





HR POLICIES

Reviewed: August 2008

Policies and procedures

Sign-off Sheet



The Policies and procedures Manual described in this document meets the requirements of the Makhuduthamaga Municipality (MKM).

Approval

Document for sign-off: **Human Resource Policies and Procedures**

Approved:

Date:

Municipal Manager

Approved:

Date:

HR Manager



INTRODUCTION

The following guidelines on employment have been provided as a framework for the application of fair and consistent employment practices within MKM. As such, they should not be seen as cast in stone. They should be applied with discretion and flexibility, and be seen as a cornerstone for behaviour, processes and practices of all employees within MKM.

These policies are necessary to enable employees to contribute towards the attainment of the MKM's organisational strategic objectives. Where policies are implemented rigidly they deprive employees of the authority to act promptly in difficult and varying situations. In addition, it implies a lack of confidence in the employee's ability to perform. There are, however, instance where policy statements should, in pursuit of consistence, allow no latitude for deviation and this policy manual is intended to outline such.

The Policies and procedures Manual has been compiled in an enabling spirit and sets out the policy relating to employment within MKM. It is, therefore, important that these policies be perceived as an enabling tool, to facilitate employee management within MKM.

These policies and procedures have also taken into consideration the following:

- MKM's strategic objectives;
- The expectations of the identified stakeholders

All policies and procedures in this document subscribe to the laws of South Africa. MKM is an equal opportunity employer that values diversity in the workplace. It is an organisation that wishes to reflect the demographics of the country and promotes gender equality and sensitivity in the workplace.

In compiling these policies and procedures reference was made to the Employment Equity Act No. 55 of 1998, the Labour Relations Act No. 66 of 1995, the Basic



Conditions of Employment Act No. 75 of 1997, the Promotion of Equality and Prevention of Unfair Discrimination Act No. 4 of 2000, the Skills Development Act No. 97 of 1998, the Public Finance Management Act No. 1 of 1999, the White Paper on Affirmative Action in the Public Service and the White Paper on Human Resource Management in the Public Service. Organisations that are “similar” to MKM were studied and some aspects of MKM’s policies and procedures were modelled against these organisations.

Policies and procedures in the manual were also benchmarked against other leading organisations both locally and internationally. This document is a working and living document that will continue to be updated in response to the needs of MKM as a growing and changing organisation. It should be remembered that the development of policies and procedures manual is an iterative process; hence, this document will continue to be reviewed from time to time, and be adjusted accordingly as the activities of MKM dictate.

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ACKNOWLEDGEMENT OF UNDERSTANDING

These Policies and procedures Manual is the property of MKM. If an employee leaves the employment of MKM, they must return these policies and procedures manual to Human Resources Department on their last day of work.

Information contained in these policies and procedures manual is to be used as a general reference. Policies and procedures may be changed by the MM, or any person delegated, as deemed necessary. This manual does not provide contractual rights and is not intended to convey a guarantee of continued employment, or any term, privilege, or condition of employment.

One of the most important policies and procedures is to maintain in strict confidence any information regarding MKM's affairs acquired during the employee's employment. When the employee signs this "Acknowledgement of Understanding", the employee agrees to adhere to this policy of confidentiality both during and following their employment with MKM.



To acknowledge that the employee has reviewed and understood all of this material, they must please sign and date this page and return it to Human Resources within ten (10) days of receipt of this manual.

To the Municipal Manager

Makhuduthamaga Municipality

I acknowledge that I have read and that I understand the material contained in the Policies and procedures Manual.

.....

Print Name

.....

Signature

.....

Date



APPROVAL OF THE POLICIES AND PROCEDURES MANUAL

Information contained in these Policies and Procedures Manual has been approved by the Municipal Manager.

(Print)

(Sign)

(Date)



POLICIES AND PROCEDURES DEFINITIONS

CONDITIONS OF SERVICE DEFINITIONS

1. **Abscending:** is a process of terminating a contract of employment by the employee without a given notice to MKM.
2. **A grievance:** is regarded as any dissatisfaction that an employee or group of employees have that is connected to their work situation.
3. **Acting Allowance:** is a non-pensionable allowance paid to an employee who is appointed by MKM management to act in a higher position than his or her own.
4. **AIDS:** is the acronym for “acquired immune deficiency syndrome”. AIDS is the clinical definition given to the onset of certain life-threatening infections in persons whose immune systems have ceased to function properly as a result of infection with HIV.
5. **Affirmative Action:** is MKM business strategy and process aimed at creating an environment that permits previously excluded individuals on grounds of race, gender and disability to advance on the basis of their potential.
6. **Annual Leave:** is leave that an employee is entitled to take on full pay for rest or recreation purposes. Annual leave accrues on an annual basis on each service anniversary date or deemed starting date at the rate of 24 calendar days per completed year of service.



7. **Annual Leave Cycle:** entails the number of days that an employee is entitled to for rest or recreation purposes after spending a period of 12 months with the same employer.
8. **“Appointment”** means the authority granted by MKM to an applicant to enter MKM’s service on a specified date of appointment, the applicant having been placed in a specific post in MKM.
9. **“Basic Conditions of Employment Act (BCEA)”** means the Basic Conditions of Employment Act, 75 of 1997”
10. **Bursary:** refers to a grant that is given to an employee when a specific course of study is considered by MKM to be beneficial of the employee’s career development plan. Studies are fully paid for by MKM.
11. **Business Meeting Venues:** any facilities allocated for the purposes of carrying out MKM official business.
12. **Calendar Month:** means a period which runs from the first up to and including the last day of any of the twelve months of the year.
13. **Calendar Year:** means from 1 January up to and including 31 December of the same year.
14. **Municipal Manager (MM):** means the Municipal Manager of MKM, irrespective of the designation of the post occupied by that official, as appointed by MKM or his / her lawfully appointed nominee acting in that capacity, or a person duly delegated the authority to perform tasks assigned to the MM.
15. **Common Business Language:** is a use of words as a common method of communication in the course of conducting business for MKM.



16. **Compassionate Leave:** includes leave to attend to the death or serious injury of a next of kin and/or immediate family member.
17. **Confidentiality:** is defined as non-disclosure of any information or material, not generally available to the general public, generated, collected or used by MKM that relates to its operations, strategies, know-how, data, names or any contracts or prospective contracts MKM may have, documentation of MKM or its employees.
18. **Conflict of Interest:** exist in any situation where doubt may exist as to an employee's ability to act with total objectivity to MKM's decisions and interests.
19. **Continuous service** means the period of service with MKM which is uninterrupted by any form of termination of service: Provided that the period from the date of completion of a service contract to the date of commencement of the next service contract shall not be deemed to be an interruption of service if condoned by MKM
20. **Contractors and Consultants:** are not employees of MKM. Contractors and consultants may be contracted for a short period to perform a task or engage in a definite project.
21. **Date of appointment** means the date of commencement of the last period of continuous service with MKM: Provided that if an employee's service is terminated for any reason whatsoever and he again assumes duty on the following day without MKM revoking such termination of service, such latter day of assumption of service shall be regarded as his date of appointment;
22. **Deductions from Salaries:** refers to all amounts deductible from the employee's salaries in compliance with the law and paid over to whom they are due.



23. **Demotion** means the placement of an employee in another post in MKM's service by MKM where the maximum of the salary scale of such post is lower than that pertaining to the post occupied by him prior to such placement;

24. **Dependants:** are defined as: -

- The wife of the member including common law spouse.
- The husband of the wife (member) if she is the breadwinner.
- The child /children of the member.
- A member's unmarried child above the age of 21 who as a result of a mental or physical defect does not receive income.
- Any dependent children up to age 25, who are full-time students attending a university or recognised college of higher education, provided a certificate from such university or college is produced each year.
- Parents with regards to African extended families.

25. **Disciplinary Code:** is a framework that guidelines and regulate employee conduct in the workplace.

26. **Dismissal:** is the ending of an employment contract of the employee by MKM for specific reasons such as incompetence, violation of rules, misconduct, operational requirements, etc.

27. **Employee:** means any person other than an independent contractor who -

- Works for MKM and who receives, or is entitled to receive, any remuneration;
and
- In any manner assists in carrying on or conducting the business of MKM, and
- "employed" and "employment" have corresponding meanings

28. **Employee Files:** are any documents that contain information about individual employees.



29. **Employment Agencies:** are organisations contracted by MKM to recruit and select external candidates for externally advertised posts.
30. **Extraneous Employment (Moonlighting):** is when MKM employee contract to work outside their duties, during the contracted hours (8), without prior authorisation, for any person or organisation other than MKM. Extraneous employment means more than one, paid occupations.
31. **Family Member or Relative:** is any person related by blood, marriage or adoption, and includes “in-laws” and “step” family members.
32. **HIV:** HIV is the acronym for “Human Immuno-deficiency Virus”. HIV is a virus that attacks and may ultimately destroy the body’s natural immune system.
33. **His**” includes the feminine;
34. **“Hours of service”** means the hours during which an employee normally has to work during a working week or on a working day;
35. **Immediate Family Members:** are regarded as an employee’s spouse/ partner and children (including legally adopted children).
36. **Incapacity:** refers to the inability of an employee to do his or her work due to ill-health or any other conditions that impact on their health.
37. **Induction:** is a process of integrating new employees into MKM and acquainting them with details and requirements of the new job.
38. **Intimate Relationship:** is defined as any relationship in which dependence, affection or loyalty to another employee may impair objective decision-making, or result, even inadvertently, inappropriate exchanges of confidential information, or create the actuality or perception of favouritism or discrimination.



39. **Leave:** is paid time off.
40. **Manager:** means an employee of MKM who is directly responsible for the administration of an office, unit, department, section or branch of MKM's service, or his / her lawfully appointed nominee acting in that capacity.
41. **Maternity Leave:** is a leave of absence associated with the birth of a child normally granted to all female employees.
42. **Medical Aid Scheme:** is an association or membership to a scheme that provides medical coverage for employees and their dependants.
43. **Medical Examination:** is a requirement to an employee to submit himself or herself for an examination by a registered medical practitioner or a medical board nominated by MKM for such a purpose.
44. **Misconduct:** means wrongdoing (bad behaviour).
45. **Next-of-Kin:** is defined as own parents, parents-in-law, grandparents, brothers and sisters.
46. **MKM's Assets:** includes but not limited to time, cash, cheques, infrastructure, records, and equipment (including fax machines, copiers, telephones, computer hardware and software).
47. **Overtime:** means that portion of any period which an employee works at the workplace for his / her employer during any week or on any day, as the case may be, which is in excess of the respective ordinary hours of work prescribed for such employee.
48. **Paternity Leave:** is paid time off for fathers of newborn and adopted children.



49. **Performance management:** is a process of harnessing all available resources within an organisation and ensuring that these perform to the maximum, in order to achieve the desired results. It is the use of all management tools, including performance appraisal to measure and enhance employee and organisational performance.
50. **Permanent employee** means an employee, excluding a contract employee and a temporary employee, occupying a post on the fixed establishment of MKM in a permanent capacity, whether full-time or part-time, and includes an apprentice and a person appointed in such post for a probationary period;
51. **Post** means a position in the hierarchical structure to which specific duties are coupled;
52. **Policy:** a document setting out an organisation's position on a particular issue.
53. **Probation:** is a period given to an employee to determine his or her suitability for the job.
54. **Recruitment:** is a process of acquiring applicants who are available and qualified to fill positions for MKM.
55. **Remuneration**” means the monetary compensation due to an employee for services rendered to MKM, including his salary, housing benefits, allowances, bonuses and payment for overtime;
56. **Resignation:** is a voluntary ending of an employment contract by the employee.
57. **Retirement:** refers to the termination of employment because of age, number of years in MKM or ill health.



58. **Retention:** is a process of creating the necessary conditions for selected individuals to remain within MKM.

59. **Salary:** refers to any payment in money that MKM shall pay any employee for a service rendered to it.

60. **Salary Increments:** means an increase in the employee's salary.

61. **MKM:** means Makhuduthamaga Local Municipality;

62. **Selection:** is a process of choosing from a group of applicants the individual best suited for a particular position within MKM.

63. **Sexual Harassment:** Sexual harassment is unwanted conduct of a sexual nature. The unwanted nature of sexual harassment distinguishes it from behaviour that is welcome and mutual. Sexual attention becomes sexual harassment if:

- o The behaviour is persisted in, although a single incident of harassment can constitute sexual harassment; and/or
- o The recipient has made it clear that the behaviour is considered offensive; and/or
- o The perpetrator should have known that the behaviour is regarded as unacceptable.

64. **Sick Leave Cycle:** is the number of paid leave days for medical reasons that an employee accumulates within a period of 36 months employment with the same employer.

65. **Study Loan:** A study loan is granted to an employee who wishes to further his/her studies in a field that may not be in line with their field of employment. A loan is given to the employee to pay for his/her studies and not where such studies, at the discretion of MKM, are considered not to be essential for the requirements of the employee's position, but where MKM is satisfied that both will benefit from the employee undertaking the studies.



66. **Substance Abuse:** is the use and misuse of drugs both legal and illegal, alcohol and or any other narcotic substances by employees.
67. **Subsistence Allowance:** any allowance given to an employee for expenses incurred or to be incurred in respect of personal subsistence and incidental costs (e.g. accommodation and meals)
68. **Temporary or casual employment:** refers to the employment services rendered by a person on an *ad hoc* basis or short-term contract
69. **Termination of Service:** is the ending of an employment contract, either voluntary or by dismissal.
70. **Travel and Subsistence Allowance:** refers to travelling and other expenses incurred by employees in carrying out official MKM duties.
71. **Unpaid Leave:** is unpaid time off.
72. **Vacation Leave:** can be taken out of the 5 days accumulated every to the maximum of 15 days per 3 year leave cycle. This is usually of duration of less than 5 consecutive days.
73. **Victimisation:** constitutes any action that intimidates or retaliates against an employee for complaining about sexual harassment or whistle blowing in MKM.
74. **Whistle Blowing:** is when an employee communicates or reports a suspected violation of law, regulation or unethical behaviour in MKM.
75. **Wage** means the same as “salary



76. **Working day** means any calendar day of the week of which an employee must normally report for work

77. **Working hours** means the hours during which an employee is obliged to work during a working week or on a working day;



POLICIES AND PROCEDURES MANUAL

SECTION A: HUMAN RESOURCES MANAGEMENT POLICIES

1. EMPLOYMENT EQUITY POLICY

OBJECTIVE

The objective of this policy is to continuously create an environment that permits equal opportunity for advancement, in order to redress past imbalances and to ameliorate the conditions of individuals and groups who have been previously disadvantaged on the grounds of race, gender and disability.

POLICY

The goal of employment equity action policy is to create an equitable organisation and to build an environment that supports and enables those who have been historically disadvantaged by unfair discrimination to fulfil their maximum potential and to enhance organisational performance. In keeping with its policy of fair and equitable employment practices, Makhuduthamaga Local Municipality reaffirms its commitment to comply fully with the spirit and requirements of the Employment Equity Act to the strategic advantage of our business.

MKM will take active steps to:

- (1) Ensure fair, non-discriminatory practices which respect the rights and dignity of all its employees irrespective of colour, race, gender or disability, HIV/AIDS, Sexual Orientation and Religion as per EEA.
- (2) Remove any potentially discriminatory practices that may be identified;
- (3) Ensure that employees at all levels are suitably qualified or have the potential to meet the intrinsic requirements of the job;
- (4) Ensure that employees are allowed to realise their full potential, within the capacity of the Municipality, and are advanced and rewarded on merit;

-
- (5) Transform the demographic profile of the workforce to reflect better the local, District, Provincial and national profile.
 - (6) Introduce positive action plans to accelerate the advancement of employees from designated groups.
 - (7) MKM endeavours to:
 - o Develop numeric targets annually for hiring, training, promoting and retaining employees who are the prime beneficiaries for this policy as set out in the Employment Equity Act;
 - o Develop and introduce measures that support these employees advancement; and
 - o Inculcate a culture that values diversity and supports the affirmation of those who have previously been unfairly disadvantaged within our society and also as a result within MKM.

