



**HARRY GWALA DEVELOPMENT AGENCY (PTY) LTD**  
[REG. No: 2011/001221/07]

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**POLICY: ALLOWANCES**

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<b>Administrative Responsibility:</b>	Chief Executive Officer
<b>Implementing Department / Departmental Unit</b>	Manager: Corporate Services

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## ALLOWANCES POLICY

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### POLICY DOCUMENT CONTROL

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APPROVED BY	
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	HGDM Council- 28 January 2025

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Version	Author	Date	Revised Date
V1	Corporate Services Manager	10 March 2025	14 May 2025

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## **PREAMBLE**

The purpose of this policy is to ensure continuity of operations in the Harry Gwala Development Agency (PTY) LTD is maintained during the absence of the incumbent to promote on-the-job experience and exposure to other employees to provide guidelines for the handling of acting arrangements in various positions within the Agency.

To provide for acting allowances where employees act in a higher position according to certain criteria. To provide framework for subsistence and travel allowance, and to prescribe timeframes for utilisation of employees in an acting capacity as well as make provision for approval and payment of acting allowances.

## **1. BACKGROUND**

- 1.1. The Harry Gwala Development Agency (PTY) LTD acknowledges that circumstances inter alia death, resignation leave etc that require intermittently that employees be required to act in a higher position may arise.
- 1.2. The CEO, as the Accounting Officer must evaluate the situation timeously and determine whether acting in a certain position is essential according to the criteria of this policy.

## **2. LEGAL FRAMEWORK**

The policy was developed and guided by the following:

- 2.1. This policy is premised from the relevant provisions of the Constitution of the Republic of South Africa (108 of 1996) as amended.
- 2.2. It also derives its legitimacy from the Municipal Structures Act (117 of 1998), the Municipal Systems Act (32 of 2000), the Employment Equity Act (55 of 1998).
- 2.3. This policy is implemented in furtherance of the spirit of the Basic Conditions of Employment Act (75 of 1997).

## **3. INTERPRETATION OF THE POLICY**

- 3.1. All words contained in this policy shall have an ordinary meaning attached unless the definition or context indicates otherwise.
- 3.2. Any dispute on interpretation of this policy shall be declared in writing by any party concerned.

- 3.3. The CEO shall give a final interpretation of this policy in case of written dispute.
- 3.4. If the party concerned is not satisfied with the interpretation, a dispute may then be pursued with the South African Local Government Bargaining Council/Arbitration.

**“ACTING ALLOWANCE”** An acting allowance may be paid when a staff member is required to act in a more senior capacity for a continuous period of 10 working days or more and where this is recommended by the Head of Department.

**“CEO”** shall mean the Chief Executive Officer of the Harry Gwala Development Agency (Pty) Ltd – used interchangeably with Accounting Officer

**“CFO”** shall mean the Chief Financial Officer of the Harry Gwala Development Agency (Pty) Ltd

**“COMPETENCY”** means the skills, knowledge, experience, and qualifications that are required to perform a job effectively.

**“HGDA”** means the Harry Gwala Development Agency (Pty) Ltd, a company duly incorporated in terms of the laws of the Republic of South Africa with registration number: 2011/001221/07, in which the Harry Gwala District Municipality, as Parent Municipality, holds a sole interest.

**“LONG-TERM ACTING”** is defined as acting in a vacant position but is limited to six consecutive months.

**“MSA”** shall mean the Municipal Systems Act 32 of 2000, as amended from time to time.

**“OFFICIAL”** In relation to a municipal entity, means:

1. An employee of a municipal entity.
2. A person seconded to a municipal entity to work as a member of the staff of the municipal entity; or
3. A person contracted by a municipal entity otherwise than as an employee.

**“SHORT-TERM ACTING”** is defined as acting in a position where the incumbent of a higher position is absent from duty due to leave and is only needed for a period of one month or less.

#### **4. APPLICATION OF THIS POLICY**

- 4.1. This policy will apply to all the employees of the Agency.
- 4.2. Under exceptional circumstances, short-term contract; internship or temporary employees will be considered for acting as well.
- 4.3. This policy will not apply to Board Members.
- 4.4. This policy will not apply to non-employees of the Agency.

## **5. PRINCIPLES OF ACTING APPOINTMENT**

- 5.1. Employees shall be required to act preferably in positions where their potential will be unlocked.
- 5.2. Employees shall be appointed to act on the basis of merit and other non-discriminatory factors.
- 5.3. An employee will not act in a post that is lower than that an employee ordinarily occupies.
- 5.4. An employee may only act in post that is one grade higher than the post that an employee ordinarily occupies.
- 5.5. Seniority of the employee will be a key principle to be considered when identifying a person to act.
- 5.6. The appointment to act in a post must be-
  - 5.6.1. With the consent of an employee whom this function is delegated
  - 5.6.2. In writing; and
  - 5.6.3. Authorised by the Chief Executive Officer and the person to whom this function is delegated.
- 5.7. An employee will be expected to perform duties efficiently and diligently in an acting position.
- 5.8. An Acting incumbent will be given all necessary assistance to enable him/her to perform duties efficiently.
- 5.9. An employee will be remunerated accordingly for acting in a post.
- 5.10. There shall be no probation provision for acting.
- 5.11. Acting appointment will be terminated after identification of poor work performance in terms of schedule 8 item 9 of the Labour Relations Act No.66 of 1995, as amended.
- 5.12. No legitimate expectation shall be created to the acting employee for possible appointment in the acting position when it is filled.
- 5.13. Managers shall motivate for employees to act in vacant positions in accordance with the requirements of this policy.
- 5.14. Employees will not be appointed to act for the sake of acting, when it is possible to do without an acting employee, no acting appointment shall be made.

## **6. GENERAL PROVISIONS FOR ACTING**

- 6.1. Acting shall be limited to a minimum period of 10 working days and a maximum period of 3 months with the approval of the CEO; subject to renewal for an additional 3 months with approval of the Board
- 6.2. An acting employee shall not receive first preference when the position is advertised.
- 6.3. Appointment of a particular employee to act shall not be used as means to give an acting employee an unfair advantage over other employees and applicants when the vacant post is advertised.
- 6.4. Employment equity and affirmative action factors shall be considered when appointing an employee to act.
- 6.5. A suitable employee for the acting appointment shall be considered by the Manager responsible for that particular work environment and position and recommendation be made to the CEO.
- 6.6. Where the post in question is that of the CEO then approval shall be the responsibility of the Board.
- 6.7. There shall be no advertisement for calling people to apply for acting appointments.
- 6.8. The employee considered for acting appointment shall be identified purely along the principles of merit and job requirements i.e. educational qualifications, minimum work experience and availability.
- 6.9. Previous performance record may be considered as part of enhancing the correctness of the decision to appoint an acting employee.
- 6.10. An acting employee shall be subjected to the same performance standards and requirements of the position in respect to which he/she is acting.
- 6.11. Subject to existing operational requirements, acting appointments to vacant posts shall be reviewed within 3(three)months.
- 6.12. Vacant posts on a permanent staff establishment should be filled within 6 (six) months unless there is a compelling reason not to do so.
- 6.13. In the event that the employee salary is equal to or higher than commencing notch of the salary scale of the post in which he/ she is due to assume acting position , an acting fixed allowance of 12 % of the basic salary employee shall be paid.
- 6.14. An employee acting in equal or lesser position shall be entitled to acting allowance fixed at 12.% of the acting employee basic salary.
- 6.15. All allowances for staff members who have been seconded will be paid by the Agency.

## **7. CONDITION OF PAYMENT**

- 7.1. Payment for acting shall be applicable once an employee has acted for a consecutive period of 10 working days.
- 7.2. An acting allowance shall be calculated as the difference between the acting employee's basic salary and the commencing notch of the salary of the post in which he/she acts, as illustrated by the following example:
- 7.3. An acting allowance shall not be negotiable between the Agency and the employee.
- 7.4. Acting Allowance shall be paid on a monthly basis together with the salary.
- 7.5. Payment of acting allowance will be subject to taxation.
- 7.6. Each Department shall budget for an acting allowance amount not exceeding 2.5% of its total annual salaries and benefits budget vote.
- 7.7. The acting allowance to be paid to an employee performing acting duties in Section 56/57 or any other fixed term contractual post shall be the difference between the 60% of the total remuneration package of the Section 56/57 or other contractual post and 60% of the total remuneration package or the basic salary of the acting employee.
- 7.8. Notwithstanding clause 5.3, in the event that an employee's salary is equivalent or equal to; higher or lower than 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 10% of the acting employee's basic salary and or gratuity shall be paid.
- 7.9. The acting referred in 6.9 will only apply in exceptional circumstances where such acting is required for the efficient and effective management of a particular state of absence especially in management positions.

## **8. CELLPHONE AND 3G/DATA ALLOWANCES**

- 8.1. It is at the Chief Executive Officer's discretion to approve any given cell phone and or 3G/DATA allowance to employees at the Agency, other than top management which is governed by the Upper Limits Gazette No. 47538.
- 8.2. Cell phone and 3G allowances are applicable to all Agency employees excluding interns.
- 8.3. Allocation of cell phone and 3G/DATA allowances

Cell phone allowances are applicable to the following officials:

Officers/ Clerks/ Interns

Personal Assistants

Financial Accountant/ Strategic & Executive Support

HR & Payroll Practitioner  
Strategic & Investment Portfolio Manager

3G Allowances are applicable to the following officials:

All middle management  
Financial Accountant  
Personal Assistant to CEO  
SCM Practitioner  
Tourism Officer

- 8.4. Employees placed on suspension are required to return all tools of trade and any other property belonging to the Agency immediately upon commencement of the suspension
- 8.5. Employees who are placed on suspension pending a disciplinary process shall have their cellphone allowance temporarily withheld for the duration of the suspension, subject to the outcome of the disciplinary proceedings.

## **9. CRITERIA**

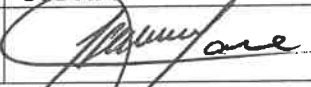
Prior to making determination to allow for any employee to act in a position, the following key criteria should be taken in consideration:

- 9.1. Critical position, where the functioning of the organisation may be adversely affected by the absence of an incumbent in the position.
- 9.2. Decision-making, absence of a knowledgeable person in the position may affect service delivery and circumstances are such that it will be difficult to direct the decision-making to another employee or a more senior position.
- 9.3. Temporary employment, the position is such that there are no available resources to appoint on a temporary contract or capacity.
- 9.4. Distribution of work, the workload of the position cannot be split and distributed to different employees.

## **10. COMMENCEMENT OF POLICY**

- 10.1. This Policy will come into effect on the date of adoption by the Board of Directors of the Harry Gwala Development Agency (Pty) Ltd.

**APPROVED BY:**

NAME	SIGNATURE	DESIGNATION	DATE
Mrs. T.T. Thiyane-Magaqa		ACEO	22 May 2025