



Reference number: RCS/C.6

Private Bag X9165
CAPE TOWN
8000

TREASURY CIRCULAR NO. 13 OF 2023

- THE PREMIER
- THE MINISTER OF AGRICULTURE
- THE MINISTER OF CULTURAL AFFAIRS AND SPORT
- THE MINISTER OF EDUCATION
- THE MINISTER OF FINANCE AND ECONOMIC OPPORTUNITIES
- THE MINISTER OF HEALTH
- THE MINISTER OF INFRASTRUCTURE
- THE MINISTER OF LOCAL GOVERNMENT, ENVIRONMENTAL AFFAIRS AND DEVELOPMENT PLANNING
- THE MINISTER OF MOBILITY
- THE MINISTER OF POLICE OVERSIGHT AND COMMUNITY SAFETY
- THE MINISTER OF SOCIAL DEVELOPMENT
- THE SPEAKER: PROVINCIAL PARLIAMENT
- THE DEPUTY SPEAKER: PROVINCIAL PARLIAMENT
- THE EXECUTIVE AUTHORITY: WESTERN CAPE GAMBLING AND RACING BOARD (MINISTER M WENGER)
- THE EXECUTIVE AUTHORITY: WESTERN CAPE NATURE CONSERVATION BOARD (MINISTER A BREDELL)
- THE EXECUTIVE AUTHORITY: WESTERN CAPE INVESTMENTS AND TRADE PROMOTION AGENCY (MINISTER M WENGER)
- THE EXECUTIVE AUTHORITY: SALDANHA BAY IDZ LICENCING COMPANY (MINISTER M WENGER)
- THE EXECUTIVE AUTHORITY: WESTERN CAPE CULTURAL COMMISSION (MINISTER A MARAIS)
- THE EXECUTIVE AUTHORITY: WESTERN CAPE LANGUAGE COMMITTEE (MINISTER A MARAIS)
- THE EXECUTIVE AUTHORITY: WESTERN CAPE HERITAGE (MINISTER A MARAIS)
- THE EXECUTIVE AUTHORITY: CASIDRA (MINISTER IH MEYER)
- THE EXECUTIVE AUTHORITY: WESTERN CAPE LIQUOR AUTHORITY (MINISTER R ALLEN)
- THE ACCOUNTING OFFICER: VOTE 1: PREMIER (DR H MALILA)
- THE ACCOUNTING OFFICER: VOTE 2: PROVINCIAL PARLIAMENT (MR R ADAMS)
- THE ACCOUNTING OFFICER: VOTE 3: PROVINCIAL TREASURY (MR D SAVAGE)
- THE ACCOUNTING OFFICER: VOTE 4: POLICE OVERSIGHT AND COMMUNITY SAFETY (ADV. Y PILLAY)
- THE ACCOUNTING OFFICER: VOTE 5: EDUCATION (MR B WALTERS)
- THE ACCOUNTING OFFICER: VOTE 6: HEALTH AND WELLNESS (DR K CLOETE)
- THE ACCOUNTING OFFICER: VOTE 7: SOCIAL DEVELOPMENT (DR R MACDONALD)
- THE ACCOUNTING OFFICER: VOTE 8: MOBILITY (MR K REINECKE)
- THE ACCOUNTING OFFICER: VOTE 9: ENVIRONMENTAL AFFAIRS AND DEVELOPMENT PLANNING (MR G GERBER)
- THE ACCOUNTING OFFICER: VOTE 10: INFRASTRUCTURE (MS J GOOCH)
- THE ACCOUNTING OFFICER: VOTE 11: AGRICULTURE (DR M SEBOPETSA)
- THE ACCOUNTING OFFICER: VOTE 12: ECONOMIC DEVELOPMENT AND TOURISM (MR V DUBE)
- THE ACCOUNTING OFFICER: VOTE 13: CULTURAL AFFAIRS AND SPORT (MR G REDMAN)
- THE ACCOUNTING OFFICER: VOTE 14: LOCAL GOVERNMENT (MR G PAULSE)
- THE CHIEF FINANCIAL OFFICER: VOTE 1: PREMIER (MR D BASSON)
- THE CHIEF FINANCIAL OFFICER: VOTE 2: PROVINCIAL PARLIAMENT (MS N PETERSEN)
- THE CHIEF FINANCIAL OFFICER: VOTE 3: PROVINCIAL TREASURY (MS A SMIT)
- THE CHIEF FINANCIAL OFFICER: VOTE 4: POLICE OVERSIGHT AND COMMUNITY SAFETY (MR M FRIZLAR)
- THE CHIEF FINANCIAL OFFICER: VOTE 5: EDUCATION (MR L ELY)
- THE CHIEF FINANCIAL OFFICER: VOTE 6: HEALTH AND WELLNESS (MR S KAYE)
- THE CHIEF FINANCIAL OFFICER: VOTE 7: SOCIAL DEVELOPMENT (MR JO SMITH)
- THE CHIEF FINANCIAL OFFICER: VOTE 8: MOBILITY (MR F DE WET)
- THE CHIEF FINANCIAL OFFICER: VOTE 9: ENVIRONMENTAL AFFAIRS AND DEVELOPMENT PLANNING (MR RT MOSOME)
- THE CHIEF FINANCIAL OFFICER: VOTE 10: INFRASTRUCTURE (ADV. C SMITH)
- THE CHIEF FINANCIAL OFFICER: VOTE 11: AGRICULTURE (MR F HUYSAMER)
- THE CHIEF FINANCIAL OFFICER: VOTE 12: ECONOMIC DEVELOPMENT AND TOURISM (MS M ABRAHAMS)
- THE CHIEF FINANCIAL OFFICER: VOTE 13: CULTURAL AFFAIRS AND SPORT (MS BG RUTGERS)
- THE CHIEF FINANCIAL OFFICER: VOTE 14: LOCAL GOVERNMENT (MS B SEWLALL-SINGH)

