



Province of the  
**EASTERN CAPE**  
SOCIAL DEVELOPMENT

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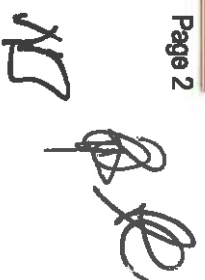
Document Owner:

Chief Director : Corporate Services

**STANDARD OPERATING PROCEDURE: LEAVE GRATUITY PROCESS**

<b>Approval Date</b>	17 August 2018
<b>Commencement Date</b>	17 August 2018
<b>Review Date</b>	17 August 2019
<b>Periodical Review</b>	Annually
<b>Resources</b>	Staff, equipment and relevant systems
<b>Intent of SOP</b>	To document the standard operating procedure (SOP) for the Leave Gratuity Process to assist the relevant HRA officials with specific measures/directives in order to ensure uniformity in rendering the benefit and managing Leave Gratuity payouts within the Department.
<b>Scope</b>	This SOP applies to the Department of Social Development inclusive of all Districts.
<b>Objective(s)</b>	To provide integrated strategic direction and support to achieve good governance at all times.
<b>Definitions</b>	<b>Leave Gratuity/ Leave discounting:</b> Lump sum payment in respect of unused leave credit upon termination of service.
<b>Key Performance Indicator</b>	Number of HR Practices implemented.

<p><b>Principles</b></p>	<p><b>Batho Pele Principle:</b></p> <p><b>Consultation:</b> Employees should be consulted on the nature, quantity and quality of services to be provided in order to determine the needs and expectations of the end users.</p> <p><b>Service Standards:</b> Employees should be told what level and quality of public services they will receive so that they are aware of what to expect.</p> <p><b>Ensuring courtesy:</b> Employees should be treated with courtesy and respect.</p> <p><b>Access:</b> All employees should have equal access to the services to which they are entitled</p> <p><b>Information:</b> Employees should be given full, accurate information about the public services they are entitled to, e.g. through induction training and workshops.</p> <p><b>Openness and transparency:</b> Employees should be told about process implementation</p> <p><b>Redress:</b> The Employer should establish a mechanism for recording any public dissatisfaction by handling complaints fast and efficiently.</p> <p><b>Participation</b></p> <p>All line managers and employees are key to the successful implementation of effective and efficient leave Management.</p> <p><b>Accountability</b></p> <p>All line managers and employees will be required to account for non-adherence to the provisions of leave Management. Non-compliance will be dealt with in terms of the Disciplinary Code and Procedures.</p>
<p><b>Compliance Measures</b></p>	<p>Only officials with leave credits available at the time of their service termination will be eligible to payment of leave gratuity/discourting.</p>



**STEP BY STEP GUIDE**

**HRA BENEFIT – LEAVE GRATUITY**

No.	Task Name	Task Procedure	Responsibility	Supporting Documentation	Service Standard
1	Calculate Leave gratuity	<ul style="list-style-type: none"> <li>Receive request for leave gratuity payment</li> <li>Calculate leave gratuity according to leave credits that are due to the beneficiary at the time of his or her service termination.</li> <li>In case of officials with capped leave - start with Capped leave auditing.</li> </ul>	<ul style="list-style-type: none"> <li>HR Production Clerk</li> </ul>	<ul style="list-style-type: none"> <li>Leave Gratuity payment request</li> <li>Leave Gratuity Calculation</li> </ul>	1 day
2	Verify leave gratuity calculation	<ul style="list-style-type: none"> <li>Verify leave gratuity calculation based on Leave records on Persal, SDMIS and SV file.</li> </ul>	<ul style="list-style-type: none"> <li>HR Production Supervisor / Assistant Director</li> </ul>	<ul style="list-style-type: none"> <li>Verified Leave Gratuity</li> </ul>	1 day
3	Prepare Memo for approval of payment	<ul style="list-style-type: none"> <li>Compile memo and submit to relevant signatories for recommendation and approval.</li> <li>Recommend the memo.</li> </ul>	<ul style="list-style-type: none"> <li>HR Production Clerk</li> <li>Director: HRA / District Director, Chief Director: Corporate Services, Director: Financial Planning Services, (CFO)</li> </ul>	<ul style="list-style-type: none"> <li>Written Memo</li> <li>Recommended memo</li> </ul>	1 day
4	Approve the memo for payment	<ul style="list-style-type: none"> <li>Approve memo for payment and return to compiler.</li> </ul>	<ul style="list-style-type: none"> <li>Superintendent General</li> </ul>	<ul style="list-style-type: none"> <li>Approved Memo</li> </ul>	1 week depending to the availability of signatories

