

**AGENDA of the
Portfolio Committee : Management Services
6 April 2023
(Also the agenda for the Mayoral Committee Meeting : 24 April 2023)**

**3.
DRAFT EXIT MANAGEMENT POLICY**

**L Bucchianeri
15 March 2023**

Senior Manager : Human Resources

(028) 313 8120

1. Executive Summary

The purpose of this report is to recommend to Council the Draft: Exit Management Policy for approval by Council.

2. Service Delivery and Budget Implementation Plan - IGNITE

Directorate : Management Services
Department : Human Resources

3. Compliance with Strategic Priorities

Provision of democratic, accountable, and ethical governance
Provision and maintenance of municipal services
Creation and maintenance of a safe and healthy environment

4. Delegated Authority

None

5. Legal Requirements

- Local Government: Municipal Staff Regulations (Government Gazette No:890 of 20 September 2021)
- Local Government: Guidelines for the implementation of the Municipal Staff Regulations (Government Gazette No.891 of 20 September 2021)
- Overstrand Recruitment and Selection Policy

6. Background/Discussion/Evaluation/Conclusion

The purpose of the policy is to ensure that all matters between Overstrand Municipality and the exiting employee are duly finalised when the employee's employment are terminated.

7. Financial Implications

None

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8. Staff Implications

None

9. Comments from other Departments, Divisions and Administrations

This item served before the LLF on 14 March 2023 for review.

10. Annexures

Annexure A: Draft: Exit Management Policy

RECOMMENDATION TO COUNCIL:

that the Draft Exit Management Policy **be approved.**

RESPONSIBLE OFFICIAL:

L BUCCHIANERI

TARGET DATE FOR IMPLEMENTATION:

12 MAY 2023

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DRAFT EXIT MANAGEMENT POLICY**

**L Bucchianeri
15 March 2023**

Senior Manager : Human Resources

(028) 313 8120

THIS MATTER SERVED BEFORE THE MANAGEMENT SERVICES PORTFOLIO COMMITTEE ON 6 APRIL 2023, WHICH COMMITTEE RECOMMENDED AS FOLLOWS:

RECOMMENDATION TO COUNCIL:

that the Draft Exit Management Policy **be approved.**

RESPONSIBLE OFFICIAL:

L BUCCHIANERI

TARGET DATE FOR IMPLEMENTATION:

12 MAY 2023



OVERSTRAND MUNICIPALITY

EXIT MANAGEMENT POLICY

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1. Policy Purpose

The purpose of the policy is to ensure that all matters between Overstrand Municipality and the exiting employee are duly finalised when the employee's employment comes to an end.

The following procedures must be followed at any time when employees terminate employment with the Municipality.

- All the relevant role players must be informed by the Human Resources Department of the procedures to be followed when an employee decides to terminate employment.
- Human Resources department to receive timely and complete instruction of termination which will enable the efficient processing of the termination of employment.
- Employees leaving the Municipality have the opportunity to provide feedback on the reason(s) for leaving the organisation.
- Feedback will be reviewed, and the implications will be considered.
- Employees leaving the Municipality are informed of and formally acknowledge their on-going obligations with regard to confidentiality whilst still in service.

2. Policy Objective and Scope

The following objectives of this policy applies to all situations where an employment contract between an employee and the municipality are ended and includes the termination of employment through resignation, retirement, dismissal, or incapacity/disability.

- To enable improved management of municipal systems and resources.
- To enable the Municipality to benefit from employee feedback.
- To improve the efficiency of the process of terminating employment.
- To ensure that all municipal equipment is returned and all financial obligations

to the Municipality has been paid.

- To ensure that all outstanding payments due to the employee are properly calculated.
- To ensure that the employee has delivered on all outstanding assignments

3. Definitions

The following definitions are applicable to this policy:

“Act” - means “The Basic Conditions of Employment Act, 1997 (Act No. 75 of 1997), as amended”

“Exit Interview” -a meeting held with an employee who is about to leave a company voluntary/compulsory to examine the employees’ reason for leaving and experience of working for the company

“Resignation” - a formal notice/letter of leaving a paid or unpaid job.