} For information

THE ACCOUNTING AUTHORITY: WESTERN CAPE GAMBLING AND RACING BOARD (MR D LAKAY)
 THE ACCOUNTING AUTHORITY: WESTERN CAPE NATURE CONSERVATION BOARD (PROF. D HENDRICKS)
 THE ACCOUNTING AUTHORITY: WESTERN CAPE INVESTMENTS AND TRADE PROMOTION AGENCY (MR D GREEN)
 THE ACCOUNTING AUTHORITY: SALDANHA BAY IDZ LICENCING COMPANY (MR H METTLER) (ACTING)
 THE ACCOUNTING AUTHORITY: WESTERN CAPE CULTURAL COMMISSION (MS J MOLELEKI)
 THE ACCOUNTING AUTHORITY: WESTERN CAPE LANGUAGE COMMITTEE (MS J MOLELEKI)
 THE ACCOUNTING AUTHORITY: WESTERN CAPE HERITAGE (MR M DLAMUKA)
 THE ACCOUNTING AUTHORITY: CASIDRA (PROF. J KIRSTEN)
 THE ACCOUNTING AUTHORITY: WESTERN CAPE LIQUOR AUTHORITY (MR R KINGWILL)
 THE CHIEF EXECUTIVE OFFICER: WESTERN CAPE GAMBLING AND RACING BOARD (MR P ABRAHAMS)
 THE CHIEF EXECUTIVE OFFICER: WESTERN CAPE NATURE CONSERVATION BOARD (DR R OMAR)
 THE CHIEF EXECUTIVE OFFICER: WESTERN CAPE INVESTMENTS AND TRADE PROMOTION AGENCY (MS W STANDER)
 THE CHIEF EXECUTIVE OFFICER: SALDANHA BAY IDZ LICENCING COMPANY (MS K BEUKES)
 THE CHIEF EXECUTIVE OFFICER: CASIDRA (DR K DU PLESSIS)
 THE CHIEF EXECUTIVE OFFICER: WESTERN CAPE LIQUOR AUTHORITY (MR S GEORGE)
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 THE CHIEF FINANCIAL OFFICER: WESTERN CAPE INVESTMENTS AND TRADE PROMOTION AGENCY (MR S GCWABE)
 THE CHIEF FINANCIAL OFFICER: SALDANHA BAY IDZ LICENCING COMPANY (MR H BONESCHANS)
 THE CHIEF FINANCIAL OFFICER: WESTERN CAPE CULTURAL COMMISSION (MS B RUTGERS)
 THE CHIEF FINANCIAL OFFICER: WESTERN CAPE LANGUAGE COMMITTEE (MS B RUTGERS)
 THE CHIEF FINANCIAL OFFICER: WESTERN CAPE HERITAGE (MS B RUTGERS)
 THE CHIEF FINANCIAL OFFICER: CASIDRA (MR F VAN ZYL)
 THE CHIEF FINANCIAL OFFICER: WESTERN CAPE LIQUOR AUTHORITY (MR S ADAMS) (ACTING)
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 THE CHIEF DIRECTOR: PROVINCIAL GOVERNMENT PUBLIC FINANCE (MS A PICK)
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 THE CHIEF DIRECTOR: ASSET MANAGEMENT (MR I SMITH)
 THE CHIEF DIRECTOR: FINANCIAL GOVERNANCE AND ACCOUNTING (MR A HARDIEN)
 THE CHIEF FINANCIAL OFFICER (MS A SMIT)
 THE HEAD: OFFICE OF THE FINANCE MINISTRY (MR R BRUETON)
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 THE DIRECTOR: FINANCIAL GOVERNANCE (MS M VAN NIEKERK)
 THE DIRECTOR: FISCAL POLICY (MR M BOOYSEN)