COMMUNICATION AND CONSULTATION

In compliance with the Employment Equity Act, MKM will:

- Communicate this policy to all employees;
- Ensure optimum understanding;
- Establish a representative Employment Equity Committee/Project Team to manage and facilitate conducting of audits, and the drawing and implementation of the EE Plan;
- Consult and communicate throughout the process as required by the Act.



2. LEAVE POLICY

OBJECTIVE

The objective of this policy is to regulate all forms of leave that are accrued and due to employees as a benefit, and to outline procedures to be followed for the granting and taking of such leave. Policy provisions apply to all employees, that is, permanent employees, temporary employees and casual employees.

POLICY

The following leave policy procedures will apply:

- (1) All employees are entitled to twenty-one (24) working days annual paid leave (excluding weekends).
- (2) None of the statutory paid public holidays will be regarded as a working day for the purpose of leave calculation;
- (3) In the event of an illness or other unforeseeable circumstances, it is the responsibility of the employee to notify their supervisor within a reasonable period;
- (4) Absence from work without approval and/or without a valid reason shall be regarded as misconduct and be dealt with in terms of the disciplinary procedure;
- (5) Leave will be calculated from the date of engagement;
- (6) Employees will not accrue full annual leave benefits whilst absent from work on sick leave, maternity leave or paternity leave which extends beyond the normal maximum of such leave, except in the case of extended absence due to injury during the course of their duties;

Categories of leave

Leave of absence shall be classified as -

- Annual/Vacation leave;
- Sick leave;



-
- Family responsibility leave.
 - Maternity leave and
 - Injured on duty or occupational diseases leave

2.1 ANNUAL LEAVE

All employees are entitled to twenty-Four days annual paid leave (excluding weekends). Annual leave is accrued on a monthly pro-rata basis upon completion of every month of service. Annual leave is intended to provide the opportunity for a period of rest and recreation, so employees are expected to take leave within the leave year, when leave is due. Leave may be taken at any time convenient both to the employee and the employer. Business need and personal need should be carefully balanced.



ACCUMULATION

Employees are permitted to accumulate a maximum of 24 working days annual leave per year.

When an employee's service terminates, for whatever reason, i.e. resignation, retirement, dismissal or death, their accumulated leave is capitalised and the capitalised amount is paid as part of their last month's remuneration. This amount is subject to taxation.

TIMING

- (1) MKM will grant annual leave not later than six (6) months after the end of the annual leave cycle;
- (2) Application for leave must be made in reasonably good time to allow for planning during an employee's absence. It is recommended that annual leave for all employees be scheduled in advance as follows:
 - a) For 4 working days or less - 10 working days notice
 - b) For 5 working days or more - 15 working days notice
- (3) It will remain the responsibility of the employee to ensure that leave applied for has been approved before proceeding on such leave;
- (4) If an employee applies for leave and the leave days include a weekend, the weekend does not form part of the days counted as due. Weekends are thus not part of the twenty one (24) leave days applied for; and
- (5) The Managers shall be responsible for ensuring that leave application forms are submitted to Human Resources so that accurate records are maintained. The HR department shall keep record of leave days due to all employees and keep the managers informed on a regular basis.

HOLIDAY ARRANGEMENTS FOR NEW EMPLOYEES

Where MKM has agreed to honour holiday arrangements made by a new employee prior to joining MKM, the employee may take such leave provided he/she has leave credit and there is leave credit then the leave should be unpaid leave. The MM needs to approve such a holiday arrangement.

2.2 COMPASSIONATE/FAMILY RESPONSIBILITY LEAVE

- (1) Compassionate leave of up to five (5) working days per occasion will be granted to employees in the event of the death or serious injury of next of kin and/or immediate family members;
- (2) The employee may be required, in due course, to produce a death certificate or medical certificate in support of their application for compassionate leave; and
- (3) For the purposes of compassionate leave “immediate family members” are regarded as an employee’s spouse/partner and children (including legally adopted children), whilst next of kin is defined as their own parents, parents-in-law, grandparents, brothers and sisters.

2.3 LONG SERVICE LEAVE

- (1) An employee with five years uninterrupted service will be entitled to an additional five (5) working days leave. This leave accrual will commence in their sixth anniversary year.

2.4 MATERNITY LEAVE

- (1) Employees are entitled to one (1) month paid maternity leave for every three (3) months of uninterrupted service given to MKM, and the right to return to the same position;
- (2) Employees, who have completed twelve (12) months or more of uninterrupted service, are entitled to four (4) months paid maternity leave and the right to return to the same position. The following conditions apply:
 - o Maternity leave may be granted to both male (in which case it will be referred to as paternity leave) and female employees who have the sole responsibility of raising their newly born babies or adopted children under the age of six (6) years;
 - o An individual who does not qualify for maternity leave for some or other reason, and has to utilise their vacation and or take unpaid leave instead, may be granted sick leave in respect of any illness that the employee contracted during such period of absence; or the period of confinement to bed or an institution.
 - o An employee, including an employee adopting a child under three(3) months, shall be entitled to receive three(3) months paid maternity leave, with no limits to the number confinements or adoptions. This leave provision shall also apply to an employee whose child still-born.
- (3) Once an employee has given birth, she can return and commence duties if a doctor certifies that she is fit to commence normal duties after a period of six (6) weeks after birth;
- (4) Security of employment is protected during the period of maternity leave;
- (5) Maternity leave must in all cases be uninterrupted and continuous with the confinement. It may furthermore be extended with additional annual leave;
- (6) Maternity leave may not, subject to the provision below, be converted to any other kind of leave after it has commenced;
- (7) Sick leave may be granted with regard to absences from duty as a result of a miscarriage, still birth or termination of pregnancy after maternity leave has

commenced in which case the period of maternity leave which has already been taken immediately prior to any of the said incidents, should not be taken into account for purposes of the restriction above;

- (8) During the period of maternity leave normal annual leave benefits do not accrue;
- (9) Maternity leave should be applied for at least four (4) weeks in advance to allow adequate planning for the employee's absence;
- (10) Before leaving to go on maternity leave the employees shall enter into an agreement with MKM, stating that the individual will return to work after their confinement.
- (11) Failure to return to work on the due date, without notification of the reason for the delayed return, may be regarded as misconduct and dealt within terms of disciplinary procedure.
- (12) An employee who takes this leave should make arrangements with the UIF.
- (13) Where a salary review takes place during paid maternity leave, the employee will receive any relevant increase from the effective date due to them.

SERVICE

Paid maternity leave is recognised as continuous service.

MULTIPLE BIRTHS

The policy for multiple births is the same as for single births.

2.5 PATERNITY LEAVE

- (1) Employees who have completed twelve (12) months or more uninterrupted service are entitled to, paid paternity leave of seven (5) consecutive days to be granted from the date of engagement with MKM.
- (2) Such leave is to be taken within three (3) months of the birth of the employee's biological baby or the legal adoption of a child under six (6) years of age.
- (3) Paternity leave will not accrue if not taken in any year; and
- (4) Proof of birth or adoption will be required before paternity leave is approved.

2.6 RELIGIOUS AND PUBLIC HOLIDAYS

Employees are entitled to take vacation leave to observe their religious occasions where these are not designated as national public holidays.

The public holidays referred to are the following:

New Years Day	1 January
Human Rights Day	21 March
Good Friday	Friday before Easter Sunday
Family Day	Monday after Easter Sunday
Freedom Day	27 April
Worker's Day	1 May
Youth Day	16 June
National Women's Day	9 August
Heritage Day	24 September
Day of Reconciliation	16 December
Christmas Day	25 December
Day of Goodwill	26 December

2.7 SICK LEAVE

- (1) Employees will be entitled to eighty (80) days paid sick leave calculated from date of commencement of employment with MKM, per three year cycle.
- (2) New employees will accumulate sick leave at a rate of 1 day per month.
- (3) Where sick leave days have been used up, and an employee has not been granted additional leave, any absence from office will be treated as unpaid leave;
- (4) Sick leave application forms, with medical practitioner's certificates attached, must be submitted to Human Resources immediately upon return to work; and

- (5) A medical certificate will be required from a medical practitioner or any other person who is certified to diagnose and treat patients, and is registered with a professional Council, within three (3) days of returning to work. In the event that treatment was received from non-registered health practitioners (e.g. some traditional healers, homeopaths, etc), an affidavit needs to be presented to MKM within three (3) days of returning to work as proof of having been for such treatment. Such proof will be required: -
- For absences in excess of two (2) consecutive working days;
 - For absences where an employee takes sick leave on a Friday or a Monday, or a day immediately preceding or following a public holiday;
 - At the discretion of the direct supervisor (e.g. where an employee was reported to have been engaged in other than non-MKM activities);
 - Repeat absences in any eight (8) week cycle;
 - As MKM so requests; and
 - As evidence of admission to a hospital or clinic during annual leave.
- (6) Should an employee become ill whilst on annual leave, such portion of their vacation leave may, subject to the submission of the medical aid certificate or affidavit, be converted into sick leave.
- (7) Employees who are away from the office and who are being treated in an institution for the rehabilitation of alcoholism, or drug addiction may be granted sick leave for the period that they are away, provided that a sufficient number of days sick leave are available to the employee in the current sick leave cycle.

2.8 SPECIAL LEAVE

An employee may be granted up to two (2) days special leave per year. Special leave may not be accumulated. Line managers are to control and keep record of all special leave granted to their subordinates. The following situations may warrant granting of special leave:

- (1) To enable the employee or a family member to undergo medical examinations or medical treatment in large centres.
- (2) Employees who are away from the office for traditional ceremonies (e.g. attendance at initiation school, qualifying as a traditional healer “ukuthwasa”, etc) may be granted special leave for the period that they are away provided that an affidavit is produced within three (3) days of their return to the office.
- (3) Relocation as a result of transfer.
- (4) Relocating residence for reasons other than transfer.

2.9 STUDY AND EXAMINATION LEAVE

- (1) Employees undertaking approved courses of study, privately and on a part time basis, which in the opinion of MKM will be of benefit to MKM and to the employee, may, subject to the convenience of MKM be granted paid study leave to attend such courses. The number of working days will not normally exceed ten (10) working days per annum;
- (2) Paid leave for purposes of writing examinations for approved courses will be granted on the basis of the day of the examination and the working day preceding it. Proof of registration and an examination timetable need to accompany the application for leave. The number of such days will not normally exceed ten (10) working days per annum;
- (3) Where the day of the examination immediately follows a weekend (i.e. falls on a Monday) or a paid public holiday, only the day of the examination will be granted; and
- (4) Leave must be applied at least three (3) weeks in advance on the prescribed form and a copy of the examination timetable attached.

2.10 UNPAID LEAVE

- Leave without pay may be granted on good cause, only to those employees who have used their full leave entitlement. This will be assessed by the relevant manager or any person delegated by them, who will approve or deny such a request; and
- In all cases of unpaid leave, provision is to be made for deductions from the employee's salary to maintain contributions to Provident/Pension and Medical Aid funds.

PAYMENT IN LIEU OF LEAVE DUE

Employees will not be entitled to payment in lieu of leave due except upon termination of employment when accumulated leave will be paid out. Employees need to be aware that when they leave MKM, only leave not taken up to a maximum of five (5) days accrued per year will be paid out. The rest of the leave days, if not taken at the point of termination will be forfeited.

APPLICATION FOR LEAVE

All forms of leave are to be applied for on the prescribed Leave Application Form obtainable from the Human Resources and submitted to the direct supervisor of the employee for approval and sent to Human Resources for capturing.

VARIATIONS FROM POLICIES

In the event of circumstances arising, which justify a departure from the provisions of the above policies, the MM will use his/her discretion regarding those alternative provisions and measures. MKM may also, at its discretion, prescribe special leave privileges for an



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employee or classes of employees, and also make recommendations and give directions that are not covered by the above policies.

3. RECRUITMENT, SELECTION AND RETENTION POLICY

OBJECTIVE

The objective of this policy is to ensure that the candidate who best meets the selection criteria is appointed.

POLICY

- (1) MKM's recruitment, selection and retention processes will fundamentally be about matching human capital to the strategic and operational needs of the organisation and ensuring the full-utilisation and continued development of these resources;
- (2) MKM aims to attract, obtain and retain people with the required competencies (knowledge, skills and attributes) within the organisation;
- (3) In addition, this policy aims to ensure that a continuous supply of high calibre employees is available to meet MKM's immediate and future human resource needs; and
- (4) This policy is also attuned to establishing a positive image of MKM and positioning it as the employer of choice within the development sector.
- (5) MKM will adhere to the relevant employment laws e.g. Basic Conditions of Employment Act, Employment Equity Act, Labour Relations Acts, National Qualifications Framework and the Skill development Act.
- (6) Candidates will be selected according to the inherent requirements of the job. No person shall be unfairly discriminated against on the following grounds:
 - o Age
 - o Religion
 - o Culture
 - o Race
 - o Gender
 - o Sexual orientation
 - o Disability
 - o Conscience
 - o Language



- Belief
- Ethnic or social origin
- Sex

(7) MKM's recruitment and selection process will be based on:

- Employment Equity Act
- Fair labour practices as determined by the Labour Relations Act
- A scientific selection process
- Cost-effectiveness
- Client-orientation, and
- Confidentiality

(8) Where it is reasonable and practical, preference will be given to internal staff members, Bursary beneficiaries and interns of MKM

3.1 PERMANENT EMPLOYMENT POLICY

OBJECTIVE

The objective of this policy is to outline policy guidelines for the recruitment and selection of permanent employees.

POLICY

Vacancies for permanent employment within the organisation will be filled by the most suitable candidates, with special preference being given to those that were previously disadvantaged.

3.1.1 Recruitment Sources

(1) Recruitment activities are dependent on MKM's human capital requirements and key organisational competencies;

- (2) The choice of media for recruitment purposes should comply with the requirements of the Labour Relations Act, 1995;
- (3) Internal sources of recruitment must receive priority as it is cost-effective, in accordance with career pathing, and serves as motivation for all employees within MKM;
- (4) External recruitment may be undertaken by means of advertisements. Where necessary, MKM shall use the services of the recruitment agencies who subscribe to Employment Equity principles and reflect this commitment through their practices;
- (5) Temporary appointments must be made from either a reputable Employment Agency or MKM temporary employment database. MKM may not employ family members of MKM staff.
- (6) External employment advertisements shall be open to all members of the public and a suitable range of the press media will be used in targeting the desired audience. However, MKM will use media that will best reach the targeted audience.

GENERAL GUIDELINES

- (1) The purpose of the interview should be made clear to the applicant. The interviewing panel shall be responsible for ensuring that applicants are given the opportunity to ask questions in respect of job requirements, output requirements, support structures, the conditions of employment associated with the job and career prospects which may stem from employment with MKM.
- (2) Interviews shall be concluded in an atmosphere that is designed to make the applicant feel at ease and free of any intimidation and patronising attitudes.
- (3) Interview questions shall focus on the requirements of the job and shall not have any element of discrimination as defined by Schedule 7 of the LRA. An adequate summary of the interview session should be recorded for all positions.
- (4) On request, internal unsuccessful candidates should be debriefed as their strengths and weaknesses in relation to the position applied for and be counselled about further career opportunities. Should any member of the interview panel have



a personal interest or bias regarding the outcome of any interview session, such member should disclose and later withdraw from participating in that interview session.

- (5) In all stages, timeous and appropriate feedback must be given to all the interested parties.

RECRUITMENT PROCEDURES

Further guidelines and procedures can be obtained in the Policies and procedures: Procedures manual Section P-1.

