STANDARD OPERATING PROCEDURE

CHIEF DIRECTORATE: FINANCE AND SUPPLY CHAIN MANAGEMENT

DIRECTORATE: FINANCIAL ACCOUNTING SERVICES

SOP Title	STANDARD OPERATING PROCEDURE FOR PAYPOINT MANAGEMENT

SOP Number:	1 of 2022

STANDARD OPERATING PROCEDURE FOR PAYPOINT MANAGEMENT

1. PURPOSE:

a) The SOP for pay point management is intended to provide detailed processes and procedures that must be followed by pay point managers.

b) It outlines the roles and responsibilities of various stakeholders (internal and external) in respect of payroll management such as Rebates Office, CFO, Human Resources Management, Deputy Director General's (DDGs), Chief Directors, SITA, and National Treasury as external stakeholder respectively.

c) To provide detailed guidelines to pay-point managers with regard to the collection, certification and return of payrolls.

d) To ensure that there is an efficient and effective payroll management system in the department.

e) To ensure that there is accountability in relation to payroll management by pay point managers

f) To further outline actions to be performed by FAS Directorate(Rebates) and Human Resource Directorate with regards to discrepancies identified by pay point managers.

2. SCOPE:

a) The pay point SOP will assist the department in ensuring that there is an effective and efficient payroll management system in the department.

b) It subscribes to a wide range of activities, process and procedures only limited to payroll management.

3. RESPONSIBILITY:

a) **The Programme Managers(DDG's)/ Chief Director's:-** The program managers(DDG's) and chief directors should ensure that there is monitoring in terms of ensuring that their relevant branch/programme and/or chief directorate comply with payroll management in respect of collection, certification and return of payrolls within stipulated dates.

b) **The pay point managers:-** The pay point managers are responsible for ensuring that payroll reports are collected, certified, and returned to salaries office in order

to ensure that ensure there is compliance in respect of payroll management in their respective directorates.

c) **The Human Resource Management:-** Plays a significant role in payroll management by ensuring that pay point managers are appointed and discrepancies identified on payroll are rectified.

d) **Financial Accounting Services:-** Co-ordinate the payroll management for the department.

e) **SITA:-** State Information Technology Agency(SITA), a government agency responsible to print payrolls and payslips for the department.

f) **National Treasury(NT):-** The responsibility of NT is to provide data for payrolls and payslips to SITA.

4. TRAINING/ROLLOUT OF SOP

a) The rollout of the SOP will be done once approved by the Head of Department to all departmental staff(especially the pay point managers) in order to ensure that they properly understand the processes and procedures relating to payroll management in the department.

b) To ensure that they clearly understand their role as pay point managers

5. PROCEDURE:

5.1 THE ROLES AND RESPONSIBILITIES OF ROLE PLAYERS:-

5.1.1 Accounting officer:-

a) The HOD will ensure that there is accountability in the case of non-compliance (non-submission within stipulated time frame and non-certification of payroll).

b) The head of department may take appropriate action in case of non-compliance with treasury regulations 8.3.4 and 8.3.5 which may include consequence management.

5.1.2 Chief Financial Officer

a) Incompliance with Treasury Regulations 8.3.4 and 8.3.5 the CFO will distribute and receive certified payroll reports from pay point managers

b) Non-compliance with submission and certification will be escalated to the HOD.

5.1.3 Programme managers:-

a) The DDG's and Chief Directors have a responsibility of ensuring that there is compliance in terms of certifying and returning of payroll within stipulated timeframe in the Treasury Regulations 8.3.5

b) Programme Managers must oversee chief directorates/directorates on payroll management compliance and make chief directors and directors accountable in case of non-compliance.

5.1.4 Pay Point Managers

a) Must ensure that all persons listed on the payroll are employed and entitled to payment during the indicated period. (In order to comply with Treasury Regulations 8.3.4).

b) Must ensure that payrolls are collected from the Rebates Office before the pay date of every run or when the pay point managers are informed about the availability of payrolls immediately after sorting.

c) In respect of the payslips, the EDD solution is implemented where employees receive their payslips electronically depending on the chosen method of delivery.

d) Must ensure that employees are encouraged to be on the EDD system to receive automated payslip.

e) Must ensure that payroll is returned within 10 days after they have been issued for each pay date as per Treasury Regulations 8.3.5. (The 10-day period starts from the date you receive the payroll).

5.1.5 Financial Accounting Services (Rebates Office)

a) Due to delays of originally printed payrolls from SITA, FAS must ensure that salary payrolls are downloaded from Vulindlela system and distributed via emails to pay point managers and PA's/Office Managers of pay point managers.

b) Must ensure that responsible pay point managers and PA's/Office Managers receive payrolls prior to payment dates.

c) Must ensure that payrolls given to pay point managers are returned within ten days of certification as stipulated in the Treasury Regulations 8.3.5

d) On receipt of the payrolls, they must be checked for discrepancies and whether they have been certified by the relevant pay-point managers.

e) Where discrepancies have been found and noted by pay point managers, payrolls with discrepancies are forwarded via email or in hard copy format to Human

Resource Management for corrections. Follow ups are made to HRM to ensure that corrections are effected.

f) On receipt of feedback from HRM section regarding the discrepancies, the relevant pay point manager is informed that the discrepancy has been rectified.

g) In respect of payslips, the EDD system in place and implemented by the department where all payslips are delivered electronically via emails, SMS, MMS or on-line portal depending on the chosen method by employee.

h) Must print the payslip of an employee on request from PERSAL at anytime when needed by employee.

