



Human Resource Administration

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HUMAN RESOURCE MANAGEMENT AND DEVELOPMENT CIRCULAR 8 OF 2021

URGENT

Compiler	Tel. number	File number
Rosalind Pendrigh	040 – 608 4616	
TO: ALL STAFF		
FROM: ACTING CHIEF DIRECTOR: HUMAN RESOURCE MANAGEMENT & DEVELOPMENT		
SUBJECT: AUDITING OF CAPPED LEAVE ACCRUED BEFORE 30 JUNE 2000 IN TERMS OF PSCBC RESOLUTION 7 OF 2000.		

In terms of PSCBC Resolution 1 of 2000 and ELRC Resolution 1 of 2001 a new leave system was introduced with effect from 1 July 2000. Leave would now be in working days and not accrued on a monthly basis but an allocation would be made per year every January. The leave had to be taken by 30 June of the following year and if not, it forfeited.

The leave prior to 1 July 2000 had accrued monthly and was based on calendar days. As a result, an audit had to be performed whereby the leave of each person had to be checked against the leave records, Persal, the allowed allocation and converted to working days. This leave was referred to as Capped Leave and could not be forfeited. It could be paid out at Retirement, Death and Ill Health Retirement.

The Department did the audit as prescribed but over time anomalies occurred on the Leave records of employees where the Capped Leave was amended without proper audit and documentation. This has resulted in the Department not being in a position to accurately reflect its Leave Liability on the Annual Financial Statement.

As a result, the Department has been qualified by the Auditor General of South Africa on the Capped Leave for the last 5 years. A qualification is a very adverse finding and the situation



could not continue. The matter was discussed with Provincial Treasury, Department of Public Service and Administration, Office of the Premier and Department of Basic Education.

Against this backdrop a decision was made to re-audit the Capped Leave. A project was set up and it started its activities on 1 August 2018. The project identified all employees with Capped Leave credits. The Persal records as well as the leave files which had been digitized on the Optimis system is used and the Department applies the Department of Public Service and Administration Toolkit on the Auditing of Capped Leave as well as manual detailing the leave dispensations prior to 1 May 1994. The Project started with the Educators and in February 2021 commenced with the Public Service Act employees.

It must be stated that on pay slips it is regularly stated that leave credits are subject to audit. It can happen that an administrative oversight occurred that leave forms were not implemented on Persal or that the records are incomplete or lost (periods of uncertainty). The Resolutions as well as the Directive on Leave provides a remedy to a situation where there are periods of uncertainty in those 6 days leave is granted per year up to a maximum of 100 days.

In terms of the Toolkit where there is a period of uncertainty an investigation must be done and one of the options is to write to the employee concerned to provide information. This has been taking place and responses have come in for some of the cases. A dedicated email address has been set up for employees who may have enquiries about their audit:

CLaprojectenquiries@ecdoe.gov.za


MR Q LUTHULI
ACTING CHIEF DIRECTOR: HRM&D

30 JULY 2021
DATE