3.1.2 Employment of Family Members, Relatives and Having Intimate Relationships

OBJECTIVE

The objective of this policy is to outline guidelines regarding the recruitment and selection of family members, relatives and having intimate relations within MKM.

POLICY

- (1) The practice of assigning a position with the responsibility to supervise or evaluate a family member and/or relative or someone with whom there exists an intimate relationship is discouraged. It is the responsibility of all employees to disclose to Human Resources of the existence of any such relationship. When such a situation exist, the family member and/or relative or an employee with whom they have an intimate relationship, may be transferred to another functional area within MKM.
- (2) Similarly, if an employee later becomes related to another employee or an intimate relationship develops involving a person under their direct supervision, Human Resources should address the situation by means of an internal transfer within MKM if possible.



- (3) However, each individual case will be examined and treated on its own merit by Human Resources.

3.1.3 Induction

OBJECTIVE

The objective of this policy is to outline policy guidelines for the induction of permanent employees at MKM.

POLICY

Induction is the process of introducing new employees to the goals, policies and procedures, values, and co-workers or an organisation as well as the activities and tasks to be performed so that employees are enabled to become participating and effective members of an organization.

All new employees must undergo an informal induction programme at the municipality on the day they commence employment. It is the responsibility of the Manager to ensure that the employee is correctly introduced to the Municipality in general.

- 1.1 The induction programme is to assist the new employees in his/her entry to the organization. It becomes essential to ensure that the new employee not only understands the way the organization and his/her job are organized, but also that he/she embodies the culture of the organization.
- 1.2 Starting a new job is considered to be one of the most stressful life experiences and a proper induction process that is sensitive to the anxieties and uncertainties, as well as the needs of the employee is therefore of the utmost importance.
- 1.3 A professionally sound induction processes requires that all employees of the Organisation be fully committed to and actively involved in creating a pleasant, friendly and harmonious work environment and that everyone is actively involved in the induction of new employees.



INDUCTION PROCESS AND PROCEDURE

Further guidelines and procedures can be obtained in the Policies and procedures:
Procedures manual Section P-1-5.

3.1.4 Probationary Period

OBJECTIVE

The objective of this policy is to ensure that the candidate who best meets the selection criteria is appointed.

POLICY

- (1) Employees are employed on a probationary period for up to six (6) months. The purpose of a probationary appointment as part of the selection process is to assess, as early as possible in a working environment, an employee's suitability for employment in a particular job. During the probationary period, employees must be given the opportunity to demonstrate the standards expected of them and be provided with appropriate feedback, assistance and support to achieve them. Resignation or termination during this period should comply with Basic Conditions of Employment Act Section 37.
- (2) Human Resources should be there to give advice and support to all employees during the probationary period. All Managers should discuss as early as possible, with Human Resources, any doubts or uncertainties about an employee's progress.
- (3) The line manager must inform the HR Department when the employee has successfully completed the probationary. The HR department will in turn, confirm the employee's formal appointment to a position by means of a written letter to the employee. The probationary period may be extended based on the performance of the individual. If an extension is to be applied, the employee is to be advised in writing of such an extension and the conditions set out for this extension.

3.1.5 Relocation Expenditure

OBJECTIVE

The objective of this policy is to reimburse existing and new employees being transferred at the request of MKM to another locality necessitating a residential change. It applies to existing and new employees who wish to relocate on their own accord.

POLICY

A. The following expenses may be reimbursed by MKM:

- Transport expenses and insurance costs of personal effects;
- Storage costs of personal effects for a period not exceeding 3 months;
- Accommodation expenditure in a maximum three (3) star hotel for a period not exceeding 3 months if married and 1 month if single;
- Transfer and registration connected with the purchase or erection of a new dwelling.

B. Existing and new employees who wish to relocate on their own accord.

All relocation expenses in this regard will be for the account of the employee.

AUTHORISATION AND PAYMENT OF RELOCATION EXPENDITURE

- The Municipal Manager will be responsible for the approval of any expenditure related to the transfer of resettlement of employees and any other costs under this section.
- In the case of household removals, three quotations should be called upon and submitted to the HR Department. The HR Department will determine and authorise the removal company to be contracted to.
- The Finance department will effect payment of such.

3.1.6 Termination of Service

OBJECTIVE

The objective of this policy is to outline policy guidelines for termination of service for permanent employees.

POLICY

- (1) The termination of the employee's employment for any reason whatsoever shall not affect the operation of any provisions of this agreement to the extent to which they confer rights or impose obligations upon the parties which are exercisable or enforceable after the termination date, and such provisions shall to that extent continue to be full force and effect.
- (2) The termination of the employee's employment shall furthermore not prejudice any rights, which have accrued to the parties as at the termination date
- (3) Unless otherwise provided for in the contract of employment, an employee after probationary period must give 1 calendar month's written notice of their intention to resign. Notice of termination of contract of employment must not be given during any period of leave to which the employee is entitled. However, with an employee who has served three (3) months or less and is still on probation, MKM can terminate employment with immediate effect.
- (4) A resignation on short notice is in effect a unilateral effort to change the employment contract. MKM in its discretion may or may not agree thereto. In the event that MKM gives its consent, this should be on the conditions determined at the time by the Human Resources, or any person delegated by them, put in writing and signed by the employee.
- (5) If an employee gives notice on the first (1st) day of the month, they should be paid a salary and an allowance in respect of the full months despite the fact that the

month may end on a day of rest, provided they are normally paid for days of rest and perform their duties up to and including the last working day of that month.

- (6) No annual leave may be taken during the notice period.
- (7) Human Resources shall grant all employees leaving the employ of MKM an exit interview, on or before the effective date of termination of service.
- (8) This policy will only apply to permanent, full-time permanent and part-time permanent employees.

3.2 TEMPORARY EMPLOYMENT POLICY

OBJECTIVE

The objective of this policy is to outline policy guidelines for the recruitment and selection of temporary employees.

POLICY

- (1) The recruitment of temporary employees should be in line with the policy on recruitment and selection and promote employment equity in the workplace;
- (2) All temporary recruitment should be conducted through an employment agency.
- (3) The contract of employment of the temporary employee will be between the employment agency and the employee.
- (4) The employment agency should ensure that they are in line with the Employment Equity practices and policies of MKM;
- (5) Short-term employment contracts of whatever nature must provide and develop internal skills not present within MKM;
- (6) The management of temporary employee contract must be carefully monitored. No change to such contract or undertakings/indications about renewal or extension



shall be valid unless put in writing to the employment agency duly signed by the HR Manager.

- (7) Any payments made with regards to the employment of a temporary employee will be determined by the HR manager and made directly to the employment agency.
- (8) Any disciplinary action or grievance procedure relating to the temporary employee will be referred to the relevant employment agency.

TERMINATION PROCESSES AND PROCEDURES FOR PERMANENT EMPLOYEES

Further guidelines and procedures can be obtained in the Policies and procedures:
Procedures manual Section P-1.6.



SECTION B: EMPLOYMENT BENEFITS AND CONDITIONS

4. BUSINESS CARDS POLICY

OBJECTIVE

The objective of this policy is to improve the professional image of the organisation, by encouraging employees to use business cards.

POLICY

MKM has formulated the following business cards policy:

- (1) Employees above and including the rank of Manager will qualify for business cards;
and
- (2) Where an employee within the Manager's supervision can show a business need for business cards, business cards will be provided for them, e.g. employees in the Marketing and Communications Directorate, Project Managers, Supervisors and Consultants.
- (3) Employees are encouraged to contact Human Resources Manager to arrange for business cards to be printed for them.

5. CELLULAR TELEPHONE POLICY

OBJECTIVE

The objective of this policy is to provide guidelines for the acquisition, use and maintenance of cellular telephones for employees of MKM.

POLICY

MKM may use one of the following methods for cell phone acquisition:

- (1) MKM will maintain a centralised buying policy for cellular telephones and pay cell phone allowance to qualifying employees. Only the MM or his/her nominee should have the authority to sign and negotiate contract or agreement that binds the organisation to pay for cellular telephones. Before a purchase is made, three quotations from independent suppliers or service providers should be provided as stipulated in the procurement policy.
- (2) The criteria for granting a cellular telephone to employees will be determined by MKM based on whether the job description of a specific position requires a degree of mobility, but also has to have high availability or other criteria he/she deems fit.
- (3) The following general requirements will serve as criteria to qualify for the receipt of a cellular telephone allowance by all categories or employees within MKM:
 - The use of alternative communication methods should be impractical or impossible for certain critical periods of time;
 - The duties of the employee concerned should require that he/she be reachable at all reasonable times;
 - Communication is required with key personnel and clients of MKM;
 - Communication should be available in handling emergencies within the job description of the employee concerned;
 - The employee concerned should not always be office bound;
 - Sufficient funds should be provided for in the budget of the department;

- (4) Such an employee will qualify for the allowance of up to a ceiling of R700-00 for the managerial level users, and a maximum cost of R400.00 for the non-managerial level users. The above costs include rental and running costs.
- (5) Anyone who exceeds the above-mentioned maximum costs will pay the excess unless one can justify such excessive usage in writing. MKM will only pay any excess if approved by the Finance Manager after satisfying himself that all cost saving mechanisms were applied.
- (6) MANCO will determine MM's cellular telephone limit from time to time. If such a limit is exceeded, then motivations in writing by the MM should be made to the Treasurer justifying the excess.
- (7) The Municipal Manager should ensure that all Cellular telephones meet the following criteria:
 - o Ensure standardisation of equipment, and
 - o Accessory requirements, which should lead to healthy competition between the suppliers with the benefit accruing to the organisation
- (8) Cell phones should be used cost effectively. No overseas calls should be made on cellular phones except the MM of MKM.
- (9) If the employee leaves the organisation, the cellular phone and all its accessories should be returned back to the MM on his/her last working day.

Insurance

- (1) All cellular telephones will be insured with the service provider, with its conditions clearly made known to the users.
- (2) It is therefore suggested that all employees will be held responsible for any losses other than those specified on the conditions. Thus any loss of or damage to telephonic equipment owing to negligence will be the responsibility of the employee
- (3) An employee who has lost a cellular phone must comply with the insurance conditions by reporting such loss to the police.
- (4) Employees that are entitled to the cellular phones will sign an authorisation form entitling the employer to deduct all amounts in excess of the limit imposed.



6. POLICY ON COMMON BUSINESS LANGUAGE OF MKM

OBJECTIVE

The objective of this policy is to promote a multi-lingual environment because of the nature of the work we do. MKM recognises all eleven (11) official languages of South Africa as highlighted by the Constitution. However, we need to be able to interact with a diverse population in a single and consistent medium.

POLICY

- (1) The common business language of MKM is English. This is the language that will govern all official transactions and be the language of record within MKM. This by no means relegates any other national official language.

- (2) MKM will endeavour at all times to communicate with its stakeholders in any or all of the eleven (11) official languages of South Africa. MKM has a responsibility to respond to correspondences made in any of the eleven (11) official South African languages, in the language of the initiator of the correspondence. If an initiator of correspondence writes to MKM in Sepedi, the reply to the correspondence needs to be in Sepedi.

7. CONFIDENTIALITY POLICY

OBJECTIVE

The objective of this policy is to define confidential information and the requirements for protecting this information during and after each employee's association with MKM.

POLICY

Confidential information is defined as any information or material, not generally available to the general public, generated, collected or used by MKM that relates to its operations, strategies, know-how, data, names or any contracts or prospective contracts MKM may have, documentation of MKM or its employees. This includes information marked as confidential or which the employee otherwise knows is confidential. If there is any doubt as to whether information the employee obtains is confidential, the employee should assume it is confidential and treat it as such, unless officially notified otherwise.

- (1) Each MKM employee has a personal responsibility to protect confidential information entrusted to him or her, or to which are otherwise exposed. As a result, each employee must be careful not to disclose any confidential MKM information to anyone outside MKM, except as authorised. No employee should ever use confidential MKM information for personal gain or advantage.
- (2) When an employee leaves MKM for any reason, they should return to Human Resources all MKM materials acquired during their period of employment.
- (3) Senior Managers of MKM are bound not to disclose any MKM information even after a period of twelve (12) months of their disassociation with MKM.
- (4) No employee may give information or communicate about such information as recipients of grants (their confidential or personal information), names of grantees



or beneficiaries, names and confidential particulars of donors, amounts of money donated to MKM by respective donor, both current and potential.

SECURITY OF MKM AFFAIRS

Employees are encouraged to clear their desks of confidential files, reports and working papers at the end of each working day. All MKM matters and information are to be handled in a totally professional manner at all times. Excessive care should be taken when discussing MKM affairs and must only be discussed in appropriate areas and at appropriate occasions.

WHISTLE BLOWING

(1) MKM places a high value on integrity and it is MKM's policy to comply with laws and regulations that apply to its various operations. It is therefore the policy of MKM to:

- Encourage employees who have good reason to believe that MKM, or any of its employees, is in violation of any law, rule or regulation to report it internally;
- Conduct a prompt thorough investigation of any alleged violation and take appropriate corrective action;
- Prohibit any retaliatory action against an employee who has provided information in connection with an internal investigation regarding a possible violation of any law or any of its employees; and
- Take appropriate action against employees who have engaged in retaliatory conduct prohibited by this policy, and who have broken laws, rules or regulations.

(2) An employee who wishes to communicate a suspected violation of law, regulation or ethical behaviour may report such an incident to Human Resources or to any employee designated for this role. MKM's position is that all employees within MKM shall have their employment protected when exposing such violations. MKM encourages all employees to communicate acts or omissions that may place the organisation at risk.



7.1 ACCESS TO EMPLOYEE FILES POLICY

OBJECTIVE

The objective of this policy is to ensure confidentiality of employee information by regulating access to employee files.

POLICY

- (1) Employees may read any materials on their personal files that concern their performance evaluation, remuneration, promotion, discipline and termination by requesting approval from Human Resources.
- (2) This policy does not include giving the individual access to confidential information such as reference information, any confidential background checks, and documents relating to investigation of criminal offences.
- (3) Immediate managers will be granted access to the employee files of their subordinates. A file issue control log needs to be completed indicating the date and the time of removal and the return of the file. Photocopying of any information contained in these files is strictly prohibited. This file shall be viewed within the HR Department only and may not be removed.
- (4) MKM is committed to ensuring that all information about its employees will be held securely and will only be accessed to authorised persons.



8. CONFLICT OF INTEREST POLICY

OBJECTIVE

The objective of this policy is to give guidelines in dealing with situations that may result in conflict of interest. A conflict of interest exists in any situation where doubt may exist as to an employee's ability to act with total objectivity to MKM's decisions and interests.

POLICY

- (1) An employee of MKM who has or obtains an interest in an organisation that enters into business transactions with MKM, and their interest is of such nature that it can influence the outcome of decisions taken by MKM (e.g. tendering, procurement, recruitment agency, etc), such an employee must advise Human Resources in writing of such interest without delay. Disclosure both in writing and verbally to Human Resources or any designated authority is expected of all employees.
- (2) Where an employee has an interest in any other organisation other than that strictly defined within the ambit of MKM, they must disclose it to the Human Resources in writing. The MM has the right to require the employee to disclose and later excuse him-/ herself or herself from decision-making or any such related matter.
- (3) Such an employee may not participate in decision making of MKM during which discussions will revolve around the organisation in which such an employee has interests, as it might impact on them taking decisions that are fair, impartial and proper.
- (4) It is a condition of employment that an employee assigns to MKM, without charge, all claims and rights to any copyright, inventions, improvements to inventions, photographs, writings and the like, which may now or in the future vest with the employee in any work arising out of or from the scope of their employment with MKM. Such employees shall grant MKM full right to alter and adapt such work.



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- (5) All employees shall be expected to devote the whole of their time and attention during MKM's normal working hours, and such reasonable amount of additional time as may be necessary to conduct MKM's activities.



