
- Cross-referencing against official departmental personnel records
- Identification of ghost employees, duplicate records, and illegal names
- Removal of ineligible employees; correction of salary rates to approved bands
- Deliverable: cleansed payroll dataset + comprehensive findings report

PHASE 2 · Ongoing Monitoring & Oversight

- Pre-fortnightly payroll analytics — 100% coverage in under 10 minutes
- Automated exception reports for payroll managers and departmental Secretaries
- Flags: pay changes >10%, new employees, missing employees from run
- Detects duplicate bank accounts, multiple position IDs, out-of-cycle payments
- Deliverable: ongoing integrity assurance + authorisation controls

COMPREHENSIVE SUITE OF DATA TESTS APPLIED

EMPLOYEE DATA

- Duplicate employee details & bank accounts
- Employees sharing bank account with suppliers
- Missing employee numbers
- Unusual hire / termination date patterns
- Ghost employee identification (multi-test)

PAYROLL PROCESSING

- Pay rates vs. approved salary bands
- Multiple payments in single pay cycle
- Salary paid after termination / retirement
- Monthly pay run variance vs. historical
- Gross pay vs. net pay anomalies

LEAVE & ENTITLEMENTS

- Excessive or incorrect allowance payments
- High leave balances / no leave taken
- Sick leave paid but balances unchanged
- Entitlements vs. contracts and legislation
- Overtime trends and excessive overtime

COMPLIANCE & TAX

- Tax withheld vs. PNG tax rates
- Deductions vs. authorised agency records
- Commission payments vs. agency records
- Service duration analysis
- Commencement dates vs. agency records

100%	< 30 min	10–20%	K300M+	Performance Fee
Payroll Coverage Each Run	Processing Time Per Pay Run	Typical First-Year Savings Range	Projected Annual Savings	Capped at 10% of Savings Achieved

WHY KTK FOR THE DEPARTMENT OF FINANCE

PNG-OWNED & LED
Founded and managed by Papua New Guineans.

PROVEN TRACK RECORD
Two completed govt payroll engagements — verifiable results.

PKF GLOBAL NETWORK
Full PKF member firm — PNG, Australia & Philippines.

PERFORMANCE FEE
Capped at 10% of savings. Zero savings = zero fee uplift.

TECHNOLOGY-DRIVEN
100% payroll coverage analytics run in minutes.

Government Bank Reconciliation — Backlog Clearance & Compliance

Restoring financial integrity and regulatory compliance for PNG public sector agencies

TWO COMPLETED ENGAGEMENTS · GOVERNMENT AGENCIES · REAL OUTCOMES

ENTITY 01

Government Sector - Trust Account Bank Reconciliation

2 Trust Accounts
BPNG & BSP Trust Accounts Reconciled

~4 Years
Backlog Period Cleared (Sept 2012 – Jun 2016)

4 Weeks
Completion Timeframe

ENTITY 02

Government Sector - Drawing Account Bank Reconciliation

5.5 Years
Backlog Cleared — Jan 2011 to Jun 2016 (BPNG Account)

IFMS
Integrated Financial Management System — Reconciled

DOF-Ready
Reports Submitted & Accepted by Dept of Finance

OUR APPROACH — APPLIED ACROSS BOTH ENGAGEMENTS

01
Data Extraction
Obtained GL balances, monthly bank statements and historical reconciliation records from agency systems (IFMS / manual).

02
Comparison & Matching
Cross-matched general ledger transactions against bank statements; identified all differences and reconciling items.

03
Investigation & Adjustments
Verified nature of each reconciling item; proposed and cleared necessary adjusting entries in agreement with management.

04
Reporting & Submission
Issued final reconciliation reports using DOF-prescribed templates; submitted to Department of Finance for review and acceptance.

05
Capability Transfer
Conducted training sessions with agency accounts staff; documented recommended monthly process flow for ongoing compliance.