

PAYROLL MANAGEMENT 2023/2024



public works & roads

Department:
Public Works and Roads
North West Provincial Government
REPUBLIC OF SOUTH AFRICA

POLICY TITLE : PAYROLL MANAGEMENT
DEPARTMENT : PUBLIC WORKS AND ROADS



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1. PREAMBLE

The Department of Public Works and Roads ('Department') is committed to provide policy framework for managing payroll in an effective, transparent and responsive service delivery manner.

2. PURPOSE OF THE POLICY

The purpose of the Policy is to:-

- 2.1. Structure a uniform approach towards controlling and eliminating reported and unreported payroll related challenges;
- 2.2. Ensure controlled and accountable verification of employees' remuneration packages received per salary run which should eliminate or reduce irregular/unauthorised payments in the Department, and
- 2.3. Encourage the integration of the Finance and Human Resource functions within the Department.

3. OBJECTIVES

- 3.1. Understanding the Departmental Policy on payroll management;
- 3.2. Enhance productivity and promote efficiency by providing monthly payroll returns;
- 3.3. Understand the structure of the Department and monitor the movement of employees on the payroll;
- 3.4. Ensure preparation of monthly payroll reconciliation reports;
- 3.5. Ensure monthly distribution of payrolls and pay slips to different pay points; and
- 3.6. Prevent payment of ghost employees in the Department.

4. REGULATORY FRAMEWORK

- a) Public Finance Management Act, (PFMA) 1 of 1999 Section 76(4)(b);
- b) Constitution of the Republic of South Africa, 1996;
- c) Treasury Regulation, 2005 Sec 8.3;
- d) Public Service Regulations, 2001;
- e) Public Service Act No 93 of 1994;
- f) Public Service Circulars; and
- g) Basic Conditions of Employment Act 75, 1997.



5. ABBREVIATIONS AND DEFINITIONS

'HOD' - Head of Department;

'PFMA' - Public Finance Management Act;

'BCEA'- Basic Conditions of Employment Act;

'PSA' - Public Service Act;

'Pay Point' - means a cost centre where Employees of the Department receive their pay slips and sign the payroll;

'Pay Master' - a duly delegated official from Finance directorate (Salary Section) who is responsible for the collection, distribution and reconciliations, and filling of the payroll;

'Payroll Manager' - means heads of directorates, who act as managers for pay points by virtue of their appointments;

'Payroll Controller' - an Official formally appointed on an annual basis to manage payrolls for each pay point;

'Payroll' is a schedule of all Officials appointed at a particular pay point and it indicates the salary that each Official received during a specific month;

'Pay run' normal run /Normal pay run: The closing of normal salary run;

'Supplementary run' - the closing of supplementary allowance run;

'Department' - Department of Public Works and Roads;

'Employee/Personnel/Official' - An Employee includes all Employees of the Department employed in terms of the Public Service Act of 1994, the Basic Conditions of Employment Act of 1998, as amended and includes contract Workers, Interns, Volunteers and Learners.

6. SCOPE OF APPLICATION

The policy applies to all employee remuneration activities carried out at all pay points of the Department.

7. POLICY BACKGROUND

7.1. Section 8.3 of the Treasury Regulation, paragraph 8.3.3, stipulates that:-

- a) Unless stated otherwise by the National Treasury, personnel are divided into the following groups for the payment of salaries; according to the salary run:-

7.1.1. Group A (normal run)



Persons who must be paid on the 15th day of the month, or if it is not a working day, on the last working day preceding the 15th. This includes:-

- a) Persons appointed permanently on the fixed establishment and employed in terms of the Public Service Act of 1998 as amended.

7.1.2. Group B (normal run)

This group represents employees paid on the last working day of the month and includes contract, temporary, part time staff and employees appointed on probation.

7.1.3. Group C (supplementary run)

- a) Supplementary run is the closing date for the payment of allowances;
- b) The payment is processed only when vouchers have been received by salary section, recommended by relevant Supervisors and approved by Programme Managers in accordance with the PFMA and verified by Compliance Unit;
- c) The payment process runs twice a week ie. Mondays and Wednesdays;
- d) The payment is effected only if relevant supporting documents are certified as correct.