9. CREDIT CARD POLICY

OBJECTIVE

The objective of this policy is to allow for efficient financial management by all managers in the employ of MKM.

POLICY

- (1) Municipality credit cards will be issued to the Mayor and Municipal Manager. These cards will be used to pay for travel refreshments, meals, parking and other purchases.
- (2) Credit cards may only be used when normal procurement procedures cannot be reasonably applied for items such as:
 - o Local Travel – Meals and refreshments
 - o Local Travel Parking
 - o Accommodation
 - o Car hire
- (3) Approval for these expenses is given at the time MKM's budget is approved. The approval of the MM for this expenditure is given at the time of approving the budgets.
- (4) Credit limits will be as follows:
 - o Mayor: R 7000.00
 - o MM: R 5000.00
- (5) Supporting documents and or vouchers to be provided immediately

10. EMPLOYEE USE OF MKM ASSETS POLICY

OBJECTIVE

The objective of this policy is to ensure the safeguarding as well as proper and efficient use of MKM's assets.

POLICY

- (1) MKM gives all employees the opportunity to use MKM assets in their official capacity only. The Procurement and Administration Section is responsible for the identification, tracking, recording, control and maintenance of all MKM assets.
- (2) Where MKM equipment is to be used after official working hours, approval needs to be sought and the necessary authorities need to be aware. The respective functional Manager needs to be aware that the individual will be using MKM facilities.
- (3) And where MKM equipment is to be used outside of MKM official premises, authorisation is mandatory. All equipment needs to be accounted for at all times. MKM needs to ensure that employees are directly accountable and responsible for all MKM assets in their possession or environment.
- (4) MKM property needs to be looked after and damage inflicted to it should be reported immediately to the relevant Directorate.
- (5) Theft, unauthorised removal or usage of MKM assets will result in dismissal of that particular employee.

11. ENTERTAINMENT POLICY

OBJECTIVE

The objective of this policy is to allocate funds for the entertainment of clients, in accordance with general business practice.

POLICY

- (1) In line with general business practices, MKM allocates funds for the entertainment of clients, and MKM employees whose responsibilities include such entertainment will typically participate in these events.
- (2) On rare occasions, MKM employees may participate in MKM sponsored entertainment events without clients.
- (3) Employees may occasionally entertain business associates such as organisations with whom MKM is in alliance.
- (4) Each department/regional has a budget for this purpose. The company credit card is used often when entertaining.

SUBMISSION AND AUTHORISATION OF CLAIMS

The most senior MKM employee that participated in an event must submit the claims for the reimbursement of entertainment expenses to MKM. His manager must then authorise the claim. The authorising manager will by definition not have participated in the event.

CLIENT ENTERTAINMENT

MKM clients should be entertained at MKM expense solely to establish or maintain healthy, harmonious business relationships.

All client entertainment must be performed openly, with the full knowledge of both organisations. Entertainment may never be offered or made to appear as compensation or reward for client's actions, or as a "gift".

Entertainment must always be in the form of an event that both the client and MKM can participate in, perform or view together. This is important since business relationships are based on interaction between individuals from two or more organisations. Examples of such events are meals, attending or partaking in sporting events, etc.

Sensitivity should be displayed in the choice of events such that guests would not consider the invitation extravagant or conversely insulting.

ENTERTAINMENT OF FELLOW EMPLOYEES

MKM will sponsor the entertainment of MKM employees only in rare special situations. The participants in such events will always be MKM manager and one or more of their subordinates, sometimes together with their partners. It may take the form of a meal, sending flowers, etc.

Examples of special situations that may warrant this type of entertainment are:

- Recognising very special achievements such as the successful completion of a major project or programme on schedule
- Recognising extraordinary effort by an individual
- Farewell to someone in the department
- Birth of a child of an employee
- Managers visiting regional / central office



12. EXTRANEOUS EMPLOYMENT (MOONLIGHTING) POLICY

OBJECTIVE

The objective of this policy is to give guidance to employees who would like to accept work outside their duties at MKM.

POLICY

- (1) All employees, unless otherwise specified in their employment contract, must place their contracted eight (8) working hours at the disposal of MKM. Consequently, no employees should bind themselves to perform work outside their duties, during the contracted eight (8) working hours, without prior authorisation.
- (2) Applications to perform work outside MKM would be considered according to each individual circumstance, but in principle this is not encouraged by the organisation. Where the type of work that the employee intends to do outside MKM, e.g. lectureship at an academic institution, directorship of a company, membership of a close corporation, etc, may cause embarrassment or potential conflict of interests/prejudice to MKM, and/or hamper the performance of the employee's duties, approval will not be granted.

CONDITIONS FOR APPROVAL

- Performing outside work or personal work while on MKM premises or on MKM time is strictly prohibited. Nor may MKM assets, facilities or proprietary information be used for any outside or personal work for personal gain of an employee;
- The work cannot be of such a nature that MKM will be prejudiced in any way;
- The onus will be on the employee to disclose involvement in the extraneous employment (moonlighting), providing details and seeking permission prior to engaging in such employment or continuing with such employment;



-
- No employee may take on any work outside MKM if there is a potential for a conflict of interest;
 - Where permission is granted, the work is to be done in the employee's own time;
 - To ensure consistency, Human Resources would consider the applications and make recommendations to the MM, or any person delegated;
 - MKM encourages employees to belong to and participate in community and charity organisations that are geared towards the upliftment of the quality and the standard of living of all South Africans;
 - A record of all employees engaged in this type of employment must be kept and regularly reviewed by Human Resources; and
 - Approval may be withdrawn by the MM with or without notice.



13. FUNERAL COVER

OBJECTIVE

The objective of the Funeral Cover is to provide for the payment of benefits to family of the deceased staff member to cover funeral expenses in the event of death.

POLICY

- (1) Membership is compulsory for all organisation permanent employees.
- (2) MKM will determine a reputable Insurance Company to provide funeral benefits best suited to its employees.
- (3) Members shall contribute 100% of the monthly premium subject to adjustment from time to time.
- (4) MKM is only liable to administer funeral benefits through the Insurance Company in the case of a deceased employee and not his/her family members.
- (5) Contributions are not refundable in the event of termination of service.

TRANSPORT COSTS OF THE REMAINS OF AN EMPLOYEE

MKM will contribute to the cost of suitable transport for the remains of an employee who dies whilst away from the place where he/she is on the establishment, on MKM business.

The Human Resource Manager will determine the extent of the assistance.

14. GIFTS TO MKM EMPLOYEES POLICY

OBJECTIVE

The objective of this policy is to give guidance to MKM employee regarding the exchange of gifts between employees and the clients of MKM.

POLICY

In executing its business, employees within MKM may be required to give or may be given gifts as a means of gratitude, cultural diplomacy “vula mlomo”, etc. In this spirit, MKM employees can accept or give such gifts but these need to be disclosed to Human Resources.

MKM operates within certain cultural dynamics and traditional values of the communities that it serves, and it is therefore important that MKM employees adhere to the following guidelines when giving or receiving gifts from these communities.

- (1) All gifts (including livestock received or given) should be declared registered in the Gifts Register which can be found in Human Resources;
- (2) Invitations to local sporting events, the theatre, cocktail parties and other forms of modest entertainment from clients, extended as a courtesy during the normal course of business, may only be accepted if they are not being offered to influence MKM’s decision-making process especially on the disbursement of funds;
- (3) It is strictly forbidden that money be accepted as a gift;
- (4) If an employee cannot refuse a gift because such refusal may be perceived as discourteous, then the employee should disclose the receipt thereof to their immediate supervisor and then register the gift the Gift Register. MKM will then decide on what to do with such a gift. If the gifts delivered to an employee are perishables, or it is considered inappropriate to return the gift because of reasons of cultural sensitivity, these should then be noted in the Gift Register and accepted by the employee; and



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- (5) Failure to disclose receipt of a gift may lead to an enquiry into the matter with a view to taking appropriate action against the employee concerned.

The above provisions apply to all MKM employees at all times, even if the employee is on vacation at the time the offer is made.

15. MEDICAL AID POLICY

OBJECTIVE

The objective of this policy is to provide financial help to meet the medical expenses incurred by an employee and his dependants. It is a form of insurance policy against illness and hospitalisation.

POLICY

If and when the employer established a medical aid scheme, the employee shall be entitled to become a member of the employer's medical aid scheme on the normal terms and conditions from time to time applicable can employee of the employer but subject to the employee's legibility for membership.

Unless otherwise expressly agreed, membership of the medical aid scheme is compulsory as a condition of employment for all permanent employees, in full-time or part-time employment. Employees who are already registered as dependents on their spouses' medical aid schemes may be exempted from belonging to MKM medical aid scheme, if proof is submitted in writing to Human Resources.

A. GENERAL RULES

- Medical aid contributions are paid monthly in advance which means that a new employee will need to contribute a double payment at the end of his/her first month of employment.
- The employer / employee contribution ratio is 60/40% of the employee's basic salary to the medical aid.
- The employee as well as his dependants is covered by the scheme and the monthly contribution depends on the number of dependants included in the scheme, the employee's salary and the scheme he/she selects.

- Dependants are:
 - o The wife of the member including common law spouse.
 - o The husband of the wife (member) if she is the breadwinner.
 - o The child /children of the member.
 - o A member's unmarried child above the age of 21 who as a result of a mental or physical defect does not receive income.
 - o Any dependent children up to age 25, who are full-time students attending a university or recognised college of higher education, provided a certificate from such university or college is produced each year.
 - o Parents with regards to African extended families.

- All employees enjoy the same benefits irrespective of income. The benefits are detailed in the Medical Aid Rules.

The above provisions depend on what the Medical Aid dictates.

B. CHANGE OF STATUS OF PRINCIPAL MEMBER

Members who have a change in status (e.g. marriage, re-marriage, divorced, birth of an infant or legal adoption) are required to notify Human Resources of such changes immediately, who will then notify the medical aid scheme. Failure to do so could render such members liable to forfeiture of all benefits in respect of their new status, until they have given the required notification and paid the applicable contribution.

C. BENEFITS

Benefits are provided in accordance with the rules of the medical aid scheme. It is the responsibility of the principal member to consult with the medical aid scheme before proceeding with any treatment where there is any doubt that such treatment qualifies for benefit.



D. CLAIMS PROCEDURE

The submission of claims and the payment of medical aid accounts are the responsibility of the principal member. Human Resources can be contacted to assist employees who want to acquaint with processes for the submission and payment of claims.

16. MEMBERSHIP TO PROFESSIONAL SOCIETIES POLICY

OBJECTIVE

The objective of this policy is to give guidelines for employees to participate in professional societies. The purposes of participation to professional societies are:

- To fulfil our obligation as an organisation and to further the status and competence of MKM in the development sector; and
- To promote MKM image and enhance its standing in the local government development sector.

Professional societies are defined as those societies / associations / bodies that employees may be required to join in order to practice their profession e.g. professional registration Council.

POLICY

- (1) MKM will not meet the cost of subscriptions to professional societies/institutes, unless these are to the direct benefit of MKM and are part of executing MKM business.
- (2) Employees are encouraged to become members of professional societies and MKM will support them when attending such related events.
- (3) Permission to take time off to attend to such activities should be obtained from the individual's direct supervisor.
- (4) MKM will only meet the cost of attending courses approved by the MM or any person delegated by them, provided this has a direct benefit for MKM. The responsibility is with the individual to pay for membership to a professional society.



17. PARKING ON MKM HEAD OFFICE PREMISES POLICY

OBJECTIVE

The objective of this policy is to regulate the allocation of parking space at MKM premises.

POLICY

- (1) MKM pays for parking within its business premises.
- (2) Due to the fact that parking space is limited, only certain employees might have access to covered parking.
- (3) Parking will be allocated according to rank and grade.
- (4) Employees who cannot find parking within MKM premises are encouraged to park their motorcars at the alternative designated parking facility.
- (5) Payment of such alternative will be negotiated on behalf of employees by MKM and communicated to all employees.



18. PPENSION FUND POLICY

OBJECTIVE

The objective of this policy is to provide finance to members when they retire, resign or are retrenched. It is a condition of employment for all permanent employees to become members of the Fund.

POLICY

If and when the employer established a provident fund scheme, the employee shall be entitled to become a member of the employer's provident fund on the normal terms and conditions from time to time applicable can employee of the employer but subject to the employee's legibility for membership.

The employer shall be liable for the payment of 60% (sixty per cent) of the employee's basic salary as contribution to the pension fund

A. ELIGIBILITY

As a condition of service all permanent staff is expected to join MKM Provident Fund.

B. HOW THE FUND WORKS

The value of Pension Fund per employee increases each year when annual increase become effective, taking into consideration any interest accrued. Normal retirement age from the fund is 65 years.

C. BENEFITS

Retirement Benefit

- On retirement, the employee will decide whether he/she wishes to be paid out in full, or to be paid a monthly pension.
- Benefits paid in both the above instances will incorporate the employee's total share of the fund (100% of the employer and employee's contributions over their period of service for MKM, plus any interests accrued).
- All employees should be aware of tax implications in this regard.

Disability Benefit

- Should the employee become disabled through an accident or illness before normal retirement date and provided that the organization is satisfied that the employee is no longer able to carry out his/her duties, the employee will be retired and the Provident Fund retirement rules will apply.

Death Benefit

- If a member dies while in service before normal retirement, a cash lump sum payment equal to three times his/her annual pensionable salary will be paid to the nominated beneficiaries.

D. NOMINATION OF BENEFICIARY FORM

All employees must complete a "Nomination Beneficiary Form". On completion this form must be forwarded to the HR Department.

19. MKM GROUP LIFE

OBJECTIVE

The objective of this policy is to provide for the payment of benefits to the family of the deceased employees in the event of disability or death while still in the employ of MKM. The group life is governed by the rules of the fund.

POLICY

A. ELIGIBILITY

As a condition of service all permanent employees who do not qualify for life insurance according to the rules of the insurance company, will be provided with a group life cover.

B. HOW THE FUND WORKS

The value of Group Life per employee increases each year, however, it is only paid out on the death of the employee.

C. BENEFITS

Death Benefit

- If a member dies while in service before normal retirement, a cash lump sum payment equal to three times his/her annual pensionable salary will be paid to the nominated beneficiaries.

D. WITHDRAWALS FROM THE FUND

If an employee chooses to leave the service of MKM, he/she is not entitled to any benefits in terms of Group Life.



E. NOMINATION OF BENEFICIARY FORM

All employees must complete a "Nomination Beneficiary Form". On completion this form must be forwarded to the HR Department.

20. TRAVEL AND SUBSISTENCE EXPENDITURE

OBJECTIVE

The objective of this policy is to provide guidelines for making business journeys, within reason, as economical as possible for MKM as they are undertaken in the interest of MKM.

POLICY

- (1) The amounts quoted in this section are maximum amounts that are payable, and the approach to expenditure of this kind is that costs should be kept to a minimum.
- (2) An employee shall undertake an official journey by the most economical means with due regard to available means of transport, routes and duration.
- (3) A MM may authorise (as per official journeys) an employee to undertake an official journey or part thereof, by any means of transport irrespective of whether it is the most economical means or not, if the MM is satisfied that the public and MKM interest will be better served thereby, or if it is in the interest of the official or employee's health. The MM may require the submission of a supporting medical certificate where this is deemed necessary.
- (4) Ideally for all travel and accommodation MKM's recognised travel agent must be commissioned.