Termination of Service- Termination of Service means a termination of employment or service relationship with any Company or Business for any reason, whether voluntary or involuntary, including by reason of death, Disability or Retirement.

4. Legislative Framework

The following legislation are applicable to this policy.

- The Basic Conditions of Employment Act, 1997 (Act No.75 of 1997)
- The Labour Relations Act, 1995 (Act No. 66 of 1995)
- The Municipal Staff Regulations and Guidelines

5. Policy Target Audience

This policy applies to all permanent staff members employed by the Municipality and

the relevant supervisors/managers.

6. General Provisions

The following elements are required for a successful exit management process.

6.1 Resignation Notification

Employees are required to provide timely and appropriate written notification as well as a hardcopy of their intent to terminate employment with the Municipality in terms of their conditions of employment as specified within the legislation and their employment contract.

If an employee's employment must be terminated for any other reason, for example death or dismissal, the Human Resources department need to be aware of the relevant implications for the effective management of these procedures.

6.2 Exit interview and resignation acceptance forms

Upon receiving a termination / resignation letter / notification that an employee's service will come to an end, HR provide the supervisor/manager with exit interview Annexure A and resignation acceptance Annexure B forms which need to be completed and signed by all relevant parties.

6.3 Human Resources Management

All process related to the termination of service of an employee, must be managed by the Human Resources department who is the custodians of the relevant records on completion of the process. Human Resources (HR) must interact with all different role players in the process and have a process in place to validate the information captured on the relevant forms by them.

6.4 Leave pay-out

Upon receipt of the employee's resignation, exit interview and resignation acceptance letters, HR should terminate the service of the employee and reconcile the outstanding leave records of the employee to determine the leave balance for leave pay-out. The Senior Human Resources Manager sign off the leave pay-out form after termination which must be send to the Salary Department to be finalised for payment.

6.5 R e s i g n a t i o n Termination of Clearance Form

HR provide a Termination of Service: Clearance form (Annexure B) and must collect all the required signatures from the relevant officials indicating that there are no outstanding matters.

The listed tasks on the clearance form indicate that the task has been completed/finalised. It also serves as a notification to the relevant official that the employee' is being terminated.

6.5.1 Notification to Library

The Librarian will check if there is any Library material outstanding or any amounts due, if not the Librarian will sign off the clearance form as part of finalizing the termination of the employee.

6.5.2 Notification to Finance

HR should notify the finance department of the termination of employment and obtain assurance that all outstanding claims have been processed. Information regarding any un-processed claims must be obtained and used during the final salary payment. The Manager: Revenue to check if there is any outstanding debt (overdue account) e.g., water & electricity, if not the Manager sign off the clearance form as part of finalizing the termination of the employee.

6.5.3 Notification to salary - Final Salary calculations

The salary office will verify that no money is owed by the employee due to short time on his/her salary, at the time of termination date. Finance Department should calculate the final salary upon confirmation of his/her supervisor and receipt of the Termination of Service: Clearance form and should include the following items as part of the final calculation:

- Final Income Tax deduction.
- Reconciliation of medical benefit contribution.
- Reconciliation of retirement benefit contribution.
- Any deductions relating to lost equipment, assets assigned to the employee or other outstanding financial obligations the employee might have towards the Municipality.

6.5.4 Notification to Human Resources

The Human Resources Department verify if there are any outstanding amounts due to bursary loans or course money that must be deducted from the employees' final months' salary and sign off the clearance form as part of finalizing the termination of the employee.

6.5.5 Notification to Information Technology (IT)

HR should notify the Manager: IT department of the termination of employment and obtain assurance that all IT equipment issued and assigned to the employee ~~such~~ has been returned, and that the municipal data are returned. IT Department verify any outstanding telephone accounts which need to be deducted during the final month of termination of service.

6.5.6 Notification to Supervisor

Upon the receipt of an employment-termination notification, HR should inform the supervisor and manager of the relevant departments accordingly.

Control processes linked to the employee's responsibility must be reassigned.

The supervisor should make a recommendation on the actions required on any outstanding deliverables and or work in progress.

The supervisor is required to arrange for any departmental files held by the employee to be returned and filed appropriately. Any electronic files held by the employee that include business-critical information are to be copied and/or made accessible on the appropriate network(s).

6.5.7 Delegations Signature Authorisations

The employee's delegated authority if any must be terminated timely and aligned with the specific delegation.

7. Exit Interview

Conducting exit interviews will assist the Municipality towards developing a strategy to control staff turnover and improve staff retention.

It is important to ensure that employees leaving the department have the opportunity to provide feedback on the nature and organisation of their work, through a written and face-to-face Exit Interview, which must take place before the last day of employment and be performed by the employee and the supervisor/manager. The Supervisor/Manager interview the employee and complete an Exit interview form supplied by the Human Resources Department to determine the reason/s for termination of employment e.g., personal, early retirement, unsatisfactory work environment etc. Both Supervisor/Manager and employee must sign off the Exit interview form to prove agreement and refer to

the Human Resources Department.

8. RECORD KEEPING

All documentation and correspondences emanating from or related to this policy, will be kept at HR Office for future usage, update, and reference in terms of review as dictated by the nature of the issue.

POLICY SECTION :	HUMAN RESOURCES
CURRENT UPDATE :	N/A
PREVIOUS REVIEW :	N/A
APPROVAL BY COUNCIL :	26 April 2023



Exit interview Template

Annexure A

Staff Member's Name:		Employee No:	
Department:		Post:	
Date of Interview:		Place:	
Interview Conducted by:			
Designation:			
Date of Resignation:			
Last Day of Service:			
Tick	Reason for Resignation	Tick	Reason for Resignation
	Personal		Insufficient challenges
	Improved Salary Conditions		Inadequate support from management
	Lack of Capacity for position		Poor communication/relationship with superiors/colleagues/subordinates
	Seeking better career advancement		Commuting difficulties
	Change in Professional Direction		Insufficient accommodation for specific needs
	Inadequate leadership for guidance		Unsatisfactory work environment

	Overloaded with Responsibilities		Pay disparity
	Need to relocate/emigrate		To avoid transfer
	To study full-time		To care for child/children
	To care for elderly dependants		To retire early
	For personal/family health reasons		Discrimination
	To avoid consequences of proposed or actual disciplinary action		Other
	Comments:		

Employee's Signature: _____ **Date:** _____

Supervisor/Manager's Signature: _____ **Date:** _____



OVERSTRAND MUNICIPALITY

ANNEXURE B

TERMINATION OF SERVICE: CLEARANCE FORM

NAME OF OFFICAL:

DIRECTORATE :

SECTION :

NO		OUTSTANDING	AMOUNT DUE	SIGNATURE OF AUTHORISED PERSON	HANDED IN / FINALISED
1. 1.1	ISSUANCE Clothes, Equipment, tools and keys ext			DEPARTMENT HEAD	
2. 2.1	IMATU / SAMWU Financial obligation towards IMATU/SAMWU			CHAIR PERSON	
3 3.1	LIBRARY Books / fines outstanding (In the case if person leaving town			LIBRARIAN	
4. 4.1 4.2	FINANCE: INCOME Consumer deposit Water & Electricity			MANAGER: INCOME	

5.	FINANCE: EXPENDITURE			MANAGER: EXPENDITURE	
6	FLEET MANAGEMENT			FLEET MANAGER	
6.1	Municipal Cars				
7	HUMAN RESOURCES			MANAGER: HUMAN RESOURCES	
7.1	Removal Costs				
7.2	Bursary Loan, Course money due				
7.3	Resignation finalized – final payments				
7.4	authorized				
7.5	Resignation not finalized. Keep final payment on hold				
7.6	Any other amount due Amount due with regard to collateral – deduct from pension				

8.	I.T			MANAGER IT	
8.1	Cell phone/ Telephone				
8.2	Laptop/ PC				
8.3	Printers/ Scanners				
8.4	Keyboard/ Mouse				
8.5	Software/ Monitor				
8.6	External Hard Drive				
8.7	Fax Machine				
8.8	Flash Sticks				
8.9	3 G Cards				
8.10	Camera				
8.11	Cancellation of all logins				