



## **ACTING ALLOWANCE POLICY**

**2018-2019**

**APPROVED DATE BY COUNCIL: 7 JUNE 2018**

**COUNCIL RESOLUTON NUMBER: LC.MC - 65/05/2018**

# ACTING ALLOWANCE POLICY

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## **1 PREAMBLE**

- 1.1 Lesedi Local Municipality acknowledges the fact that from time to time an employee may not be available to carry out his/her normal duties and responsibilities as required by the term and condition of contract of employment.
- 1.2 The municipality recognises also that from time to time there would be a need to appoint another employee to discharge the duties of another employee in a higher position than his/her.

## **2 PURPOSE OF THE POLICY**

- 2.1 To seek to provide measures for the regulation and management of the acting practice and the payment of the acting allowance in the municipality
- 2.2 To provide guidelines for the handling of acting in various positions.
- 2.3 To provide guidelines for circumstances when acting must be allowed
- 2.4 To prescribe time-frames for utilisation of employees in an acting capacity

### **3 DEFINITIONS**

**3.1 “MUNICIPALITY” shall refer to Lesedi Local Municipality**

**3.2 ‘Employee’ shall refer to the member of staff of Lesedi Local Municipality**

**3.3 “Acting allowance” shall refer to payment made in respect of the employee appointed to perform duties and responsibilities in a higher position than his/her for a period of which exceed 10 consecutive working days.**

**3.4 “Municipal Manager” shall refer to the accounting officer of Lesedi Local Municipality**

## 4 POLICY PRINCIPLES ON ACTING AND ACTING ALLOWANCE

- 4.1 An employee is deemed to be acting in another position when he/she has been duly authorised by the Municipal Manager, or his authorised representative, in writing
- 4.2 If an employee acts in a higher post for a period of more than ten (10) consecutive working days, an acting allowance equal to the difference to his/her salary and the minimum notch of the salary scale pertaining to the post in which the acting shall be paid to such employee in addition to his/her salary for the period which he/she is acting
- 4.3 When an employee is required to act in a senior post for a period not less than ten (10) consecutive working days, an acting allowance at an annual rate equal to the difference between the employee salary and the commencing notch of the salary scale of the post in which he/she acts, shall be paid to such employee in addition to his/her salary in respect of the period in which he/she acts
- 4.4 Any interruption of less than ten (10) working days shall be deemed to form part of the acting period as occasioned by any of the following circumstances
- 4.4.1 Illness supported by medical certificate:
  - 4.4.2 Family bereavement (death); and
  - 4.4.3 Attendance at court as a witness, if subpoenaed
- 4.5 Acting appointment means a temporary appointment approved by the Municipal Manager, normally not exceeding a period of three months (six months upon extension), in a higher or similar graded and funded position on the staff establishment, which appointment is necessitated by a temporary absence in which case the person acting assumes full accountability for his/her current position and the post in which he/she is acting.
- 4.6 Short term: Short-term acting is defined as acting in a position where the incumbent of the higher position is absent from duty due to leave.

- 4.7 Long term: Long-term acting is defined as acting in a vacant position but is limited to six consecutive months. The Council may however approve the payment of acting allowance for any such period longer than six months.
- 4.8 A key position is defined as a position where the incumbent is in charge of a division or section and is fully accountable for the responsibilities attached to it.
- 4.9 An employee's appointment in an acting capacity shall not create a right of, or legitimate expectation for, appointment when the position is advertised.

## 5 SCOPE AND APPLICATION

- 5.4 This policy will apply to all permanent employees of Lesedi Local Municipality
- 5.5 This policy deals with acting appointments for all funded but vacant permanent positions in Lesedi and in any other function deemed as a key position by Mayoral Committee provided it is funded.
- 5.6 It is applicable to an employee who is appointed in an acting capacity to ensure that the activities of an incumbent, who is absent for more than two weeks but not exceeding three months (six months upon extension) and whose position is funded are performed.
- 5.7 Lesedi regards the opportunity to act in a higher graded position or position on the same grade as the employee's (outside of the employee's own sphere of expertise), as an important development opportunity.
- 5.8 This policy will not apply to Councillors.
- 5.9 Under exceptional circumstances, short term contract or temporary employees will be considered for acting as well.

## 6 LEGISLATIVE FRAMEWORK

- 6.1 Constitution of the Republic of South Africa (Act 108 of 1996)
- 6.2 Municipal Systems Act (Act 32 of 2000)
- 6.3 South African Local Bargaining Council (SALGBC)
- 6.4 Labour Relations Act (Act 66 of 1996)

**6.6 Basic Conditions of Employment Act (Act 75 of 1997)****6.6 Municipal Finance Management Act (Act 56 of 2003)****7 PERIOD OF ACTING**

- 7.1 An official appointment in an acting capacity may not be less than a period of two weeks and not longer than three months (six months upon extension) for qualifying for an allowance
- 7.2 The termination of an acting period should be indicated on the appointment letter either by a date or by a specific action, such as the filling of a vacancy or the return of the regular incumbent.
- 7.3 If after three months the need for continuation exists within the vacant position, further consent from the relevant authority should be obtained taking into account relevant collective agreement and Amendment of Municipal Systems Act of 2011.
- 7.4 A special effort should be made by immediate line managers to ensure that no expectations are raised that the employee appointed in an acting capacity, will be appointed in the position on a permanent basis. Line management should also consider rotation in the acting position than creating expectation to permanency.
- 7.5 The use of the title “acting” in respect of the particular appointment will be determined as per the delegated powers of authority taking into account the specific period of appointment and the specific purpose of the appointment.
- 7.6 All acting arrangements shall be agreed/done prior to the person starting acting, unless by sudden illness or owing to other circumstances acceptable to the Municipal Manager
- 7.7 An employee shall give his or her consent in writing for the understanding of acting in compliance with its conditions

## 8 CALCULATION OF ACTING ALLOWANCE

- 8.1 Employees appointed in acting capacities on a higher job grade will be remunerated and the acting allowance is calculated on the basis of the difference between the current salary notch of the employee and the commencing salary notch of the higher post.
- 8.2 Employees appointed in acting capacities on the same job grade will be remunerated the difference between his/her current **basic salary** and the acting position provided that the person acting assumes full accountability for his/her current position and the post in which he/she is acting.
- 8.3 In the event that an employee's salary is equal to or higher than that of the commencing notch of the salary scale of the post in which he/she is due to assume an acting position, an acting allowance fixed at 12.5% of the employee's basic salary be paid.
- 8.4 The calculation of acting allowance paid to employees performing duties in section 57 or other fixed term contractual post shall be based on the difference of the basic salary and 60% of the total remuneration package of the section 57 or other contractual post, e.g (Difference is R20,000.00 x 10 days, multiply by 12, divided by 250 working days per year)
- 8.5 An employee, in an acting position, shall perform the activities of his/her current position and those of the position in which he/she is acting. The impact of the performance of both positions' activities should carefully be assessed.

## 9 ADMINISTRATIVE MEASURES



9.1 To grant acting allowances, the following criteria should be taken in consideration:

- 9.1.1 To qualify for acting allowances, acting must take place in a key position.
- 9.1.2 Decision-making must be done in accordance with council's policy and the absence of knowledgeable decision making could harm the organisation. The situation must be of such nature that it would be difficult to direct the decision making to another employee, or a more senior position.
- 9.1.3 The temporary employment of personnel must not be available in the acting capacity except where there is a fixed contract.
- 9.1.4 An employee shall give his or her consent in writing for the understanding of acting in compliance with its conditions before acting allowance is payable

9.2 The acting allowance is non-pensionable.

9.3 Payment of an acting allowance shall be done on a monthly basis, provided that the first payment takes place in the first month following the completion of the acting period, backdated to the date that the employee officially began acting.

9.4 This policy shall not be applicable to an employee who assumes the responsibility of a lower grade.

9.5 All vacant but funded posts should be filled within six months of such becoming available unless there is supervening impossibility to do so.

## **10 REVIEW**

10.1 The policy shall be reviewed annually and it shall remain in operation even in the review process

10.2 The policy may also be reviewed at the instance of material changes thereto necessitated by legislative developments

## **11 COMPLIANCE AND ENFORCEMENT**

11.1 Violation of or non-compliance with this policy will give a just cause for disciplinary steps to be taken

11.2 It will be the responsibility of all line managers to enforce compliance with the policy

**12 POLICY ADOPTION**

This policy has been considered and approved by the Council of **Lesedi Local Municipality** on this day...30.... of .....May..... 2017

This policy will take effect at **Lesedi Local Municipality** on the 1<sup>st</sup> of July 2017