A. CAR TRAVEL

1.1 Use of Private Motor Vehicle

- Where a MKM employee uses their own vehicle for official MKM duties, MKM will refund the employee for the actual kilometres travelled for authorised business purposes at a rate of R1.67 per kilometre outside the province and R0.33 per kilometre inside the province.
- No additional costs can be claimed as the rate above incorporates petrol, oil and running costs of the vehicle.
- MKM employees must disclose to their insurers that they use their private vehicles for business purpose from time to time as MKM will not be held liable for anything that might happen to the property of the member whilst on business trip.
- Traffic Fines

No traffic fines will be paid by MKM under any circumstance. Traffic fines received for vehicles hired by the organisation will be deducted in full from the salary of the employee responsible in the month that the fine is received, and remitted on their behalf.

1.2 Motor Vehicle Hire

- Where an employee has to undertake an official journey at a location away from their home office, a car can be rented at MKM's expense, in the following rental group:
 - a. Manager and above: Group B (1600 cc plus air conditioner);

- b. All other employees: Group A (1300cc), except where they are to drive long distances (in excess of 300km), in which case at the discretion of the MM they may be allocated a Group B (1600cc plus air conditioner).
 - c. Physically disabled employees who are able to drive an automatic vehicle are to hire a Grade D (automatic car);
 - d. Employees who are permanently disabled should have a permanent arrangement with the car rental agency when making reservation for car hire. Those who are temporarily disabled should get prior approval for the use of an automatic car; this approval is to be sought from the relevant Manager;
 - e. Groups of five or more travelling together are to hire a Grade Z car, Volkswagen Microbus equivalent.
- When hiring a motor vehicle, insurance must be included in the contract and the Human Resource Manager is responsible for ensuring that anyone driving the hired car has a valid driving licence that they have had for the period in accordance with the insurance requirements.
 - Motor Vehicle Accidents

If there is any damage to a hired vehicle, whilst it is in the employee's possession, the individual must:

- Report the incident to the nearest Police Station and obtain a police docket number. This must be done immediately and not later than twenty four hours (24hrs) after the incident;
- Report the damage to the car hire company, to their respective Manager and the Human Resource Manager;
- Obtain the relevant claim form(s) from Human Resources;
- Complete the relevant claim form(s) as required, attach a photocopy of the hire contract and of their drivers licence and the front page of their identity document and submit it to the Human Resources Department and for processing; and



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- Report the incident again to the car hire company on returning the vehicle.
 - Where it is proved that the employee or designated driver was at fault, he/she would be responsible for all costs incurred relating to the accident and will be subject to disciplinary action.

B. AIR TRAVEL

- Expenditure for air travel will be authorised by the MM.
- All MKM employees will travel economy class for domestic destinations and business air travel for overseas trips subject to availability of funds.
- Transport to and from the airport will be borne by MKM
- Individuals who miss their flights, without valid reasons, at the discretion of the Manager: HR and Administration and the Municipal Manager, will be responsible for paying for additional costs incurred in rebooking their tickets.
- All members of MKM will be allowed to join the frequent flyer programs and they will receive the benefits of the program.
- Excess baggage costs will be borne by the member of MKM concerned. If MKM vehicle is not available, a private vehicle authorised by the MM can be used.

C. ACCOMMODATION

- MKM will cover the accommodation costs of employees who are required to spend the night out of town for official MKM business.
- MKM will cover accommodation costs against attached hotel vouchers and prior approval.
- All MKM employees are to be accommodated in a maximum, three (3) star hotels, with breakfast included.
- In cases where MKM employees may elect to seek their own private accommodation, MKM will provide subsistence allowance at a rate of R150.00 per 24 hours.
- In the case of overseas accommodation, the subsistence allowance of \$120 dollars will be provided.

D. SUBSISTENCE ALLOWANCE

A subsistence allowance is any allowance given to an employee for expenses incurred or to be incurred in respect of personal subsistence and incidental costs (e.g. accommodation and meals).

Incidental costs shall include:

- Meals/Refreshments
- Taxi Fares
- Parking

In the case of meals taken whilst travelling outside the province (with a 450km radius outside), the following actual costs of meals except breakfast should be reimbursed:

- R30 lunch if a member spends the whole day (8 days) away from his/her work station
- R45 dinner if a member sleeps over

However nobody is allowed to claim if meals are provided.

MKM will only pay "out of pocket" expenses not exceeding the prescribed daily limits for both lunch and supper. MKM employees must not claim a daily allowance if he spent less than 24 hours at another destination.

Items such as personal vehicle expenditure are covered by the remuneration package of such employee.

Air (rail or sea) travel, car hire, hotel accommodation shall be arranged by the Administration of MKM with a direct invoice to the Company.

E. INTERNATIONAL TRAVEL

- Notwithstanding any of the above, all international travel shall be authorised by the Chairperson and/or Municipal Manager prior to the travel occurring.
- All members of MKM are entitled to a daily allowance to the rand equivalent of daily subsistence rate for a country being visited, but should not exceed 120 US dollars.
- If a member of MKM is undertaking an “all paid for trip” overseas, and even a daily allowance is provided for, MKM will then pay a difference of the rates provided, but not exceeding \$120 dollars.
- The daily allowance will be calculated per days spent from the day of arrival at the destination until the day of return, unless a member flies at 8am on the day of departure and flies back at 8pm.
- A member will be entitled to claim a domestic allowance if s/he flies back at 8am but will take a connecting flight to another destination, or have to drive for 8 hours in total before arriving at home.

OVERSEAS TRAVEL FOR STUDY PURPOSES

- If a member of MKM is undertaking an “all paid for trip” for study purposes overseas, and even a daily allowance is provided for, MKM will then pay a difference of the rates provided, but not exceeding \$120 dollars.
- If MKM or its stakeholders is financing the studies and because the member will benefit out of the trip s/he will then qualify for half the normal daily allowance less any allowances paid (but not exceeding \$120 dollars) by other party, if not MKM
- The daily allowance will be calculated as indicated above.
- All bookings for accommodation, air travel and car hire must be done via the Finance Department.
- No claim will be honoured by MKM if submitted 61 days after the trip or after incurring the expenditure

F. AUTHORISATION AND PROCESSING OF PAYMENT

- All “out of pocket” expenses incurred, as a result of business travel must be claimed for on “the expense claim form”.
- Claims must be supported by documentation, which should be attached to the expenses claim form. The Departmental Head approves this claim.
- Subsistence and travel expenses are only to be incurred for official MKM duties, and shall only include, accommodation, meals (food and non-alcoholic beverages) and laundry. Any other expenditure is to be recovered from the individual, unless business related in which case must be claimed separately i.e. telephone, entertainment etc.
- All travel expenditures must be approved by the MM
- All employees intending to travel must fill in the necessary Subsistence and Travel claim form and obtain the necessary approval.
- Payments shall be made by the Finance Department on receipt of original invoices; all payments shall always be supported by the travel authorisation.
- The total amount to be paid must be equal to or less than that what was authorised, written explanation must be given if authorised amount is exceeded.
- All paid invoices shall be stamped as such by the Finance Department, in order to avoid duplication.
- All claims should be submitted to Finance Department monthly
- Claims older than three months will not paid.

21. UNEMPLOYMENT INSURANCE FUND (UIF)

OBJECTIVE

The objective of this policy is to provide for the payment of benefits to persons who are able and willing to work, but who cannot find employment, as well as to assist those who are unable to earn their normal remuneration owing to temporary interruption to work.

- The Fund provides insurance against the risk of loss of earnings arising out of unemployment due to termination of employment, illness or maternity and for payments to the dependants of deceased contributors;
- Every contributor to the Fund is supplied with the record card (blue card) which shows employment and contribution details. Benefits are not paid unless this card is produced; and
- Arrange with Human Resources to process your claim, which has to be done through the Department of Labour once the blue card and employer details have been finalised. The process tends to be lengthy and it is recommended that the employee needs to start the process within good time.

POLICY

- (1) All employees whose gross earnings do not exceed the statutory prescribed amount (presently R79 000 per annum) are, in terms of the (Unemployment Insurance Act, No. 30 of 1966) are compelled to contribute to the Unemployment Insurance Fund; and
- (2) Contributions to the Fund are deducted monthly from the employee's salaries.

22. UTILISATION OF UNIT VEHICLES

OBJECTIVE

The objective of this policy is to control the utilization and provision of MKM vehicles to the members, who are required to conduct business on behalf of MKM and for those who do not qualify car allowance

POLICY

A MKM Vehicle will be provided to members who are required to conduct business on behalf of MKM. MKM vehicles may not be used for private purposes.

Members travelling within Greater Sekhukhune District and Limpopo Province must complete an application form only. Members travelling outside Greater Sekhukhune District and Limpopo Province must complete an application form and attach a travel authorization.

All trips undertaken must be recorded in a logbook provided for each vehicle. Monthly expense reports must be maintained and filed by the finance department.

The maintenance of MKM vehicles will be the responsibility of the Operations Department. Operations must ensure that the vehicles are serviced according to prescribed requirements. Any damages or other problems on vehicles must be reported to operations on return from the trip and necessary steps be taken to attend to the problem immediately.

It is the responsibility of the Operations Department to make sure that all MKM vehicles are properly registered and licensed at all times and the disc is affixed on the screen.



If a MKM vehicle is damaged or lost due to negligence, the designated driver at the time of such loss or damage will be held responsible and liable following any claims.

Each vehicle will be issued with a petrol card, which must be attached to the vehicle's issuing keys and used to pay all the costs pertaining to the use of that vehicle.

Operations department must ensure that all expenditure vouchers are retained and forwarded to finance department for reconciliation. Operations department must ensure that the petrol cards are valid at all times.

Members of MKM must ensure that MKM vehicles, issuing keys and petrol cards in their responsibility, are kept safely at all times. If the issuing key or petrol card is lost or stolen the member responsible, will be held liable for the replacement costs. The Operations department must ensure that all un issued keys and spare keys are kept in a safe place at all times.

23. USE OF INTERNET AND E-MAIL POLICY

OBJECTIVE

The objective of this policy is to regulate access to internet and e-mail to make executing of MKM business more efficient and effective. Executive

POLICY

The internet and e-mail access provided by MKM is intended to be for business purposes only.

A. ACCEPTABLE USES OF THE INTERNET AND MKM E-MAIL

MKM encourages the use of the Internet and e-mail because they make the executing of MKM business more efficient and effective. However, the Internet service and e-mail are MKM property, and their purpose is to facilitate the organisation's operations. Every employee has the duty and the responsibility to maintain and enhance MKM's image and to use Internet and e-mail access in a productive manner. Any improper use of the Internet or e-mail is not acceptable and will not be permitted.

B. UNACCEPTABLE USES OF THE INTERNET AND MKM E-MAIL

The following activities are prohibited when using MKM e-mail and Internet provided access accounts or equipment, or when employees identify themselves as associated with MKM using a personal ISP (Internet Service Provider) account. These are some examples of unacceptable use of MKM Internet and e-mail access provided, however, the list is not exhaustive:

- Downloading, transmission, and possession of obscene, pornographic, sexually explicit or discriminatory or other inappropriate materials;

- Transmitting libellous, slanderous, threatening, abusive, or other inappropriate messages or any messages that may be construed as such;
- Sending or otherwise participating in chain letters. Chain letters are defined as having one or both of the following attributes: encourages the re-sending or forwarding of messages and not related to MKM's operations.
- Posting to an internet server or transmitting via internet e-mails MKM's proprietary information or any confidential information. MKM employees must comply with written confidentiality agreements with third parties that may explicitly prohibit communication over public computer systems.

C. PROTECTING THE SOFTWARE

To prevent computer viruses from being transmitted through MKM's Internet and e-mail system, downloading of software is not authorised. Employees should adhere to these policies or else contact the Information Technology section if they have any questions:

- Verify that MKM's current standard anti-virus software is installed on MKM's computers. Ensure that all files attached to external e-mail as well as any files downloaded from an external system are scanned;
- Exercise caution when downloading large files (i.e., over 1 MB, including text and multimedia files). Downloading large files can take a long time and therefore retard network performance for everyone on the network;
- MKM's computer network (including all media and data paths facilitated by MKM), and the messages and information residing on or exchanged through them, are the property of MKM. Management tools are used to track usage and log network activity; and
- Network resources are expensive and finite. Network availability and reliability needs to be protected to ensure that all employees can execute their jobs. As a result, to ensure that our network performance is maintained, MKM e-mail and Internet usage will be monitored for improper and/or excessive usage.

D. PROTECTING ELECTRONIC COMMUNICATIONS

MKM reserves the right to access and monitor all messages and files on MKM's internet and e-mail. Employees should not assume communications are totally private and transmit highly confidential data via the internet and/or e-mail.

- Employees should be aware that whatever they communicate via internet or e-mail might become public information. As a result, employees should use the language that reflects positively on themselves and MKM;
- Employees should not transmit, send or broadcast any messages, data, or files that can cause, or potentially cause, hardware, software or network failure and/or the destruction of data (e.g., sending of viruses over the internet, etc);
- Employees should not share access to passwords and internet accounts with anyone, both internally and externally to MKM;
- The posting of MKM messages on the internet or to any other public computer system can only be done through the Marketing and Communications Directorate. Posting messages includes subscribing to mailing lists and participating in newsgroups on poverty-alleviation and the development sector issues; and
- Employees requesting access to mailing lists or other similar services should do so for MKM's purposes only. However, they should exercise caution and be very selective when subscribing to any of these services.

24. WORKING HOURS POLICY

OBJECTIVE

The objective of this policy is to set guidelines on the need to structure working hours of MKM.

POLICY

MKM employee's working hours will be set in accordance with

- The operational requirements of MKM's business;
- The relevant legislative requirements; and
- Appropriate involvement of key stakeholders

HOURS OF WORK

For employees the days upon and the hours during which an employee shall work shall be regulated by contracts of employment between MKM and individual employees. The employee shall work for 40 (forty) hours per week, with work commencing at 08h00 to 16h30, Monday to Friday, subject to the flexitime rules.

The employee shall be entitled to one hour of lunch per day.

OVERTIME AND PUBLIC HOLIDAYS

The employee shall work such overtime as reasonably requested by the employer from time to time subject to the Basic Conditions of Employment Act. However, thirty minutes (30 minutes) before 8h30 and thirty minutes (30 minutes) after 17h00 cannot be claimed as overtime.

The employee shall not be allowed to work overtime for more than three hours a day and ten hours a week.



The employee who worked overtime will be entitled time off, which will be equivalent to overtime hours worked.

The employees on the first and second reporting levels of the employer including the Municipal Manager, the directors and managers of the employer shall not be entitled to claim from the employer for any overtime worked.

The employee shall receive days off in lieu of overtime worked subject to the exigencies of the work or service.

SECTION C: EDUCATION, TRAINING AND DEVELOPMENT POLICIES

25. APPOINTMENT IN AN ACTING CAPACITY POLICY

OBJECTIVE

The objective of this policy is to outline guidelines for the appointment of employees into acting positions and the granting of acting allowance.

An acting allowance is a non-pensionable allowance paid to an employee who is appointed by MKM management to act in a higher position than his or her own.

POLICY

- (1) All employees are contractually bound to flexibility including multi-skilling, multi-tasking and mobility, subject to reasonable and prior consultation. Acting allowances are not paid for flexibility as such, but only where an employee operates for a defined minimum period in a senior position to their normal role;
- (2) Before an employee commences their duties in an acting position, a letter is issued by Human Resources to the acting employee detailing the acting individual's roles and clarifying responsibilities;
- (3) The qualifying period for the purpose of this policy shall mean a continuous period of four weeks, and shall include any public holiday falling within this period;
- (4) When the qualifying period is broken by absence from duty for a period of one day or more, and the MM is satisfied that such absence has been caused by circumstances beyond the control of the acting employee, the qualifying period shall not be regarded as having been broken if the acting employee in the aggregate acted for no less than three (3) days; and



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- (5) An acting employee who takes leave of any kind shall be paid an acting allowance up to and including the last working day before proceeding on leave and from the day on which they return from leave.

PAYMENT

- (1) In determining the amount of acting allowance to be paid, it is also taken into account that the appointment to act in a position higher than that which the employee currently occupies, offers an opportunity to enhance training and development at a higher level;
- (2) An acting allowance shall be paid from the first day to the last day of the acting appointment including public holidays; and
- (3) If in a senior position where a senior member of the organisation acts in the position of another of equivalent rank, no acting allowance shall be payable.
- (4) The acting employee should be paid the difference between his or her present salary and the salary of the position that he/she is acting on.

LIMITATION

No employee will act in a higher position for a continuous period exceeding six (6) months unless authorised by the MM.

26. PERFORMANCE MANAGEMENT POLICY

OBJECTIVE

The objective of this policy is to ensure an overall consistent approach to performance management in MKM with a view to increasing

- o Productivity;
- o Quality; and
- o Viability of the Municipality.

Performance Management is the process whereby the superior and the subordinate jointly -

- o Identify their common goals;
- o Define each individual's major areas of responsibility in terms of the results expected; and
- o Use these measures and guidelines for operating the work unit and assessing the contribution of each of its members.

POLICY

In line with MKM's view of performance in terms of its corporate value system MKM is committed to a performance management system that is fair, objective and focused on the business.

Therefore, top management expects all managers and supervisors to tackle performance management as an integral part of their activities and responsibilities.

The policy intends to -

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- Focus on the employee's current position in MKM and what is expected of him in that position; and
 - Develop an understanding between the superior and subordinate on the latter's job assignments and goals for improvement and development.

It does not dictate what action needs to be taken in various situations since that is addressed extensively in performance management training programmes.

The purpose of performance management is to -

- Measure employees' performance in a fair and objective manner;
- Reconcile and realise the goals of MKM and the individual;
- Identify training and development needs; and
- Appraise potential.

Principles

Performance -

- Is linked to remuneration, and;
- Must be reviewed regularly against the goals set and feedback must be given.

The superior is responsible for -

- Coaching his subordinate; and
- Stimulating further development with a view to continuously enhancing performance.

Note

- Performance appraisal is transparent (in other words individuals must have access to all performance information relating to them) and is a confidential matter between the superior and subordinate.
- Performance decisions are based on consensus between the superior and subordinate.

How does the system work?

The performance management system is based on key performance areas of individual positions and the achievement of the objectives of the individual personnel. These objectives are linked direct to the business plan.

Elements of the system

The system comprises the following elements:

- Performance planning



- Performance development
- Performance appraisal and feedback

<p>Performance planning</p>	<ul style="list-style-type: none"> • Identifying an employee's unique contribution to the business objectives through a process of role identification • Identifying key performance areas • Setting objectives that include measuring criteria and action plans to achieve the objectives. <p>Important</p> <p>The incumbent and the head participate in the process and agree on the objectives and criteria. The output of this section is a written document with KPA's, objectives and criteria per position.</p>
<p>Performance development</p>	<ul style="list-style-type: none"> • Coaching an employee to achieve objectives • A training and development plan addressing gaps in the achievement of objectives • Regular feedback sessions between superior and subordinate <p>Important</p> <ul style="list-style-type: none"> • This process usually takes place between the head and individual incumbents. • The outputs are an agreed development plan and a contract between the head and incumbent on his Coaching relationship
<p>Performance appraisal and feedback</p>	<ul style="list-style-type: none"> • Done every fourth month in terms of the identified objectives and criteria. • Inputs must also be obtained from other superiors involved



	<p>Important</p> <ul style="list-style-type: none">• This appraisal is then discussed with the subordinate• Both parties must be satisfied with the appraisal. <p>Note</p> <ul style="list-style-type: none">• The final appraisal occurs annually and takes into account the other appraisals.
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Development plan

The development plan must be adjusted according to the inputs of the appraisal.



27. PROMOTION POLICY

OBJECTIVE

The objective of this policy is to outline a process of recognising and rewarding good performance from internal staff of MKM, by promoting employees to higher positions when there is an opening.

POLICY

- (1) It is the policy of MKM to promote, where possible, employees from within the organisation.
- (2) Selection for promotion will be made on the basis of job performance.
- (3) Promotion decisions will take into account the equal opportunity and employment equity considerations.
- (4) Promotions decisions will be made in the context of the organisation's succession planning and workforce requirements.

28. TRAINING AND DEVELOPMENT POLICY

OBJECTIVE

The objective of this policy is to promote education and training in the organisation. To empower all employees especially people from all designated groups as per the EEA and BCEA. This policy shall be implemented in line with the Skills Development Plan of MKM

POLICY

The types of training courses and the development thereof will be determined by MKM. Employees are encouraged to become involved in their personal development, to manage their own careers by indicating to their supervisors their training needs requirement.

MKM recognises that its human assets are its most vital resource and is therefore committed to ensuring that all employees receive appropriate education and training:

- To enable to meet the requirement of their present jobs.
- To cater for personal development and the attainment of national qualification
- To enable them to make the most of their ability.

Employees are encouraged to take advantage of all development opportunities that are available to them.

- The Human Resources Manager will assume overall responsibility for:
 - a) Implementation of this policy.
 - b) Co-ordinating all training and learning activities throughout the organisation.



Every departmental head is responsible for the training and development of his or her staff.

Whilst recognising the need for individual training and development, management wish to emphasise that education and training should be tailored to contribute to achieving goals of the organisation.

In addition to training to enable employees to become competent at their jobs, the organisation will pay particular attention to specific training and learning arising from internal or external pressure of the business, i.e. legislation e.g. labour laws.

MKM believes that its employees should be empowered through training and education to become better South African citizens for the good of the country as well as the organisation.

28.1 EMPLOYEE TRAINING AND EDUCATION POLICY

OBJECTIVE

The objective of this policy is to define the types of training that are applicable in order to achieve above mentioned training and development objectives of MKM.

POLICY

The three types of training and education are: -

- a) Internal staff training programmes
- b) MKM sponsored external training programmes
- c) External institution courses for tertiary education for employees

It is expected that a Human Resources Manager will be empowered to manage, co-ordinate and budget for all training and education within MKM.

A. IN-HOUSE TRAINING PROGRAMMES

MKM shall from time to time organise programmes for training of employees.

The costs of such programmes will be borne by MKM and no agreements are required between MKM and the employees. Managers may approach the Skills Development Facilitator to suggest appropriate programmes to be incorporated into the overall training and education curriculum.

B. MKM SPONSORED EXTERNAL TRAINING PROGRAMMES

MKM shall from time to time organise programmes for training of employees by external educational institutions/consultants.



Such institutions/consultants shall be chosen at the discretion of MKM having fairly evaluated the competencies and appropriateness of the institution/consultant and the costs of the programmes. Such programmes should be for the whole MKM, departments or all employees as appropriate.

The costs of the programmes will be borne by MKM and no agreements are required between MKM and the students. Managers may approach the Skills Development Facilitator to suggest appropriate programmes to be incorporated into the overall training and education curriculum.

C. EXTERNAL INSTITUTION COURSES FOR INDIVIDUALS

Such courses shall be concluded where: -

1. An employee approaches a Manager for consideration of a course;
2. A Manager suggests to an employee their participation in a course; or
3. MKM requires an employee to attend a course.

Such courses will be concluded under two different categories:

- a) As a bursary in terms of the Bursary Agreement or,
- b) As a loan to the student in terms of the Student Loan Policy.

28.2 EDUCATION SCHEME

BURSARY POLICY FOR STAFF MEMBERS

NB: The implementation of this policy is differed for 2009/2010 financial year

A. GUIDELINES

The objective of this policy is to: -

- o To encourage career development of employees through further education.
- o Self-development activities are encouraged provided that they are along the lines regarded as beneficial to MKM by management.
- o Assist the employer in securing the services of adequately qualified employees.
- o MKM would provide financial assistance to employees who wish to improve themselves through formal courses of study.

- Employees will qualify for one study loan or bursary per course of study. There will not be simultaneous bursary / study loan payments (employees will have to successfully complete a course before applying for new loan or bursary).

B. ADVISORY COMMITTEE FOR THE SCHEME

The management committee shall advise the employer on the scheme.

The employer shall on advice of the management committee have the power to:

- Approve courses for inclusion in the scheme
- Decide on the beneficiaries of the scheme
- Determine the amount of and conditions governing financial assistance in connection with any course
- Determine the tertiary institution at which the employee shall pursue the course

C. DEFINITION OF BURSARY

- A bursary is given to an employee when a specific course of study is considered by MKM to be beneficial to the employee's career development plan.

D. PRINCIPLES - BURSARY

- A bursary will only be granted after a development discussion between the employee and his/her Manager.
- The MM must approve a bursary.
- A bursary can only be given for a qualification and institution considered by MKM as reputable.
- A bursary can only be given for a qualification considered by MKM to be applicable to both MKM's business interests as well as the employee's development.

- MKM is in a financial position to be able to offer a bursary.
- Financial assistance will cover:
 - Full tuition fees charged by a tertiary institution attended by the employee.
 - Half of the total cost of all the books or equipment required by the employee for the course
- All the books and equipment purchased by the employer on behalf of the employee shall become the property of the employee on completion of such course.
- In the event the employee leaves MKM's employ before the expiry of the agreed period, the employee must pay back an amount in proportion to the unexpired remainder of the period.

E. STUDY LEAVE FOR A BURSAR

- MKM will grant the Bursar study leave for attendance lectures or projects that must be complied with as part of the course.
- A total of two days per examination will be granted. One day will be for preparation and the second day will be for writing the examination.

F. CONTRACTUAL OBLIGATION

- An employee who has been granted a Bursary must sign an agreement with MKM stating that he/she will remain in MKM's employment for a period of 2 years from the first date of the month following his successfully completion of the course.
- If a Bursar fails one or more courses, he/she will either:
 - i) Repeat the course at his/her own expense, or

- ii) Refund the bursary to MKM if he/she is unable to complete the course,
or
 - iii) Continue with the course at his/her own expense.
- o Alternatively if he retires, resigns or is dismissed before serving a two-year period, s/he shall refund all the monies paid in full to the employer.

G. DEFINITION OF STUDY LOAN

- o A study loan is granted to an employee who wishes to further his/her studies in a field that may not be in line with their field of employment. A loan is given to the employee to pay for his/her studies and not where such studies, at the discretion of MKM, are considered not to be essential for the requirements of the employee's position, but where MKM is satisfied that both the employee and MKM will benefit from the employee undertaking the studies.

H. PRINCIPLES – STUDY LOAN

- o Deductions will commence from the next pay period from the date of approval.
- o MKM will assess each study loan application to see if it is in line with its business interests.
- o The employee must register with a reputable and recognised institution. The Human Resources Department will assist in establishing the recognition and reputation of the institution.
- o The employee will not receive any gratuity or payment for successfully completing the course.
- o Employees will be expected to present admission letters and registration forms outlining courses and costs of the Diploma/Degree to be studied.
- o MKM will make out a cheque in favour of the institution.
- o MKM will consider granting an additional loan for the purchasing of books.

- An employee will sign a study loan contract with MKM.

I. LEAVE FOR STUDY LOAN SCHEME:

- An employee who is not a Bursar and who studies part-time or by means of correspondence in a field applicable to MKM and who, as a result of his/her studies, is required to be absent from his/her place of work, shall apply for annual leave and special leave on a 50:50 basis for the time he/she is released from duty. A leave form requesting such vacation and special leave must be submitted to the HR department.
- MKM will grant employees two days for each examination written one day for preparation and the second for the actual examination sitting.

J. PROGRESS REPORTS

A progress report shall be completed annually whereby the HR department in conjunction with the relevant department evaluates the progress of all Bursars.

According to the evaluation certain actions may be recommended including the following:

- The continuation of the bursary upon successful completion of the course requirements for the year
- The withdrawal of the bursary upon failure of a course
- The conversion of a study loan to a bursary upon successful completion of the course

SECTION D: HEALTH AND WELFARE POLICIES

29. HIV/AIDS POLICY

OBJECTIVE

The objective of this policy is to describe MKM's policy and procedures of non-discrimination of employees and prospective employees, training programmes and counselling regarding HIV and AIDS. This policy will be implemented in line with the code of good practice in terms of the LRA

POLICY

AIDS/HIV AND THE EMPLOYMENT CONTRACT

MKM will not treat employees or prospective employees with AIDS or are HIV positive differently from other employees. If an employee discloses their status to MKM, this will be held in the strictest of confidence.

MKM will treat employees and prospective employees in a just, humane and life-affirming way, with due consideration to the interests of fellow employees.

MKM acknowledges that continued employment, including appropriate promotion and training opportunities, may be therapeutically important for an employee with a life-threatening condition such as AIDS.

RECRUITMENT, CONTINUED EMPLOYMENT AND TERMINATION OF EMPLOYMENT

Any medical examination undertaken either before employment or thereafter will be solely to determine functional performance, and offer a prognosis on the fitness for work of the prospective employee. In this respect:

- ❑ An HIV test as a pre-condition of employment shall not be required under any circumstances, or for any position;
- ❑ If a person makes their HIV/AIDS status known voluntarily, it shall not be a basis for refusing to conclude, to confirm or to review their employment contract;
- ❑ Employees with HIV/AIDS shall be governed by the same contractual obligations as all other employees;
- ❑ HIV/AIDS shall not be used as a justification for the non-performance of duties agreed to by MKM and the employee; and
- ❑ No employee shall be dismissed, retrenched, or have their employment terminated merely on the basis of having a life-threatening condition such as HIV/AIDS.

PROMOTION, TRAINING AND DEVELOPMENT

HIV/AIDS status shall not be a criterion for refusing to promote, train and develop an employee who would otherwise be considered.

ILL-HEALTH, LEAVE AND PERFORMANCE

Following a diagnosis of an employee having HIV/AIDS, the employee and MKM may agree jointly on a medical examination to determine the employee's ability to continue to perform their duties.

MKM undertakes to ensure that people with HIV/AIDS not only retain their employment but that their health be monitored and, when it is determined by medical opinion that an employee with HIV/AIDS can no longer perform their duties, the following steps should be taken:

- MKM will, at the earliest opportunity, through consultation with the employee and medical practitioners, endeavour to find a position that is less strenuous which the individual can fulfil. The employee's remuneration and benefits will be adjusted accordingly to that applicable to the new position, without discrimination;
- Termination of employment may be considered, after consultation with the employee, when an employee with an AIDS related condition is too ill to continue employment, or where a position suitable to the reduced state of health of the employee is unavailable;
- If MKM terminates the employment of such employee, merely due to the fact that they are no longer able to continue working, such termination shall be governed by the same procedures pertaining to comparable life-threatening conditions and disabilities (e.g. cancer, etc); and
- No employee shall be dismissed solely on the basis of HIV/AIDS, nor shall the HIV/AIDS status influence retrenchment procedures. No flags or symbols will be used on an employee's medical, personal or other records to indicate the HIV/AIDS status.

BENEFITS

MKM will not discriminate against any HIV/AIDS employee with regards to MKM benefits that are due to them or that they have accrued. An employee shall not be excluded from benefiting as a result of HIV and AIDS

TESTING

Pre-employment testing for HIV will not be permitted under any circumstances because it is:



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- ❑ Discriminatory, in that it stigmatises prospective employees and infringes their human rights by excluding them from productive employment; and
 - ❑ Inefficient because of the window period in which HIV antibodies cannot be detected.

MKM'S SOCIAL RESPONSIBILITY

It shall be MKM's policy to handle every case on an individual basis by providing support in any area where MKM can be of assistance. All information shall be treated with strictest of confidence.

30. MEDICAL EXAMINATIONS POLICY

OBJECTIVE

The objective of this policy is to outline guidelines for medical testing of MKM employees.

