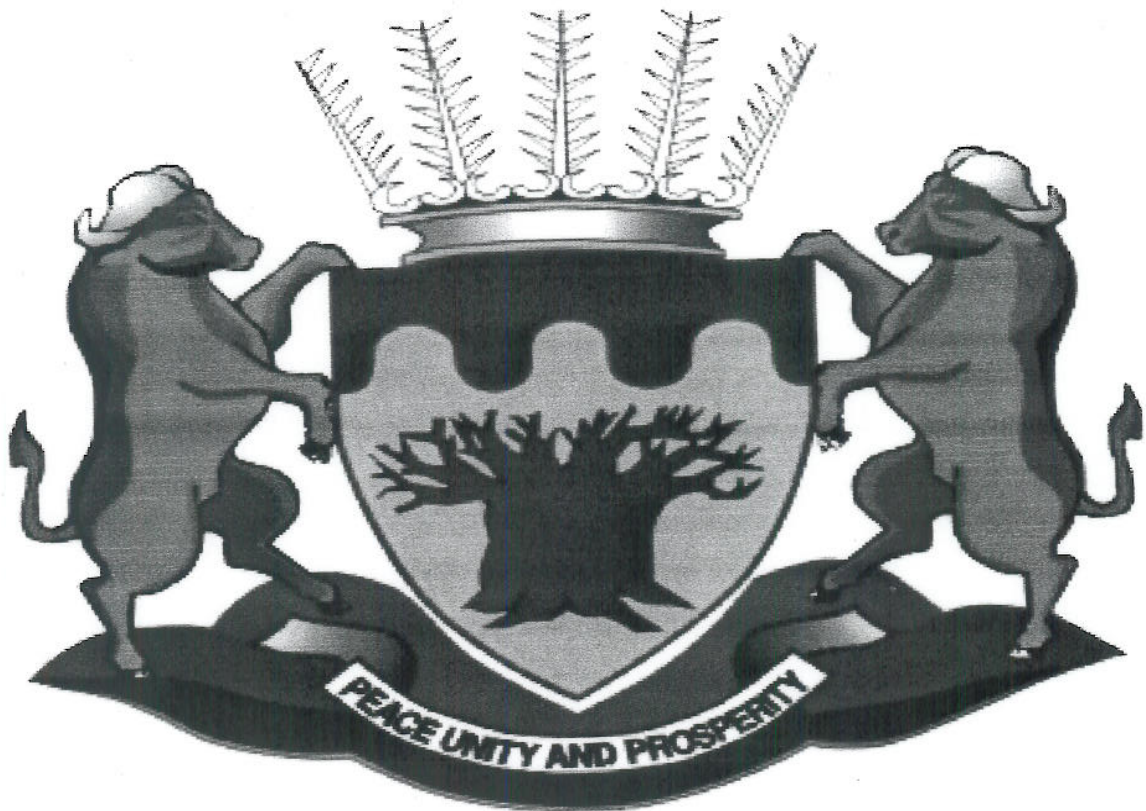


**DEPARTMENT OF LOCAL GOVERNMENT  
AND  
HOUSING**



**POLICY ON PAYROLL MANAGEMENT**

# CONTENTS

	PAGE
1. POLICY OBJECTIVES	3
2. BACKGROUND	3
3. PART A : PAYROLL	4-5
4. PART C: GENERAL	5

## **1. POLICY OBJECTIVE**

**The purpose of this policy is to regulate the Department of Local Government and Housing processes and procedures regarding payroll management.**

**This policy will enable officials to:**

- Understand the Departmental policy on payroll management
- Prepare monthly payroll returns
- Distribute payrolls and pay slip to different SBUs
- Understand the structure of the department and monitor the movement of personnel on the payroll
- Guard against ghosts workers in the department

**Please note:**

This policy directive is based on the following sources:

- Public Finance Management Act (PFMA) sec 76(4)(b)
- Treasury Regulations, as issued in accordance with the Public Finance Management Act (PFMA) sec 8.3 par. 8.3.4 and 8.3.5
- Departmental requirements
- The policy will be subject to reviews on annual basis or as and when the need arise.

## **2. BACKGROUND**

**Section 8.3 of the Treasury Regulations stipulates that:**

**Par 8.3.4**

For all employees, the person in charge at the respective pay-points must certify on the date of payment that all persons listed on the payroll report are entitled to payment.

Employees paid by cheque must sign the pay roll report when collecting their cheques.

**Par.8.3.5**

Within ten days of being certified, the payroll report must be returned to the chief financial officer. The accounting officer must ensure that all pay-point certificates have been received on a monthly basis.

- vi All other officials who are permanent but still on probation and receive their salaries on the 30<sup>th</sup> or 31<sup>st</sup> of the month, or a day before if the pay day is not a working day, are entitled to receive their pay slips before their pay day.
- vii Their distribution process shall be covered by bullet two to four above.
- viii It is of all responsibility managers to identify officials who do not belong to their respective work stations, and alert HRM for correct placement
- ix In instances where pay slips are not collected within three consecutive months, an investigation shall be conducted to establish whether the official is entitled to receive payment sec 8.3 (par 8.3.4)
- x Thereafter a report shall be written to the accounting officer with recommendations

#### **4. PART C: GENERAL**

- **UNCOLLECTED PAY SLIPS**

Pay slips that are not collected for a period stipulated by record keeping policies, shall be destroyed.

- **DISCIPLINARY ACTION**

Disciplinary action may be taken against officials guilty of the abuse of this policy provisions, as per financial mismanagement provisions of the Public Finance Management Act.

**Effective date:**

The policy will be effective from the date of approval by the Head of Department.

Revised

*[Signature]*

.....  
SENIOR MANAGER FINANCE

RECOMMENDED

*[Signature]*  
.....  
CHIEF FINANCIAL OFFICER

APPROVED

*[Signature]*  
.....  
HEAD OF DEPARTMENT

02/03/2006  
.....  
DATE

NOT RECOMMENDED

24/03/06  
.....  
DATE

NOT APPROVED

26/03/06  
.....  
DATE