

CAMDEBOO MUNICIPALITYANNEXURE 37REVIEW OF ACTING ALLOWANCE POLICY

Council's current policy on the payment of Acting Allowances reads as follows:

"Where an employee, by resolution of the Council, acts in a higher post for a period of at least 21 consecutive days, an acting allowance calculated in an amount equal to one half of the difference between the maxima of the salary scales of the two posts shall be paid to the employee concerned in respect of the period he/she acts in such higher post provided that, in instances where an employee acts in a higher post for a period of less than 28 consecutive days, the Council may decide to pay an Acting Allowance to him/her provided further than an Acting Allowance may not be paid to an employee who acts in a higher post if his/her Acting Allowance together with his/her salary will exceed the salary of the holder of the post in which he/she acts."

The above policy was adopted many years ago and was not reviewed when the former Industrial Council for the Local Government Undertaking of the Province of the Cape of Good Hope promulgated the Standard Conditions of Service Collective Agreement in Government Notice R905 on 13 May 1994. These conditions were binding on all municipalities in the then Cape Province.

In terms of the above Government Notice, an Acting Allowance means:

"in respect of an employee, who by resolution of the Council is required to undertake **all the duties and responsibilities** attached to a higher post for a period of at **least 15 consecutive working days**, an allowance paid to such employee for the period of such undertaking in addition to his salary, and which is **equal to the difference between his salary and the commencing notch of the salary scale of the post in respect of which he so acts**: Provided that the Council may pay an acting allowance in respect of any other shorter period."

There is a considerable difference between the current Acting Allowance Policy of the Council and the Policy which the Council should have applied since May 1994 when Government Notice R905 came into operation.

It is considered that the Council should apply the Acting Allowance Policy contained in Government Notice R905 urgently in order to avoid labour disputes.

Practical problems may be experienced with the application of the above policy in respect of employees who are employed at fixed salaries and particularly "Section 57 contract employees" who have no salary scales. In such cases, the basic salary of the relevant employees may be regarded as the total monthly remuneration less 40% in respect of fringe benefits. The allowance is calculated on basic salary only in order to avoid a duplicate payment on structured fringe benefits.

An allowance is only payable if the Mayor, in the case of the Municipal Manager, the Municipal Manager in the case of Departmental Heads and Departmental Heads in

the case of other employees, certify that the employee qualifying for an acting allowance satisfactorily performed all the duties of the employee in respect of which he/she acted.

Taking the above into account, the following new policy is recommended for adoption by the Council:

CAMDEBOO MUNICIPALITY

ACTING ALLOWANCE POLICY

The Council of the Camdeboo Municipality hereby adopts the following policy on acting allowances:

- (a) When an employee is required by resolution of the Council to undertake all the duties and responsibilities attached to a higher post for a period of at least 15 consecutive working days, an acting allowance equal to the difference between his/her salary and the commencing notch of the salary notch of the post in respect of 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 : Provided that the Council may pay an acting allowance in respect of any shorter period.
- (b) Where an employee acts in the position of an employee who is in receipt of an all-inclusive salary, the proportion of such salary which represents that employee's basic salary shall be used for the purpose of calculating the acting allowance. Where this portion is not ascertainable, a percentage equal to 60% of the all-inclusive salary of the employee concerned shall be regarded as his/her basic salary.
- (c) Where the employee who acts and the employee in respect of whom acting duties are performed by the former employee are in receipt of fixed salaries, the acting allowance shall be calculated on the basis of the difference between the two fixed salaries.
- (d) The acting allowance payable to an employee in terms of this policy shall be fully taxable, be included in the monthly salary of the acting employee and be paid on the normal pay day in the month following the conclusion of the acting period in the previous month.
- (e) A special adhoc payment of an acting allowance shall not be made to an employee acting in terms of this policy on the date such employee ceases to act in a higher position.
- (f) Before an acting allowance is paid to an employee in terms of this Policy, the relevant Head of Department shall certify that the employee concerned performed all the duties of the employee in respect of whom he/she acted, satisfactorily, and such certificate shall be filed in the personal file of the employee who acts in terms of this policy. In the case of the Municipal Manager, such certificate shall be issued by the Mayor and in the case of a Head of Department by the Municipal Manager.

- (g) The powers of the Council in terms of this policy may be delegated to the Municipal Manager subject to such terms and conditions as the Council may determine including the right to sub-delegate.

It is recommended:

That the Acting Allowance Policy contained in this report be adopted by the Council and made applicable to all acting appointments with effect from 1 December 2007.