POLICY

- (1) This may be necessary in cases where the requirements of the job require an employee to be in a certain physical condition to be able to conduct their duties effectively (e.g. driver who may need to have their eyesight tested). The cost of such an examination will be borne by MKM.
- (2) Should an employee wish to have their own medical practitioner present at the examination, they are free to do so at their own cost. However, MKM will prescribe a form on which the report of the medical practitioner is to be submitted.
- (3) Employees will be advised to complete a medical history record card during induction. This will not be compulsory, but employees are encouraged to volunteer medical information that they feel will be beneficial for fellow employees to know. A medical examination will not be required. Should an employee be epileptic, disclosure of such information would be beneficial to both the employee and MKM.
- (4) Material misrepresentation of any health aspect by the applicant is a dismissible offence. MKM's access to information produced by the medical examinations is restricted by the normal conditions for medical confidentiality. The medical reports will be retained by the medical practitioner, and not be kept on MKM premises.
- (5) MKM will not deny a person employment based on the applicant's state of health, unless their health can be shown to have a direct influence on the performance of duties associated with the job (this would include a health safety risk).



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- (6) Decision must be specific to the requirements of the job, if an applicant is refused appointment to a job on health grounds. This should in no way influence their possible appointment to another position with a different occupational health risk profile. The decision on the appointment of an applicant to a job should only be influenced by the effect the health condition may have on the health and safety of themselves, as well as the conditions influence on the performance of their tasks and responsibilities.

 - (7) Employees may be required to undergo medical examinations as a requirement of insurance companies e.g. as a pre-condition for acquiring a life cover policy.

31. SEXUAL HARASSMENT POLICY

OBJECTIVE

The objective of this policy is to give practical guidance to employees on the protection of the dignity of women and men at work. The aim of the policy is to ensure that sexual harassment does not occur, to ensure that adequate procedures are readily available to deal with the problem and prevent its recurrence. The policy thus seeks to encourage the development and implementation of practices that establish working environments free of sexual harassment in which women and men respect each other's human dignity. This policy will be implemented in line with the code of good practice in terms of the LRA

POLICY

Whereas:

- o Every employee is entitled to fair labour practices;
- o Employees have a right to their dignity;
- o Employees have a right to equality; and
- o MKM seeks to provide a working environment free from any form of harassment which constitutes unacceptable behaviour and which is offensive,

This policy outlines guidelines aimed at combating sexual harassment.

It is the duty and responsibility of all employees to comply with the policy and to ensure that their colleagues are treated with respect and dignity. Allegations of sexual harassment will be dealt with seriously, expeditiously and confidentially and employees who bring in a complaint of sexual harassment will be protected against victimisation or retaliation. Appropriate disciplinary measures will be taken against employees found guilty of sexual harassment.

MKM regards harassment as offensive, degrading and potentially threatening and it will not be tolerated. Individuals at any level, found to have engaged in conduct constituting harassment will be disciplined. MKM encourages reporting of all incidents of harassment, regardless of who the offender may be. All employees have the right to pursue a complaint without fear of reprisal or retaliation.

This policy forms part of MKM's broader policy to promote equal opportunities.

DEFINITION

Sexual harassment means any unwelcome and in certain circumstances tolerated sexual advances, request for sexual favours, and other verbal or non-verbal or physical or non-physical conduct of a sexual nature including the concept of hostile environment.

In determining whether any conduct, comment, gesture or contact of a sexual nature constitutes sexual harassment, MKM shall determine whether on reasonable grounds, the conduct complained of might be perceived by that employee or the employee's co-workers as placing a condition of a sexual nature on the individual's employment or any opportunity for training or promotion in respect of the employee recipient.

In determining the existence of a hostile environment MKM considers a hostile environment as one which a reasonable person would find hostile or abusive and which the victim or the victim's co-workers subjectively perceive to be abusive. In evaluating whether an environment is hostile or abusive, MKM shall look at a host of factors, including but not limited to the following:

- The frequency of the sexual discriminatory conduct,
- Its severity,
- Whether it is physically threatening or humiliating, or a mere offensive utterance, and
- Whether it interferes with an employees work performance,
- Whether the physical environment is such that it reflects or encourages a negative concept of the female or male gender.

Conduct that can constitute sexual harassment include but are not limited to: -

- Verbal conduct - unwelcome remarks, innuendoes or offensive comments about a person's body, clothing or sex, practical jokes of a sexual nature which cause awkwardness or embarrassments, propositioning or pressure for sexual activity, embarrassing questions;
- Physical conduct - unwanted or unnecessary physical conduct and contact, physical assault, caressing sexual conduct, physical bullying, threatening, unnecessary physical contact, such as touching, petting or pinching;
- Non-verbal conduct - display of pornographic or sexually suggestive pictures, whistling, leering (suggestive staring), sexually suggestive gestures, graffiti of a sexual nature, publication of gender offensive material, insulting gestures of a gender derogatory nature, displaying pinup pictures or other material of a gender derogatory nature, refusing or showing a reluctance to talk to, or work with, an employee solely because of his or her nature.

VICTIMISATION

Employees will be protected from intimidation, victimisation or discrimination following the complaint or their assisting in an investigation of harassment. Any action constituting retaliation against an employee for lodging a complaint about harassment will constitute a disciplinary offence and will be treated accordingly.

MKM'S COMMITMENT

MKM is committed to providing a work environment that is harassment free and where individuals are treated with dignity and respect. Individuals, who do not abide by this, will be disciplined appropriately. MKM will apply disciplinary action irrespective of seniority or status.

32. SMOKING POLICY

OBJECTIVE

The objective of this policy is to regulate the working environment and to give guidelines for smokers to ensure that the rights of other employees are not abused.

POLICY STATEMENT

- (1) MKM wishes to provide a healthy, comfortable and productive work environment for all employees. On the other hand, non-smokers also need to be sensitive to the needs of their smoking colleagues.

- (2) MKM recognises that smoking can cause harm to the health of the smoker and those around them. Therefore, MKM prohibits smoking within its premises. Should employees take smoke breaks, these are to be reasonable and any abuse of working time may lead to disciplinary action.



33. SOCIAL CLUB MEMBERSHIP

OBJECTIVE

The objective of this policy is to provide guidelines regarding membership of social clubs.

POLICY

MKM will not pay any contribution for any employee for membership of a social club (e.g. gym membership, etc.) individual employees will need to pay for any membership to a social club in their personal capacity (for the employee and their respective family members).



34. SUBSTANCE ABUSE POLICY

OBJECTIVE

The objective of this policy is to ensure that MKM is a drug and alcohol free environment.

POLICY

The use and misuse of drugs, both legal and illegal, while on duty, on MKM premises is prohibited. MKM specifically prohibits the use, possession, distribution or sale of drugs and alcohol on its premises and while conducting MKM affairs. Furthermore, no employee may conduct MKM affairs while under the influence of drugs or alcohol.

PRINCIPLES

-
- Should an employee be suspected of being intoxicated, s/he shall be tested in the presence of his direct superior, or his absence, in the presence of the appointed official.

 - The employee shall be denied access to the employer's premises when his alcohol consumption exceeds 0,04 calibration mark on the test tube. This does not however mean that an employee with alcohol consumption of less than 0,04 shall automatically have access to the employer's premises. The primary test shall be whether or not the employee's drunkenness will have material effects on his work performance.

 - Any employee refusing to submit to the breathalyser test when requested to do so shall be denied access to the employer's premises and such denial shall constitute a serious breach of the terms of the employment agreement.

 - Alcohol addiction shall be treated as a form of incompetence and where appropriate the employee shall be given the opportunity to rehabilitate.

 - The employee shall inform the employer should he use prescribed medicine containing alcohol or any other form of drugs.

SECTION E: LABOUR RELATIONS POLICIES

35. DISCIPLINARY CODE

OBJECTIVE

The objective of this policy is to: -

- Promote good order and efficient functioning of MKM;
- Provide employees with a quick and easy reference for the application of discipline;
- Ensure that discipline is applied in a prompt, fair, and consistent manner;
- Ensure that all employees are aware of MKM's required standard of behaviour/performance; and
- Ensure fair equal treatment of all employees.

POLICY

A grievance is regarded as any dissatisfaction that an employee or group of employees have, that is connected to their work situation.

- It is the Municipal Manager's prerogative to ensure corrective procedures are followed within MKM;
- Corrective actions will be exercised where work performance or behaviour is unacceptable or unsatisfactory, or where terms and conditions of employment are not met;
- Human Resources shall keep corrective action records in the employee files specifying the nature of the corrective action taken and the reasons for taking such actions; and
- This code applies to all employees including Managers.

Certain issues are specifically excluded from the definition of a grievance such as: -

- Salaries and policies and procedures that are subject to annual review;
- Dissatisfaction over disciplinary action, which is subject to appeal;
- Reporting of suspected disciplinary infringements, which should be handled according to the disciplinary procedure (if inadequate attention is paid to the matter, a grievance may arise against the way the matter is being handled); and
- Harassment whether physical, racial or sexual, if there is a dedicated procedure for such grievances.

VALUES AND THE PROBLEM SOLVING PROCESS

- The problem solving procedure is a framework within which MKM management and employees must seek to solve internal problems when they arise;
- Dealing with grievances in a sensitive, expeditious and compassionate manner is encouraged;
- MKM must, through the MM and Human Resources, deal with any valid grievances in a way that reflects progressive leadership and supports working in a participatory and inclusive manner;
- By solving problems in a structured and non threatening way, MKM management and employees seek to promote an environment of transparency and equality; and
- At the heart of grievance management is the need for absolute integrity. Employees must be protected from any form of victimisation.

MISCONDUCT AND INCAPACITY

1. BACKGROUND

1.1 The Disciplinary Code needs to ensure fair and acceptable corrective action where an employee's work performance is unsatisfactory and/or where an employee's behaviour is unacceptable.

1.2 Management is responsible for ensuring that the Code is made available to all employees in order to make the employee's aware of the standards which are expected of them, thus ensuring the protection of the interests of both the

employer and employees and promoting the practice of sound and equitable industrial relation within the enterprise.

1.3 This policy recognises the right of an employee to a fair hearing, and recognises the right of an employee to appeal against any measure considered unjust or unfair.

2. **APPLICABILITY**

This policy shall apply to and form part of the contracts of employment of all employees and the principles contained herein shall apply equally to all employees.

3. **GENERAL TERMS: MISCONDUCT**

3.1 The various disciplinary actions detailed in the Disciplinary Code are intended to serve as guidelines to management.

3.2 The Code is based on the principle of progressive discipline however, progressive discipline need not be meted out in the respect of certain serious offences, where dismissals would be the appropriate penalty in the circumstances where the offence is so grave that it makes a continued employment relationship intolerable.

3.3 In circumstances where rules or standards are well established and are not contained in the Code or where further rules or standards are communicated to the employees the employer will be entitled to take disciplinary action where there has been a transgression of such rule or standard.

3.4 Disciplinary warnings issued shall be kept in the personal file of the employee for the duration of that warning.

3.5 Expired warnings will not be taken into account in any subsequent disciplinary action.

3.6 The employer will be entitled to take into account warnings in respect of other categories of offences, together with the infraction for which an employee has currently against him and where the employee has two or more warnings running concurrently against him and where the employer clearly informs the employee thereof in order to enable the employee to properly prepare himself for the inquiry. The employer will be entitled to dismiss an employee for the cumulative effect of the concurrent warnings.

3.7 The following factors shall be taken into account when determining whether dismissal is the appropriate penalty;

- The gravity of the misconduct,
- The circumstances of the infringement,
- The circumstances of the employee which shall include the following:
 - Service period
 - Record
 - Personal circumstances

4. **TIME PERIODS RELATING TO THE EXPIRY OF WARNINGS**

- | | | |
|-----|-----------------------|------------------|
| 4.1 | Verbal warning | Three (3) months |
| 4.2 | Written warning | Four (4) months |
| 4.3 | Final written warning | Six (6) months |

5. **NATURE OF DISCIPLINARY MEASURES**

5.1 There are four types of penalties that may be applied. In order of severity and depending upon the nature of the transgression, they are as follows:

- Verbal warning
- Written warning
- Final written warning

- Formal inquiry and dismissal

5.2 The warnings are cumulative in nature subject to paragraph 4 hereof

An employee for example who is already in receipt of a verbal warning for a first offence and who commits a further offence of a similar nature within the prescribed time period will be subject to the following step in accordance with paragraph 6.1. Depending however on the nature and severity of the second offences the employee could receive a harsher penalty.

5.2.1. Verbal Warning

- If the employee's misconduct is of a minor nature, the supervisor may after discussions with such employee give him a verbal warning.
- The supervisor shall keep a proper record of the verbal warning given to the employee and if the employee commits the same or similar offence within three months from the date of the first warning, the verbal warning(s) shall be taken into account in determining the appropriate action against the employee

5.2.2. Written Warnings

- If a verbal warning fails to change the behaviour of the employee or if incidents occur which require a firmer action than a verbal warning, but not serious to warrant a disciplinary hearing, the supervisor shall, after discussing with the employee, give such employee a written warning as soon as possible.
- The employee shall sign a copy of the warning letter indicating receipt thereof.
- The supervisor shall hand the copy of the written warning letter to the employee in the presence of a suitable witness if the employee refuses to sign receipt of it.

- The Municipal Manager shall keep a copy of the written warning
- If the employee commits the same or a similar offence within 6 (six) months from the date of the first written warning, the employer shall give the employee a **final written warning**.

5.2.3 Disciplinary Hearing

- If a written warning fails to change the behaviour of the employee or incidents occur which require firmer action by employer other than a written warning, the supervisor shall record the alleged offence/s in writing and report it to the Municipal Manager.
- The Municipal Manager shall upon receipt of the supervisor's report decide on whether or not to institute a formal disciplinary hearing against such employee.
- If the Municipal Manager decides to institute a formal disciplinary action against the employee, he shall instruct the superior/section head to hold such formal disciplinary hearing as soon as possible.
- The employee shall be informed of the charges against him and the date of the disciplinary hearing within 15 (fifteen) days before the date of such hearing.
- The employee shall be entitled to be represented by any person of his choice, including an attorney in the disciplinary hearing.
- The employee shall have the right to appeal to the management committee against any decision of the disciplinary committee.
- All disciplinary procedures shall not apply in the event of disciplinary action being taken as a result of any form of industrial action.

DISCIPLINARY CODES



CATEGORY: TIMEKEEPING OFFENCES

NATURE OF OFFENCE	FIRST	SECOND	THIRD	FOURTH
Late for work or leaving without permission	Verbal	Written	Final	Dismissal
Absence from place of work without permission	Verbal	Written	Final	Dismissal
Absent from work for three consecutive days without permission.	Dismissal			
Fraudulent timekeeping	Dismissal			
Failure to clock in or out	Final	Dismissal		
Unauthorised absence from work for more than 1 day without contacting the office	Final	Dismissal		

CATEGORY: WORK OUTPUT OFFENCES

Sleeping on duty	Final	Dismissal		
Refusal to obey a lawful & reasonable work instruction	Final	Dismissal		
Poor quality of work	Final	Dismissal		
Failing to work according to standard	Dismissal			
Attending to private work during company time	Written	Final	Dismissal	
Using company property for a purpose other than intended	Dismissal			

CATEGORY: SOCIAL OFFENCES DURING WORKING HOURS

Under the influence of alcohol or drugs	Dismissal			
Unauthorised consumption of alcohol during working hours	Dismissal			



Threat of assault, assault, fighting	Dismissal			
Unauthorised possession of weapons	Dismissal			
Intimidation or incitement to violence	Dismissal			
Committing unsanitary acts	Final	Dismissal		
Smoking in prohibited areas using insulting or abusive language	Final	Dismissal		
Sexual harassment	Counselling	Written	Final	Dismissal

CATEGORY: ATTITUDINAL OFFENCES

Insubordination; disrespect	Dismissal
Failure to observe security and safety regulation	Dismissal
Gross negligence	Dismissal
Gross incompetence	Dismissal

CATEGORY: OTHER OFFENCES

Theft	Dismissal
Unauthorised possession of company, client or employee property	Dismissal
Divulgence of confidential information	Dismissal
Fraud	Dismissal



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Supplying incorrect or falsified information	Dismissal			
Attempting or causing to bring the company into disrepute	Dismissal			
Failure to follow company policies, procedures and rules	Final	Dismissal		
Failing to act in the best interests of the company	Dismissal			
Any act which interferes with the normal operations of the company	Dismissal			
Victimisation	Dismissal			
NATURE OF OFFENCE	FIRST	SECOND	THIRD	FOURTH
Giving of a false identity	Dismissal			
Unprotected industrial action	Dismissal			
Failure to treat others and or their property with respect	Dismissal			
Threatening violence	Dismissal			
Sexual harassment	Final	Dismissal		
Failing to report a dreaded disease to the employer	Dismissal			
Competing with the employer	Dismissal			

NOTE: Nothing in this disciplinary code shall affect the employer's right to summarily terminate an employee's contract of employment on grounds recognised by law as sufficient after holding a disciplinary enquiry.