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5	Capture leave discounting and payment of leave gratuity (Persal payment)	<ul style="list-style-type: none"> <li>• Capture leave discount on function #4.5.4 and payment on function #5.3.7 and #5.3.10.</li> </ul>	<ul style="list-style-type: none"> <li>• HR Production Clerk</li> </ul>	<ul style="list-style-type: none"> <li>• Leave Gratuity Payment Transaction</li> </ul>	1 day
6	Approve captured leave gratuity (Persal payment)	<ul style="list-style-type: none"> <li>• Approve leave discount on function #6.8.20.</li> </ul>	<ul style="list-style-type: none"> <li>• HR Production Supervisor</li> </ul>	<ul style="list-style-type: none"> <li>• Approved Leave Gratuity Record</li> </ul>	1 day
7	Submit BAS entity form and ID copy certified by SAPS to Demand Unit (BAS payment)	<ul style="list-style-type: none"> <li>• Request Demand &amp; Acquisition in writing to create Bas entity on the system in order to enable BAS payment.</li> <li>• Sign the Memo.</li> </ul>	<ul style="list-style-type: none"> <li>• HR Production Clerk</li> <li>• Director: Demand &amp; Acquisition</li> </ul>	<ul style="list-style-type: none"> <li>• Memorandum signed by Director</li> </ul>	1 day
8	Create BAS Entity	<ul style="list-style-type: none"> <li>• Capturing of BAS entity form after receipt of request from HRA.</li> </ul>	<ul style="list-style-type: none"> <li>• Demand Unit</li> </ul>	<ul style="list-style-type: none"> <li>• Entity Form, Certified ID, Memo</li> <li>• BAS printout</li> </ul>	1 day
9	Ensure that all relevant documents are available and attached	<ul style="list-style-type: none"> <li>• Confirm if all relevant documents are available as per the checklist i.e. calculation sheet, approved memorandum, ID copy, resignation/retirement letter/death certificate, Persal printout of leave record and salary record.</li> <li>• Contact beneficiaries if there are outstanding documents.</li> </ul>	<ul style="list-style-type: none"> <li>• HR Production Clerk</li> </ul>	<ul style="list-style-type: none"> <li>• Leave Gratuity Submission with all relevant documents attached including the checklist</li> </ul>	1 day