5.1.6 Human Resources Management

a) Creates pay point structure on PERSAL.

b) Allocates employees to relevant pay-points.

c) Rectify the detected discrepancies reported by rebates office and give feedback.

d) Facilitate appointment of pay-point managers signed by HOD.

e) Must do head count (physical verification) of employees and compare to payroll, any discrepancies must be followed up to minimise any possible payment of ghost employees

5.1.7 National Treasury:-

a) The role of National Treasury is to provide salary information file to SITA for processing and printing for departments in respect of payroll reports.

5.1.8 State Information Technology Agency (SITA)

a) SITA prints payroll reports and ensure that all departmental employees are on EDD in respect of payslips for purpose of delivery via chosen method.

b) The printing schedule is provided on request.

5.2 RETURN OF PAYROLL REPORTS

a) In terms of Treasury Regulations 8.3.5 the pay-point managers must return payrolls to the CFO within the 10 days of being issued for each run date for submission to the Financial Accounting Services Directorate (Rebates Office)

b) Control payroll must be used to keep record of all returned and outstanding payrolls per run.

c) In instances where payrolls were returned with an explanation next to an employee's name, rebates must engage with pay point managers regarding the employees to minimise risk of fictitious employees.

d) In the event of an employee being on leave, the supervisor must indicate such on the payroll.

5.3 REPORTING AND RECORDING

a) The SOP on pay point management has an effect on the compensation of employees(COE) for reporting purposes.

b) The compensation of employees is accounted for under income statement in the financial statements of the department.

c) The expenditure on COE is reported monthly in the IYM as required by Section 40 of PFMA, recorded in the Interim and Annual Financial Statements as a line item of income statement as required in the Section 40 of PFMA.

d) The accounting Officer has the responsibility to ensure that all pay point certificates (payrolls) have been received monthly.

e) The reconciliation is performed monthly by Rebates Office and is used as a reporting tool to the Head of Department for all outstanding and returned payrolls.

5.4 DELEGATION OF RESPONSIBILITIES

a) The payroll report may only be certified by the appointed pay point manager in writing within the relevant pay point.

b) In the event where the pay point manager is on leave or is unavailable due to any reasons, the pay roll must be certified by a person appointed to act on his/her behalf.

c) A copy of the acting letter must be attached to the payroll report.

5.5 ELECTRONIC DOCUMENT DELIVERY(EDD)

a) The payslips are no longer printed by SITA and payslips are delivered via automated method effective March 2022.

b) The employee chooses the method of delivery of his/her payslip.

c) All employees on EDD need not contact salaries office when they need a payslip as they are able to access their payslips via EDD solution.

d) The EDD solution is effective, efficient, and paper less as payslips are delivered electronically after each run closed but before payments can be made.

6. REVIEW AND REVISION:

a) The SOP will be reviewed as and when the need arises.

b) It will be revised when there are compelling reasons like a change in legislation or NT practices note issued that affects the SOP on pay point management.

7. CONTINGENCIES:

a) The SOP for payroll management must be followed by all role players

b) The Head of department may take appropriate action where the SOP has not been complied with.

c) The HOD may enforce consequence management.

8. REFERENCES:

8.1 The applicable regulations and regulatory guidelines are as follows:-

a) Treasury Regulations Section 8.3.4 and 8.3.5

b) Public Finance Management Act,

c) National Treasury Circulars and Practice Notes

9. DEFINITIONS:

Pay point Manager	Employees delegated to certify payrolls for a particular pay-point and (all Senior Management Services)
Certification	Proof by means of signature
Payroll Collector	Person delegated to collect salary pay slips and payrolls(Personal Assistant and Office Managers)
Rebates Office	The office where salary pay slips and payrolls are collected, returned, and filed
Misplacement/Deviations	Refers to wrongly placed personnel on PERSAL objectives (components, pay point etc.)
Pay-point	Where salary payrolls are distributed
Printing Schedule	List of dates for printing of salary pay slips and payrolls
Returns	Return of certified Payrolls and
Run	Processing of payment
S.I.T.A	State Information Technology Agency. The agency responsible, amongst other functions to print payrolls on behalf of government departments.
EDD	Means Electronic Document Delivery where the payslip employee is delivered electronically via email, SMS, MMS, or on-line portal.
FAS	Means a directorate of financial accounting services
HRM	Means a directorate of human resources management and provisioning
HOD	The Head of Department as the Accounting Officer

10. ATTACHMENTS:

No attachments or flow charts in support of SOP

11. HISTORY OF CHANGE:

a) This document was initially called "pay point management guide" and changed to "SOP on pay point management" in order to ensure that there is accountability and to clearly set out roles and responsibility of each stakeholder.

b) The role and responsibilities of programme managers were not included and clearly outlined and defined.

c) The document did not make DDG's, Chief Directors and Directors accountable their roles were not clearly defined and was just a pay point guide.

d) The pay point SOP empowers the accounting officer to hold pay point managers and programme managers accountable in instances of noncompliance with treasury regulations section 8.3.4 and 8.3.5.

e) The pay point was not clear as to the processes and procedures that must be played by each stakeholder (e.g pay point managers, FAS, HRM etc) in managing payroll.

f) The pay point SOP considers the new concept of Electronic Document Recovery (EDD) in respect of payslips and what it seeks to achieve.

12. CERTIFICATION OF DUE PROCESS:

Prepared by: Mr. A. Ngewu **Director: FAS**	**Signature**		13/06/2022 **Date**
Certified by: MR. M.S ZITHA **Acting Chief Financial Officer**	**Signature**		13/06/2022 **Date**

Approval of SOP:	Mr. A.A. Fani **Head of Department** **Department of Cooperative Governance and Traditional Affairs** 13 06 2022 **Date**

Approval date		**Commencement date**		**Review date**	

REVISION HISTORY

Revision Ref No.	**Approved/ Rescinded**	**Date**	**Authority**	**Resolution Number or Minutes Reference**