Any employee that brings the municipality into disrepute or found guilty on any criminal offence in a court of law will be dismissed immediately

36. INDUSTRIAL RELATIONS POLICY

OBJECTIVE

The objective of this policy is to: -

- To advance economic development, social justice, labour peace and demonstration of the workplace by providing a framework through which employees and employers can collectively bargain on matters of mutual interest.
- To ensure the right to fair labour practice.
- To achieve equality in the workplace by promoting equal opportunity and fair treatment in employment through the elimination of unfair discrimination and implementing Affirmative Action measures to redress the disadvantage in employment experienced by designated groups, in order to ensure their equitable representation.
- To develop the skills of the South African workplace and to use the workplace as an active learning environment.

POLICY

- MKM consists of individuals of different sexes, races and cultural creeds – all at which we treat equally.
- MKM promotes the sharing of ideas and views in an atmosphere of openness and trust between all individuals.
- We believe in fair and open dialogue, should there be a dispute between an individual and MKM.



- MKM adheres to all labour legislation of South Africa.

TRADE UNION MEMBERSHIP

Any employee may voluntarily become a member of a trade union as defined in the Labour Relations Act, 1995.

37. LOSSES AND DEBTS OWING TO MKM

OBJECTIVE

The objective of this policy is to provide guidelines for dealing with losses or debts owing to MKM. During the execution of its work, MKM might find itself incurring losses or acquiring debtors. The following policy illustrates the approach MKM should adopt to deal with losses and debts owing to it.

POLICY

1 Losses Arising through Unavoidable Circumstances

Losses of this nature may be written off with the necessary authority or otherwise disposed of after a thorough investigation has established that no action or default of any employee or other person contributed to the loss or damage, or aggravated or facilitated it, and that no employee or other person can be held liable for the loss or damage, wholly or in part.

2 Losses Arising from Criminal or Possible Criminal Action

2.1 Whenever it appears that a loss was sustained or arose from criminal or possible criminal action (fraud, theft, arson, wilful, damage, wrong doing etc), the employee accountable for the money or property must immediately report the matter to the Manager: HR and Administration or their immediate supervisor who will intern inform the police as the matter may warrant.

2.2 As soon as particulars of the identity and whereabouts of the person whose unlawful act caused the loss, or the whereabouts of any stolen moneys, property or of any assets alleged to have been acquired by means of such money become available, steps must be taken to recover the loss, e.g. by

means of deductions from salaries, provident fund benefits, moneys owing to the employee and so on.

- 2.3 If the loss cannot be recovered by any of the foregoing methods, or if doubt exists as to the correct action to be taken, the matter must be reported, together with all available particulars, to MKM Attorneys for consideration and advise as to the method to be adopted for recovery of the money or property.
- 2.4 Losses occasioned through acts or default of employees or former employees
- 2.5 Steps must be taken immediately to institute such investigations and to obtain such written statements as may in the circumstances be necessary to determine the responsibility of an employee or former employee whose action, default, neglect, failure to comply with financial regulations or lack of vigilance may have caused a loss or contributed to such loss.
- 2.6 After the amount of the loss or damage has been determined and an employee or former employee is held responsible, it must be decided whether the amount should be recovered in full or in part only. If there is good reason to exempt the employee or former employee from repayment of the loss or damage in full or in part, the necessary approval must be obtained. The matter must be fully represented with all relevant facts to the Finance and Audit Sub-Committee.
- 2.7 Should it, in light of all circumstances, be decided that the loss or damage be recovered, the following steps must be taken:
 - The person must be ordered by the Municipal Manager, in writing, to repay the amount within thirty days of the date of such notice;

- If an employee fails to repay the amount during the stipulated period the amount must, subject to other provisions in this section, be deducted from their monthly salary.
- If a former employee fails to repay the amount within the stipulated period, the amount must, be recovered from them by means of a legal process, provided that such action is deemed justifiable economically and otherwise; if not, authority for the write-off of the loss must be obtained;
- An offer from an employee or former employee to repay the amount in instalments may be accepted with the necessary approval, provided the amount will be redeemed within a reasonable period. Other conditions upon which the amount should be repaid can also be determined.

3 Recovery of Debts Owing to MKM

- 3.1 The following requirements apply generally for the recovery of debts owing to MKM. It stands to reason that circumstances differ from case to case and employees must use their discretion and let themselves be guided by the facts of each case whenever called upon to decide if further steps towards recovery of debts would be economically justifiable.
- 3.2 Amounts over R100 – A reminder should be sent out to the debtor ten days after the expiry date for payment of the debt. If the foregoing steps are unsuccessful, the matter may be referred to MKM Attorneys with a view to legal steps, should these be regarded as economically justifiable.
- 3.3 The debtor's financial position must be thoroughly taken into account. If they have no, or few assets, and can barely afford to pay off anything on their debt and there are no prospects of an improvement in their financial position, the writing off of their debt should be considered.



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- 3.4 An offer of payment in full and final settlement of a debt, which is less than the balance owing, may only be accepted without prejudice, only if the Municipal Manager and the Manager: HR and Administration are agreeable.



38. POLICY FOR INDIVIDUAL/GROUP PROBLEM SOLVING / GRIEVANCE

OBJECTIVE

The objective of this policy is give guidance for the handling of employees' grievances. These guidelines apply to all members of the employees of MKM.

MEANING OF GRIEVANCE

A grievance, for the purposes of this policy, means any individual or group work related grievance concerning the conduct of a person in authority, a fellow employee or the implementation of a policy of MKM. It does not include grievances in respect of which MKM has already published policy guidelines. For example grievances in respect of disciplinary action must be dealt with in terms of that policy.

PRINCIPLES

The employee must be granted the opportunity to:

- a) Lodge a grievance with the person he/she reports to;
- b) Follow the procedure set out in the procedures manual (P-37).

Management at the various levels must give careful consideration to every grievance lodged and make genuine attempts to resolve it.

Grievances must, whenever possible, be handled by line management at the lowest possible level. Other employees, in an advisory capacity, may help in facilitating a resolution to the problem.



No employee may be victimised for lodging or pursuing a grievance in terms of this policy.

39. BUSINESS MEETING VENUES POLICY

OBJECTIVE

The objective of this policy is to regulate access to infrastructural support for MKM employees in order to enable them to carry out their duties in a cost effectively manner.

POLICY

- (1) MKM business meeting venues should always take preference over external meeting venues. When using internal MKM business venues, no equipment or furniture may be moved between venues without the consent of the Manager: HR and Administration.
- (2) Where the allocated facilities are not going to be conducive to the nature of the meeting, approval needs to be sought from the Finance Manager, to ensure that sufficient funds are available to host the function externally. Once approval has been granted for using an external venue, arrangements need to be made with the Finance Manager to ensure that timeous bookings and payments are made to the vendor.
- (3) It is the responsibility of the person booking the external venue to ensure that where there are special requirements, or logistical implications, these are fully investigated and communicated to ensure that the financial implications are highlighted to the Manager: HR and Administration. The onus is then on the individual presenting the request to do a cost-benefit analysis and to present this to the Finance Manager in good time.
- (4) Meetings that are held outside of MKM official premises that incur costs to MKM will not be paid for if proper procedures were not followed and proper authorisation was not obtained.

40. SALARY ADMINISTRATION POLICY

OBJECTIVES

The key objectives of MKM's salary administration policy are:

- To establish salaries that have a proper relationship to, and are competitive with, salaries paid for similar work of equal value;
- To establish salaries that reflect the relative priorities and values of jobs, and internal MKM's relationships among jobs; and
- To provide an incentive for employees to improve performance in their present jobs, and to qualify for promotion to higher valued jobs.

POLICY

MKM's salary administration policy is aligned to the Basic Conditions of Employment Act, which among other things states that an employer has a duty to pay employee remuneration for services rendered to the employer. The Act specifically stipulates that employers are to keep employee records which should contain information relating to the employee's occupation, remuneration, any deductions to their remuneration, actual amounts paid and so on.

1. PAYMENT OF SALARIES AND WAGES

(1) A salary survey is conducted annually by the HR department to establish market-related salary norms. The HR manager together with the MM will be responsible for determining salaries and salary bands for approval by the Remuneration Committee.

(2) The HR Section will be responsible for the administration of salaries and benefits. They will ensure that copies of all pay-slips and corresponding salary reports are



maintained, schedules and other required supporting documentation in respect to payments for PAYE, UIF, medical aid, pension etc. should be prepared.

- (3) The Manager: HR and Administration will ensure that MKM is registered for, and comply with, all statutory taxes/levies including PAYE/SITE, Unemployment Insurance, Workers Compensation and so forth.
- (4) The Remuneration Committee will review and approve all salary levels on an annual basis.
- (5) Salary payments are to be prepared by the HR Section, and authorised by the Manager: HR and Administration. Authorisation for salaries is only to be signed if accompanied by the relevant documentation.
- (6) The HR section will be responsible for the electronic transfer of all employees' salaries.
- (7) A separate banking account should be opened, referred to as "salary account", from which all salary cheques will be paid. An amount equal to the salaries to be paid shall be transferred into this account prior to the cheques being prepared.
- (8) Salaries, wages and allowances will be electronically transferred to an employee's personal bank account at an approved financial institution.
- (9) For payments in cash, a cheque must be drawn for the exact net total amount payable. This is usually for employees who have resigned as payment would be made for the last working day of the month.
- (10) Salaries and allowances are not payable before the relevant payday of the month. Payments on account of salaries and allowances, limited to the amount earned, may in exceptional circumstances be effected with the necessary approval.

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- (11) Salaries will be paid on the 25th calendar day of the month, when the 25th calendar day of the month falls on a Saturday, Sunday or public holiday, salaries may be paid on the preceding working day.
- (12) When a salary, wage or allowance due to a person is claimed on behalf by another person, the paying officer must demand a written authority in support of the claim. The employee, must by way of an endorsement, signed by him personally, expressly request that their salary be handed over to the nominee, whose full name must be stated and that their salary be handed over to the nominee, whose full name must be stated and whose specimen signature must also appear on the request. On receipt of the salary, the nominee must acknowledge receipt by again signing an acknowledgement to that effect, in the presence of the paying officer. It is the duty of the paying officer to compare the signature of the nominee with the specimen signature and to satisfy himself or herself with the identity of the nominee.
- (13) Overpayments of salaries, wages and allowances may, with the necessary approval, be recovered by means of instalments. The debtor's status and financial position must be taken into account in determining the period of payment.

2. SALARY INCREMENTS

- (1) Salaries shall be reviewed annually. Reviews shall become effective on the first of June each year and shall be awarded having taken into consideration MKM's performance and the individual's personal achievements as determined by their performance appraisals throughout the year.
- (2) Individuals employed from the first of October of a particular year will not be legible for a salary increase for that said year as all increases are determined from January to December of a particular year and applied on the first of June of the following year.
- (3) When an employee is appointed to a higher post level his/her salary shall be adjusted accordingly. Any other increase in salary will be in line with MKM's annual salary reviews afforded in June of each year.
- (4) If in the opinion of MKM, an employee's work performance is unsatisfactory, MKM may refuse the employee's next salary increment for a period of six months or less a time: provided that MKM will after giving the employee an opportunity to be heard, inform the employee of its decision and reasons for it.
- (5) If MKM, at the end of the period mentioned in clause (2) above, is of the opinion that the employee's work performance during the period was satisfactory, his/her salary will be adjusted by the percentage which would have applied if his/her salary increment had not been withheld from the date determined by MKM. As a consequence of non-performance, no back payment of this late salary increase will apply. The employee will still retain MKM's annual incremental date.
- (6) A portion of the annual increment will consist of the inflation related general increment offered to all employees and the remaining portion will relate to the individual staff member's performance appraisal.



3. DEDUCTIONS FROM SALARIES

- (1) The HR Manager must ensure that all amounts deducted from salaries are paid over to whom they are due, in the month or as soon as practical after the close of the month in which the deductions are made.

- (2) All deductions made to the salary of an employee should be shown in the pay-slip.

4. PREPARATION OF PAY-SLIPS

- (1) Pay slips must be prepared, and provided to all employees showing gross salary, all deductions and net salary.
- (2) Pay-slips should be prepared in duplicate, the original copy going to the employee and the duplicate being maintained by the HR Department.
- (3) The HR Department should ensure that all copies of pay-slips are maintained and kept on file.

5. SALARY REGISTER

- (1) The HR Manager should ensure that reports of salary payments are maintained for each employee by tax year, and that IRP5 certificates are issued and reconciled on an annual basis, and the PAYE paid to the Receiver of Revenue.
- (2) The payroll reports should contain the following information:
 - Employee name;
 - Employee Number;
 - Gross Salary;
 - SITE;
 - PAYE;
 - UIF;
 - Pension Contributions;
 - Net Salary;
 - Medical Aid;
 - Skills Development Levies;
 - Workman's Compensation.

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- (3) All payroll reports should be maintained by the HR Department and reviewed on a monthly basis by the Manager: HR and Administration.

6. STAFF LOANS AND SALARY ADVANCES

The decision regarding a staff loan or personal advance will be based on the discretion of the Municipal Manager, and will only be issued in the event of an emergency, for example bereavement.

- (1) Staff loans are, in principle, not permitted.
- (2) The decision regarding a salary advance, will be based on the discretion of the Municipal Manager, and may only be issued in the event of an emergency, for example bereavement.
- (3) Salary advances shall not exceed R3 000, and full amount will be repaid at the end of the month. Salary advances will be deducted in full from the employee's salary at the end of the month in which the advances was taken.
- (4) When an employee who is indebted to MKM resigns, he/she must settle all debts. The HR Section shall ensure that all monies owed by the employee are recovered from their final salary payment. Where the final salary is not sufficient to recover the debt, the money owed shall be recovered from the Provident Fund.

7. SALARY STRUCTURING

The remuneration package for any individual will take the format of Total Cost to Company. Employees will be able to structure their packages within certain parameters and guidelines. In structuring their salaries, the individual must remember that they are totally liable to justify any allowance provided for, upon the assessment of their income tax return by the South African Revenue Service ("SARS").

8. PERFORMANCE BONUS

- (1) MKM has a performance based incentive scheme whereby a bonus may be awarded dependant upon both MKM's and the individual's performance. This bonus is payable in November of each year.
- (2) Any performance bonuses due to an employee will be issued by the HR section.
- (3) Performance bonuses will be paid via the payroll with all the necessary tax implications taken into account.

9. CHANGES TO PAYROLL

- (1) All changes to payroll, including new employees, terminations, salary changes, bonuses, overtime, allowances and deductions will be issued from the Human Resources Section.
- (2) All payroll changes must be received by the payroll administrator by the 10th day of the month to allow for processing.
- (3) Any changes to payroll should also be reflected in the salary slips of the employee.