This group represents Employees who are paid allowances after performing Departmental duties as stipulated on their respective job descriptions. The payment run for those payments is supplementary and the payment thereof is done three (3) working days after being updated on the PERSAL system.

7.2. For all Employees, the person in charge at the respective pay points (Payroll Manager/Pay Master) must certify payroll reports that all employees listed on the payroll report are entitled to payment;

7.3. Certified payroll reports must be returned to the Payroll Manager at Head Office within ten (10) working days after collection. The Accounting Officer or their delegated officials must ensure that all certified payrolls are reconciled on a monthly basis;



- 7.4. Supplementary payroll shall be validated by Payroll Masters and returned to the Payroll Manager at Head Office within five (5) working days after collection.

8. POLICY PROVISIONS AND RULES

8.1. Appointment of paymasters

The Accounting Officer shall in writing, appoint Pay Masters / Pay Point Managers for each pay point. The Pay Point Manager / Pay Master shall in writing appoint Payroll Controllers and Assistant Payroll Controllers for their pay point to assist in administrative functions of the payroll;

8.2. Responsibilities for the management of the payroll

8.2.1. Each component must have its own pay point and it requires that each Official sign off the payroll, receive a pay slip and confirm their salary payment;

8.2.2. The Accounting Officer shall be responsible for a pay point with all Chief Directors, Chief Financial Officer and all Directors who report directly to them;

8.2.3. The Chief Directors shall be responsible for a pay point with all Directors, Deputy Directors who report directly to them;

8.2.4. The Directors shall be responsible for a pay point with all Deputy Directors and all Officials who report directly to them.

9. RESPONSIBILITIES FOR THE PAYROLL ADMINISTRATION STAFF AT HEAD OFFICE

9.1. The salary administrative staff at Head Office collect all payrolls and payslips from the Provincial Treasury Department:-

9.1.1. The payrolls and pay slips are sorted according to pay points and distributed to all pay masters;

9.1.2. Head office staff informs all payroll controllers to come for collection of payroll and payslips immediately after sorting.

9.1.3. The salary section checks all comments made by the payroll Manager / payroll master and refers them to Human Resource for corrective action;



- 9.1.4. The Head Office Payroll manager or the duly authorised person shall check all returned pay rolls for compliance;
- 9.1.5. Head Office Payroll Controller shall ensure that all Payroll Controllers of all pay points are conversant with the contents of the policy and adhere to it.

10. RESPONSIBILITIES FOR THE PAYROLL CONTROLLER

- 10.1. The Payroll Controller must ensure that all persons listed on the pay rolls sign off the pay roll before it is certified correct by the Payroll Manager / Payroll Master and returned to salary section within 10 working days after collection for filing and audit purposes;
- 10.2. Where an Employee is on approved leave, a note should be clearly indicated next to the respective Employee's name 'on leave' with start and end date. All other cases shall be reported to Human Resource Management and copy Head Office Payroll Controllers by completing corrective action report by Payroll Controllers.

11. MANAGEMENT REPORTING

- 11.1. All signed copies of the payroll must be filed accordingly;
- 11.2. Head Office Payroll Manager must also ensure that payroll monthly reconciliation is approved by Chief Financial Officer;
- 11.3. Officials/Employees who fail to sign the payrolls for two consecutive months without any valid reasons will be reported to the payroll manager for corrective action;
- 11.4. Officials/Employees who fail to sign the payrolls for four consecutive months without any valid reasons will result in their salaries being frozen;
- 11.5. The payroll master must ensure that payrolls are distributed/submitted on time.

12. SPECIMEN SIGNATURE

The Payroll Controller shall provide their signature to Financial Management as acknowledgment of assigned responsibilities.



13. IMPLEMENTATION, MONITORING AND REPORTING

13.1. Directorates Financial Management and Human Resource Management are responsible for monitoring and implementation of the policy within the Department and to report on specific cases when required to do so;

13.2. All Managers and Supervisors are responsible for the implementation thereof.

14. POLICY REVIEW

This Policy shall be reviewed every two (2) years where and/or when a need arises.

Approved



MR M.I KGANTSI

HEAD OF DEPARTMENT

16/10/2023
DATE:

