



SUBSISTENCE AND TRAVEL POLICY

**POLICY ADOPTED BY COUNCIL ON 28 JANUARY 2010 AT
ITEM C.14.4**

**POLICY AMENDED BY COUNCIL ON 25 NOVEMBER 2010 AT
ITEM C.14.1**

**POLICY AMENDED BY COUNCIL ON 30 MARCH 2012 AT
ITEM C.14.1**

**POLICY AMENDED BY COUNCIL ON 25 JULY 2013 AT
ITEM C.14.6**

**POLICY AMENDED BY COUNCIL ON 31 OCTOBER 2019 AT
ITEM C.15.6**

**POLICY AMENDED BY COUNCIL ON 27 FEBRUARY 2020 AT
ITEM C.15.3 (EFFECTIVE FROM 01 JULY 2020)**

1. DEFINITIONS

For purposes of this Policy, the following abbreviations, words or phrases shall have the meaning assigned thereto:

- 1.1 **“CWDM”** means the Cape Winelands District Municipality.
- 1.2 **“Councillor”** means a member of the Municipal Council of the Cape Winelands District Municipality as determined by the Public Office-Bearers Act, 1998 (Act No 20 of 1998).
- 1.3 **“Daily allowance”** means an amount per day granted or advanced to a councillor and/or an official for costs related to meals and other incidental costs for each day or part of a day in a period during which a councillor and/or an official is absent from his/her usual place of residence for official business, as determined annually by the South African Revenue Service (SARS) for purposes of section 8(1) of the Income Tax Act, 1962 (Act No 58 of 1962).
- 1.4 **“Domestic accommodation”** means overnight accommodation where the return trip exceeds 500 kilometres.
- 1.5 **“Domestic travel”** means travel within the borders of the Republic of South Africa.
- 1.6 **“Fruitless and wasteful expenditure”** means expenditure that was made in vain and would have been avoided had reasonable care been exercised.¹
- 1.7 **“Heads of Department”** means all appointees in terms of section 56 of the Local Government: Municipal Systems Act, 2000 (Act No 32 of 2000).

¹ Definition as per section 1 of the MFMA

- 1.8 **“Host”** means the person or institution who has extended an invitation to the CWDM to delegate a councillor and/or official to attend an event which is regarded as official business.
- 1.9 **“International travel”** means travel outside the borders of the Republic of South Africa.
- 1.10 **“Irregular expenditure”** means -
- (a) Expenditure incurred by a municipality or municipal entity in contravention of, or that is not in accordance with, a requirement of the Local Government: Municipal Finance Management Act, 2003 (Act No 56 of 2003) and which has not been condoned in terms of section 170 of that Act;
 - (b) Expenditure incurred by a municipality or municipal entity in contravention of, or that is not in accordance with, a requirement of the Local Government: Municipal Systems Act, 2000 (Act No 32 of 2000) and which has not been condoned in terms of that Act;
 - (c) Expenditure incurred by a municipality in contravention of, or that is not in accordance with, a requirement of the Public Office-Bearers Act, 1998 (Act No 20 of 1998); or
 - (d) Expenditure incurred by a municipality or municipal entity in contravention of, or that is not in accordance with, a requirement of the supply chain management policy of the municipality or entity or any of the municipality’s by-laws giving effect to such policy, and which has not been condoned in terms of such policy or by-law;

but excludes expenditure by a municipality which falls within the definition of “unauthorised expenditure”.²

² Definition as per section 1 of the MFMA

- 1.11 **“Local travel”** shall include travel within as well as outside the area of jurisdiction of the CWDM but within the borders of the Western Cape Province, up to a return distance of 500 kilometres from the normal place of work or residence, whichever is the nearest point of departure.
- 1.12 **“MFMA”** means the Local Government: Municipal Finance Management Act, 2003 (Act No 56 of 2003).
- 1.13 **“Municipal Cost Containment Regulations”** means the Municipal Cost Containment Regulations, 2019, published in Government Gazette No 42514 of 7 June 2019, in terms of the Local Government: Municipal Finance Management Act, 2003 (Act No 56 of 2003), which came into effect on 1 July 2019.
- 1.14 **“Municipal Manager”** shall mean a person appointed in terms of section 82(i)(a) of the Local Government: Municipal Structures Act, 1998 (Act No 117 of 1998).
- 1.15 **“Official”** shall mean a person in the employment of the Cape Winelands District Municipality (CWDM), either in a permanent, contract or temporary capacity.
- 1.16 **“Official business”** for purposes of this Policy shall mean the attendance by councillors and/or officials of congresses, conferences, seminars, training, meetings, workshops, etc. related to the official business of the CWDM, subject thereto that such attendance has been duly authorised in terms of the CWDM’s System of Delegations (as amended from time to time).

1.17 **“Out of pocket expenses”** means actual and necessary expenses incurred by a councillor, which –

(a) have been specifically authorised; or

(b) are provided for in this Policy;

in connection with a specific or ceremonial duty which has been delegated to the councillor.³

1.18 **“Professional body”** is a body of expert practitioners in an occupation or profession resulting in learning in and for the workplace for the purposes of the National Qualifications Framework Act, 2008 (Act No 67 of 2008).

1.19 **“SARS”** means the South African Revenue Service.

1.20 **“SCM Policy”** means the CWDM’s Supply Chain Management Policy adopted by Council in terms of section 111 of the Local Government: Municipal Finance Management Act, 2003 (Act No 56 of 2003) (MFMA).

1.21 **“SCM Regulations”** means the Municipal Supply Chain Management Regulations promulgated in terms of the Local Government: Municipal Finance Management Act, 2003 (Act No 56 of 2003) (MFMA).

1.22 **“Subsistence expenses”** means expenses in respect of accommodation and/or meals and/or beverages (excluding alcoholic beverages), while a councillor and/or official is by reason of the duties of his/her office or employment obliged to spend at least **1 (one)** night away from his/her usual place of residence.

³ See definition as determined by the Minister for Cooperative Governance and Traditional Affairs in terms of the Remuneration of Public Office Bearers Act, 1998 (Act No. 20 of 1998) in accordance with the Determination of Upper Limits and Salaries, Allowances and Benefits of different Members of Municipal Councils.

1.23 **“Transportation expenses”** shall include trips for official CWDM business by vehicle, taxi, boat, helicopter, train, tram and aeroplane and any other means, and shall include travel with a personally owned vehicle.

1.24 **“Unauthorised expenditure”** means any expenditure incurred by a municipality otherwise than in accordance with sections 11(3) or 15 of the MFMA, and includes –

- (a) Overspending of the total amount appropriated in the municipality’s approved budget;
- (b) Overspending of the total amount appropriated for a line item in the approved budget;
- (c) Expenditure from a line item unrelated to the department or functional area covered by the line item;
- (d) Expenditure of money appropriated for a specific purpose, otherwise than for that specific purpose;
- (e) Spending of an allocation referred to in paragraph (b), (c) or (d) of the definition of “allocation” otherwise than in accordance with any conditions of the allocation.⁴

2. PURPOSE OF POLICY

The purpose of this Policy is to –

2.1 Regulate local, domestic and international travel and accommodation with regard to official business by councillors and/or officials on behalf of the CWDM.

⁴ Definition as per section 1 of the MFMA

- 2.2 Clearly define subsistence and travel related expenses as set out in paragraph 7 of this Policy.
- 2.3 Set out the conditions for official business.
- 2.4 Clarify the various related processes and responsibilities.
- 2.5 Ensure compliance with the Municipal Cost Containment Regulations, 2019, read together with MFMA Circular No. 97 on Municipal Cost Containment Measures, dated 31 July 2019.

3. APPLICATION

- 3.1 This Policy shall be applicable on councillors in so far as it is not contradictory with the Remuneration of Public Office Bearers Act, 1998 (Act No 20 of 1998) and Regulations promulgated in terms of the said Act.
- 3.2 This Policy shall be applicable to all officials designated to attend to official business of the CWDM as well as to officials involved in processes with regard to the execution of this Policy.

4. GENERAL

- 4.1 All official business travels must contribute to the CWDM's business of developing, obtaining or transferring of knowledge or to communicate, promote or administer the CWDM's interests.
- 4.2 The object of travelling for purposes of official business is to justify the cost and thus all official business travel and related costs must be properly motivated.

- 4.3 The object of reimbursement for official business related expenses is to cover reasonable expenses incurred as a result of attending to official business on behalf of the CWDM.
- 4.4 All official business travel must be planned thoroughly to ensure that it is executed in the most efficient, effective and economic manner.
- 4.5 This Policy is positioned within the context of the South African Revenue Service (SARS) definitions, regulations and maximum rates that can be paid with regard to subsistence and travel without incurring tax liability, as determined annually by the Minister of Finance in respect of the applicable year of assessment.

5. AUTHORIZATIONS AND ROLES AND RESPONSIBILITIES

- 5.1 No councillor and/or official of the CWDM may go on official business within or outside the borders of the Republic of South Africa without prior authorization as provided for in the CWDM's System of Delegations⁵ and taking into account the merits and benefits, costs and available alternatives to the official business.
- 5.2 For the purpose of paragraph 5.1 the prescribed subsistence and travel form for accommodation and air travel, as well as the prescribed form for the attendance of conferences/congresses must be completed by the councillor and/or official and approved in advance, taking into account –
- 5.2.1 The councillor and/or official's role and responsibilities and the anticipated benefits of the conference or event.
- 5.2.2 Whether the conference or event addresses relevant concerns of the CWDM.

⁵ Part G.4 of the System of Delegations

- 5.2.3 The appropriate number of councillors and/or officials, not exceeding three, attending the conference or event.
- 5.2.4 The availability of funds to meet expenses related to the conference or event.
- 5.3 The authorization of appropriate officials and the roles and responsibilities of officials in respect of the processing and approval of subsistence and travel claims and advances, shall be strictly in accordance with the CWDM's System of Delegations or sub-delegations in writing by the Municipal Manager and/or the Chief Financial Officer.
- 5.4 The procurement of goods and services required in the execution of this Policy shall be in strict compliance with the provisions of the MFMA, the SCM Regulations promulgated in terms of the Act and the SCM Policy of the CWDM.

6. EXCLUDED COSTS

The following expenses shall explicitly not be covered by the CWDM:

- 6.1 Any expenses covered by a host extending an invitation.
- 6.2 Alcoholic beverages.
- 6.3 Expenses of a personal nature, such as private telephone calls and entertainment.
- 6.4 In incidents where costs are incurred in entertaining external business associates, contacts, clients or potential investors or clients –

6.4.1 Where the official receives an entertainment allowance, the costs must be claimed against the entertainment allowance.

6.4.2 All expenses shall fall outside the scope of this Policy.

7. INCLUDED COSTS

7.1 REGISTRATION AND ATTENDANCE FEES

7.1.1 Fees payable for the registration and/or attendance of official business as provided for in the definition in paragraph 1 shall be covered by the CWDM, subject thereto that the prescribed form for the attendance of conferences and/or congresses must be completed and approved in advance, and that –

- (a) The conference/congress has been appropriated during the budget process for the applicable financial year.
- (b) The conference/congress forms part of the listed conferences/congresses endorsed for attendance by the relevant Head of Department.
- (c) Under exceptional circumstances, where a conference/congress has not been appropriated during the budget process, motivation for attendance must be approved by the Accounting Officer.
- (d) The benchmark cost, as determined from time to time by National Treasury for attendance of conferences, must be taken into account when a motivation is approved by the Head of the Department, or under exceptional circumstances, by the Municipal Manager.

- (e) The number of councillors and/or officials attending conferences/congresses will not exceed three in total, except in the case of attendance of a conference/congress of a professional body as provided for in the definition in paragraph 1;
- (f) The registration fees for the attendance of conferences/congresses will not exceed the benchmark cost, as determined from time to time by National Treasury, except in the case of attendance of a conference/congress of a professional body as provided for in the definition in paragraph 1 or as approved by the Municipal Manager on recommendation of the applicable Head of Department.

7.1.2 The amount referred to in paragraph 7.1.1(d) excludes costs related to travel, accommodation and related expenses, but includes –

- (a) Conference or event registration expenses; and
- (a) Any other expense incurred in relation to the conference or event.

7.1.3 The CWDM must, where applicable, take advantage of early registration discounts by granting the required approvals to councillors and/or officials to attend official business, in advance.

7.1.4 In terms of the approved Systems of Delegations, the attendance of workshops/congresses/meetings, etc. by councillors and/or officials **outside** the borders of the Republic of South Africa, must be approved by the Executive Mayor together with the Mayoral Committee.

7.2. ACCOMMODATION

7.2.1 GENERAL

- (a) Councillors and/or officials who undertake official business for the CWDM, where the business exceeds a return distance of 500 kilometres and might entail **1 (one)** or more nights to be spent away from the councillor's and/or officials' residence, may stay in a hotel, motel, guesthouse, bed and breakfast establishment or shared lodging units comprising more than **1 (one)** bedroom(s);
- (b) The time of departure from residence or office up until the time of arrival back at residence or office shall be used for purposes of calculating the length of absence;
- (c) However, should the limitation of 500 kilometres in paragraph 7.2.1(a) above be impractical due to instances where attendance is required over a number of days, or there is a risk to the health of the councillor and/or official, an exception may be allowed, subject thereto that only the Municipal Manager may approve such exception.

7.2.2 SELECTION

The following shall apply as regards the selection of accommodation –

- (a) The CWDM must utilise the negotiated rates for accommodation as communicated from time to time by the National Treasury through a notice or any other available cheaper accommodation;

- (b) The Municipal Manager, or the Executive Mayor, in the case of the Municipal Manager, may approve accommodation costs that exceed the amount referred to in paragraph 7.2.2(a) only –
 - (i) During peak holiday periods; or
 - (ii) When major local or international events are hosted in a particular geographical area that results in an abnormal increase in the number of local and/or international guests in that particular geographical area;
- (c) Grading of accommodation:
 - (i) Local and domestic travel – a minimum of **3 (three)** or **4 (four)** stars;
 - (ii) International travel – a minimum of **4 (four)** stars;subject to sub-paragraph 7.2(d);
- (d) The selection of accommodation must be judged on availability, location, suitability, safety, etc;
- (e) Accommodation rates for single rooms shall be applicable, unless single rooms are not available or in cases where councillors and/or officials are accommodated in shared lodging units consisting of more than **1 (one)** bedroom, for which a flat rate per unit is applicable;

- (f) Accommodation shall in general be arranged at the venue of business, unless the accommodation rate is extravagantly expensive, in which case other accessible, suitable and more economical accommodation in close proximity of the venue must be arranged;
- (g) Where a councillor and/or an official stays with a relative or friend, no accommodation expenses may be claimed.

7.3 DAILY ALLOWANCES

The following daily allowances shall be paid to councillors and/or officials for purposes of subsistence **7 (seven)** working days prior to departing on official business or may be claimed within **7 (seven)** working days on return, and shall be deemed to have been actually expended to defray the expenses indicated: Provided that claims are timeously submitted by a councillor and/or an official within **12 (twelve)** working days prior to departure:

7.3.1 LOCAL TRAVEL

- (a) No councillor and/or official will be entitled to overnight within as well as outside the area of jurisdiction of the CWDM but within the borders of the Western Cape Province up to a return distance of 500 kilometres from the normal place of work or residence, whichever is the nearest point of departure;

- (b) However, should the limitation of 500 kilometres in paragraph 7.3.1(a) above be impractical due to, inter alia, instances where attendance is required over a number of days **or** if road or any other conditions could risk the safety of councillors and/or officials **or** if overnight accommodation is cheaper than the travelling expenses payable, an exception may be allowed, subject thereto that only the Municipal Manager may approve such an exception, and in the case of the Municipal Manager, only the Executive Mayor or in his/her absence the Deputy Executive Mayor;
- (c) No councillor and/or official will be entitled to be reimbursed for meal(s) and/or incidental expenses within the area of jurisdiction of the CWDM, except in the circumstances as provided for in paragraph 7.3.1(d) below;
- (d) Where a councillor and/or an official is obliged to attend to official business **within** the area of jurisdiction of the CWDM and leaves his/her usual place of work or residence before 06:00 in the morning and/or arrives back at his/her usual place of work or residence after 19:00 in the evening, the following percentage(s) of the allowance as indicated for meals and/or incidental costs in accordance with the determination by the Commissioner for the South African Revenue Service, excluding the amount determined for incidental costs (15%), may be claimed provided that proof of expenditure is submitted to the Chief Financial Officer:
- (i) Breakfast (20%);
 - (ii) Lunch (20%);
 - (iii) Dinner (45%);

- (e) Where overnight stay is not necessitated for official business **outside** of the area of jurisdiction of the CWDM, meal(s) and/or refreshments will be treated as out of pocket expenditure and will be refunded accordingly; provided that proof is supplied that the meal is not part of any conference, seminar, etc paid for by the CWDM;
- (f) Reimbursements will take place on condition that:
 - (i) Breakfast: departure from residence or office must be before 06:00;
 - (ii) Lunch: return to office is after 14:00;
 - (iii) Dinner: return to office is after 20:00.

7.3.2 DOMESTIC TRAVEL⁶

- (a) Where a councillor and/or an official is **not obliged** to spend **1 (one)** or more nights away from his/her usual place of residence on official business **outside** the area of jurisdiction of the CWDM, a daily allowance or advance in accordance with the maximum amount, as determined by the Commissioner for the South African Revenue Service, shall be paid or granted to defray incidental expenses;

⁶ In accordance with the Determination of the daily amount in respect of meals and incidental costs for purposes of section 8(1) of the Income Tax Act, 1962 (Act No. 58 of 1962), as published by the Commissioner for the South African Revenue Service from time to time.

- (b) Where a councillor and/or an official is **obliged** to spend **1 (one)** or more nights away from his/her usual place of residence on official business and the accommodation to which the allowance relates is in the Republic of South Africa, a daily allowance in accordance with the maximum amount, as determined by the Commissioner for the South African Revenue Service, shall be paid or granted to defray –
 - (i) Incidental expenses only; or
 - (ii) The cost of meals and incidental expenses.

7.3.3 INTERNATIONAL TRAVEL

- (a) Expenditure in respect of international travel (outside the borders of the Republic of South Africa) for councillors and/or officials will only be incurred if, in terms of the approved Systems of Delegations, the Executive Mayor together with the Mayoral Committee has granted approval for the attendance of overseas business;
- (b) International travel will be limited to meetings and/or events that are considered as critical and a written motivation must be submitted to the Executive Mayor together with the Mayoral Committee to explain the critical nature of the overseas business;
- (c) The number of councillors and/or officials attending overseas business must be limited to those councillors and/or officials directly involved in the subject matter related to the overseas business;

- (d) Where the accommodation of councillors and/or officials to which an allowance relates is outside the Republic of South Africa and the allowance is either granted or paid to defray the cost of incidental expenses and meals, a special daily allowance in accordance with the amount determined by the Commissioner for the South African Revenue Service, may be claimed;
- (e) The special allowance is comprised as follows:
 - (i) Incidental expenses (15%);
 - (ii) Breakfast (20%);
 - (iii) Lunch (20%);
 - (iv) Dinner (45%);
- (f) Where part of the meals (e.g. breakfast included in the accommodation expenses) is paid by the CWDM, the special daily allowance will be reduced accordingly;
- (g) Where meals or part of the meals is paid by a host, the special daily allowance paid by the CWDM will not be reduced accordingly.

7.4 OUT OF POCKET EXPENSES

- 7.4.1 Councillors shall be reimbursed for actual and necessary out of pocket expenses (except travel and laundry costs), subject thereto that detailed proof of expenditure is submitted with the claim for reimbursement; the Municipal Manager may claim that a councillor motivates the necessity of expenditure.⁷

⁷ See definition of "out of pocket expenses" in paragraph 1

7.4.2 If accommodation has been prepaid by the CWDM on a bed and breakfast (B&B) or bed, breakfast and dinner (BB&D) basis, no claims for reimbursement for substitute meals may be made.

7.5 TRANSPORTATION EXPENSES

The cheapest mode of transport as determined by the discretion of the CWDM shall be explored.

7.5.1 AIR TRAVEL EXPENSES

- (a) The CWDM must utilise the negotiated rates for flights as communicated from time to time by the National Treasury through a notice or any other available cheaper flight.
- (b) The Travel Agent appointed by the District Municipality will only be permitted to make booking arrangements on behalf of the CWDM in line with the Municipal Cost Containment Regulations, 2019 and any applicable Circular issued by National Treasury and may only be utilized for official and cooperate purposes through bookings made by designated personnel members and the utilization of the appointed Travel Agent for personal travel and accommodation arrangements is prohibited.
- (c) The CWDM will only purchase economy class tickets for all councillors and/or officials, irrespective of the flight duration.
- (d) Notwithstanding paragraph 7.5.1(c), the Municipal Manager, or the Executive Mayor in the case of the Municipal Manager, may approve the purchase of business class tickets for a councillor and/or official with a disability or a medically certified condition.

- (e) International travel will be limited to meetings or events that are considered critical. The number of councillors and/or officials attending such meetings or events must be limited to those councillors and/or officials directly involved in the subject matter related to such meetings or events.

- (f) The following expenses with regard to transportation shall be payable by the CWDM:
 - (i) The most economical (cheapest) airline tickets available on the date of booking shall be selected and in this regard, tickets shall be booked as far as possible in advance in order to acquire the benefit of economical bookings – late bookings at a non-economical rate must be properly motivated and specifically authorised by the Municipal Manager before such tickets may be booked.

 - (ii) Councillors and/or officials shall depart and return on the flight(s) as originally booked and may only depart or return on any other flight(s) if there is no additional cost implication of any kind: Provided that if special and/or urgent circumstances prevail, the Municipal Manager may authorise a deviation from this condition, failing which any additional costs related to the cancellation of airline tickets and/or changing of flights, or in cases where the councillor and/or official does not show up for his/her booked flight, shall be regarded as fruitless and/or wasteful expenditure as contemplated in the MFMA and shall be referred to the Municipal Public Accounts Committee (MPAC), and depending on the resultant outcome, shall be recovered by

the CWDM from the salary of the councillor and/or official concerned;^{8 9 10}

- (iii) Airport taxes, travel and transfer duties and surcharges;
- (iv) Travel insurance, except in cases where privately owned vehicles are used by the councillors and/or officials.
- (v) In cases where air travel is the most appropriate means of transport and an official, excluding the Municipal Manager and Heads of Department, prefers to travel in a privately owned vehicle he/she shall be reimbursed the equivalent of the avoided airline ticket cost, being the most economical and practical means of transport; on condition that such an official may not claim for additional accommodation, meals and/or refreshments for a longer period than would have been applicable in the case of air travel.

7.5.2 CAR RENTAL

- (a) A councillor and/or official must utilise the municipal fleet, where viable, before incurring costs to hire vehicles.
- (b) A councillor and/or official must make use of available public transport or a shuttle service if the cost of such a service is lower than –

⁸ See section 32(1)(d) of the MFMA: “... any political office-bearer or official of a municipality who deliberately or negligently made or authorised a fruitless and wasteful expenditure is liable for that expenditure”.

⁹ See section 32(2) of the MFMA: “A municipality must recover unauthorised, irregular or fruitless and wasteful expenditure from the person liable for that expenditure ...”

¹⁰ See section 34(1)(b) of the Basic Conditions of Employment Act, 1997 (Act No. 75 of 1997): “An employer may not make any deduction from an employee’s remuneration unless the deduction is required in terms of a law ...”

- (i) The cost of hiring a vehicle;
 - (ii) The cost of kilometres claimable by the councillor and/or official; and
 - (iii) The cost of parking.
- (c) Not hire vehicles from a category higher than Group B or an equivalent class.
- (d) Where a different class of vehicle is required for a particular terrain or to cater for the special needs of a councillor and/or official, see the written approval of the Municipal Manager before hiring the vehicle.

7.5.3 PRIVATELY OWNED VEHICLES

Where privately owned vehicles are utilised by councillors and/or officials for official travel inside and outside the jurisdiction area of the CWDM, councillors and/or officials shall be reimbursed as follows –

(a) Councillors¹¹

Councillors of the CWDM delegated to attend official business, may claim reimbursement for official distances in a particular month in accordance with the applicable tariffs prescribed by the Department of Transport for the use of privately owned vehicles, subject thereto that a logbook acceptable to SARS reflecting the official and private kilometres travelled per month, must be kept for purposes of determining official distance travelled per month.

¹¹ In accordance with the Determination of Upper Limits and Salaries, Allowances and Benefits of different Members of Municipal Councils as determined by the Minister for Cooperative Governance and Traditional Affairs in terms of the Remuneration of Public Office Bearers Act, 1998 (Act No. 20 of 1998) from time to time.

(b) Heads of Department¹²

Heads of Department delegated to attend to official business, may claim reimbursement for the kilometres travelled in a particular month in accordance with the applicable tariffs prescribed by the Department of Transport for the use of privately owned vehicles, subject thereto that a logbook acceptable to the South African Revenue Service reflecting the official and private kilometres travelled per month, must be kept for purposes of determining official distance travelled per month.

(c) Officials

Officials may submit claims on a monthly basis in respect of official business travel undertaken in their privately owned vehicles in accordance with the applicable transport allowance scheme.

7.5.4 PARKING AND TOLL FEES, BUS AND TAXI FARES

Councillors and/or officials shall be entitled to reimbursement of all parking and toll fees as well as bus and taxi fares upon submission of a duly completed claim form together with proof of expenditure in this regard to the Chief Financial Officer.

¹²In accordance with the Local Government: Municipal Performance Regulations for Municipal Managers and Managers Directly Accountable to Municipal Managers, 2006 and conditions of service as stipulated in the appointees contract of employment.

7.5.5 OTHER TRAVEL-RELATED EXPENSES

The CWDM shall cover the following other travel-related expenses with regard to official business –

(a) PASSPORT AND VISA EXPENSES

Councillors and/or officials shall be entitled to reimbursement of all passport and visa expenses upon submission of a duly completed claim form together with proof of expenditure in this regard to the Chief Financial Officer.

(b) MEDICAL COSTS

The following shall be applicable with regard to medical costs incurred during official business:

(i) International travel

The CWDM shall bear the cost of medical insurance required by international countries prior to arrival at the country of destination, but will not be liable for additional medical expenses not covered by the medical insurance. The insurance cover is only for the period that a councillor and/or official is away from home on a trip relating to official business;

(ii) Local and domestic travel

(aa) Where medical costs may be due to an injury on duty, officials will be covered by the applicable provisions of the Compensation for Occupational Injuries and Diseases Act, 1993 (Act No. 130 of 1993) as well as the short term insurance policy (group accident benefits) of the CWDM.

(bb) The CWDM shall bear the cost of medical insurance in terms of the short term insurance policy (stated benefits) of the CWDM for medical expenses incurred by councillors due to an injury during official business.

8. REPORTS

8.1 A comprehensive exposition regarding –

- (a) The nature and reasons for official business travel;
- (b) Outcomes and benefits derived; and
- (c) Expenses incurred;

in connection with all international official business travel must be reported to the Mayoral Committee at the first meeting after the date of return.

9. OFFENCES AND PENALTIES

9.1 FINANCIAL MISCONDUCT

Any unauthorised, irregular or fruitless and wasteful expenditure either made or permitted by councillors and/or officials, shall be regarded as financial misconduct as contemplated in the MFMA¹³.

9.2 OFFENCES

If found guilty, the following conduct shall be regarded as an offence in terms of the MFMA –

9.2.1 Municipal Manager

The Municipal Manager deliberately or in a grossly negligent way fails to take reasonable steps to prevent unauthorised, irregular or fruitless and wasteful expenditure with regard to this Policy;¹⁴

9.2.2 A Head of Department or other official exercising financial management responsibilities and to whom a power or duty has been delegated with regard to this Policy deliberately or in a grossly negligent way contravenes or fails to comply with a condition of the delegation;¹⁵

¹³ See section 171(1)(c), 171(2)(c), 171(3)(c) of the MFMA

¹⁴ See section 173(1)(a)(iii) of the MFMA

¹⁵ See section 173(3) of the MFMA

9.2.3 A councillor - ¹⁶

- (a) Deliberately influences or attempts to influence the Municipal Manager, Chief Financial Officer, a Head of Department or any other official to contravene a provision of the MFMA or with specific regard to this Policy.
- (b) Interferes in the financial management responsibilities or functions assigned in terms of the MFMA to the Municipal Manager of the Municipality or delegated to the Chief Financial Officer of the Municipality in terms of the MFMA.

9.3 DISCIPLINARY STEPS AND CRIMINAL PROCEEDINGS

9.3.1 The Municipal Manager must ensure that disciplinary or, when appropriate, criminal proceedings are instituted against any official who has allegedly committed an act of financial misconduct or an offence in terms of Chapter 15 of the MFMA;¹⁷

9.3.2 The Municipality must investigate allegations of financial misconduct and if the investigation warrants such a step, institute disciplinary proceedings against the Municipal Manager or Heads of Department or other official with regard to acts of financial misconduct.¹⁸

¹⁶ See section 173(4) of the MFMA

¹⁷ See section 62(1)(e) of the MFMA

¹⁸ See section 171(4)(b) of the MFMA

9.4 PENALTIES

A person is liable on conviction of an offence in terms of section 173 of the MFMA to imprisonment for a period not exceeding **5 (five)** years or an appropriate fine determined in terms of applicable legislation.¹⁹

10. EFFECTIVE DATE

This Policy shall commence on the date on which it was adopted by Council and shall remain in full force and effect until it is reviewed, revoked or amended by Council.

¹⁹ See section 174