10	Submit documents to Salary Administration for Payment Processing	<ul style="list-style-type: none"> <li>• Submit leave gratuity documents.</li> <li>• Record the submission in the outgoing register and send to Salaries.</li> <li>• Receiver must sign the incoming register to acknowledge receipt.</li> </ul>	<ul style="list-style-type: none"> <li>• HR Production Clerk</li> </ul>	<ul style="list-style-type: none"> <li>• Proof of submission</li> </ul>	1 day
11	Verify documents and submit to Pre-Audit	<ul style="list-style-type: none"> <li>• Receive documents and complete BAS Payment Advice Form</li> <li>• Submit to Pre-Audit Section.</li> </ul>	<ul style="list-style-type: none"> <li>• Salaries Section</li> </ul>	<ul style="list-style-type: none"> <li>• Approved Leave Gratuity submission</li> <li>• Verified leave gratuity documents</li> </ul>	1 Days
12	Verify and return back to Salaries	<ul style="list-style-type: none"> <li>• Verify calculations and return both approved and rejected documents back to Salaries Section.</li> </ul>	<ul style="list-style-type: none"> <li>• Pre-Audit Section</li> </ul>	<ul style="list-style-type: none"> <li>• Verified leave gratuity documents</li> </ul>	5 Days
13	Authorize and pay leave gratuity payment.	<ul style="list-style-type: none"> <li>• Authorize leave gratuity payment.</li> <li>• Send rejected documents back to HRA.</li> </ul>	<ul style="list-style-type: none"> <li>• Salaries Section</li> </ul>	<ul style="list-style-type: none"> <li>• Verified Leave Gratuity documents</li> <li>• Authorized leave gratuity payment</li> <li>• PERSAL Leave Gratuity payment record</li> </ul>	3 Days
14	Check and Re-Submit rejected documents	<ul style="list-style-type: none"> <li>• Correct any discrepancies raised by Salaries</li> <li>• Submit outstanding documentation.</li> <li>• Record the submission in the outgoing register and send to Salaries.</li> <li>• Receiver must sign the incoming register to acknowledge receipt.</li> </ul>	<ul style="list-style-type: none"> <li>• HR Production Clerk</li> </ul>	<ul style="list-style-type: none"> <li>• Proof of Submission</li> </ul>	2 Days

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15	Follow up on Payment	<ul style="list-style-type: none"> <li>On the 3<sup>rd</sup> day after submission of files to Salaries for payment, send a follow up email to the Deputy Director Salaries</li> </ul>	Assistant Director HRA	1 Day
16	Prepare the reports	<ul style="list-style-type: none"> <li>Requesting payment schedule and BAS expenditure report from Expenditure management &amp; Accounting Services and Systems reflecting payment effected.</li> <li>Calculate and indicate number of officials paid and amount paid.</li> </ul>	Assistant Director or HR Production Clerk	<ul style="list-style-type: none"> <li>Finalized Leave Gratuity Report</li> </ul> 1 Day

**LEGISLATION, POLICIES, PROCEDURES & OTHER DOCUMENTATION (i.e. SOPs)**

<b>Document Name</b>	<b>Document Description</b>	<b>Effective Date (if applicable)</b>
Determination on leave of absence in the public service	Determination on leave of absence in the public service.	June 2015
Public Finance Management Act	Public Finance Management Act as amended.	April 2000


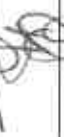




**LEAVE GRATUITY PROCESS RISKS**

Risk Name	Risk Description	Probability (H/M/L)	Impact (H/M/L)	Control Description	System / Manual
Insufficient Funds	<ul style="list-style-type: none"> <li>Insufficient funds for Leave gratuity resulting in creation of accruals and backlogs.</li> </ul>	M	M	Improving budgetary provisions for leave gratuity.	Manual System
Lack of monitoring	<ul style="list-style-type: none"> <li>Lack of monitoring of leave taken and working hours.</li> </ul>	M	M	Monitoring of attendance registers by line managers and conducting leave reconciliation by HRA. Prompt recommendation and approval of leave applications by Supervisors, Line Managers and Branch Heads to be monitored and non-compliance to be managed.	System Manual



**AUTHORISATIONS**

Authorization:	Name:	Comments	Signature:	Date:
Director : MIS	N.A.Mazizi			20/01/2018
Director: HRA	A.C.P Booï			21/8/18
Chief Director: Corporate Services	F.S. Myburgh			2/8/2018
Head of the Department	N.Baart	SUBJECT TO SIGNATURE AND APPROVAL.		11/08/2018
Distribution and Use of SOP	District Directors, all Deputy Directors, Corporate Service Deputy Directors, Service Managers, Area Managers, Assistant Directors			