 THE DIRECTOR: INFRASTRUCTURE (MS S VAN BREDA) (ACTING)
 THE DIRECTOR: LOCAL GOVERNMENT ACCOUNTING (MR F SALIE)
 THE DIRECTOR: LOCAL GOVERNMENT BUDGET OFFICE (MS N RINQUEST)
 THE DIRECTOR: LOCAL GOVERNMENT REVENUE AND EXPENDITURE (GROUP ONE) (MR T NTSHINGILA)
 THE DIRECTOR: LOCAL GOVERNMENT REVENUE AND EXPENDITURE (GROUP TWO) (MR I TSIE)
 THE DIRECTOR: LOCAL GOVERNMENT MFMA COORDINATION (MR D CRONJE)
 THE DIRECTOR: LOCAL GOVERNMENT SUPPLY CHAIN MANAGEMENT (MS L SALLIES) (ACTING)
 THE DIRECTOR: PROVINCIAL GOVERNMENT ACCOUNTING (MS A ABOO)
 THE DIRECTOR: PROVINCIAL GOVERNMENT BUDGET OFFICE (MS T VAN DE RHEEDE)
 THE DIRECTOR: PROVINCIAL GOVERNMENT FINANCE (EXPENDITURE MANAGEMENT) (MS M NICHOLAS)
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 THE DIRECTOR: SUPPORTING AND INTERLINKED FINANCIAL SYSTEMS (MR A MAZOMBA)
 THE PROVINCIAL AUDITOR
 MASTER RECORDS OFFICIAL: BUSINESS INFORMATION AND DATA MANAGEMENT
 THE DEPUTY DIRECTOR-GENERAL: CORPORATE ASSURANCE, DEPARTMENT OF THE PREMIER (MS H ROBSON)

PUBLIC FINANCE MANAGEMENT ACT SUPPLY CHAIN MANAGEMENT INSTRUCTION NO. 06 OF 2022/2023: NATIONAL TRAVEL FRAMEWORK

1. PURPOSE

1.1 The purpose of this circular is to inform accounting officers and accounting authorities of:

- a) the National Treasury (NT) Public Finance Management Act (PFMA) Supply Chain Management (SCM) Instruction No. 06 of 2022/2023: National Travel Framework (NTF) (attached hereto marked Annexure A); and
- b) the National Travel Framework signed on 8 July 2022 (attached hereto marked Annexure B).

- 1.2 Note further that this circular must be read in conjunction with Provincial Treasury Circular No. 29 of 2022 which communicated NT Instruction No. 07 of 2022/2023 which prescribed the cost containment measures related to Travel and Subsistence for further understanding and application.

2. BACKGROUND AND CONTEXT

2.1 In 2017, the NT issued NT Instruction Note (IN) No. 2 of 2017/18 prescribing the National Travel Policy Framework to be implemented by accounting officers/accounting authorities of procuring institutions. Subsequently in 2019, the NT issued two draft National Travel Policy Frameworks for comment. The Western Cape Government (WCG) provided comments to the draft NTF of which most of the comments were considered and taken up in the revised NTF. The Provincial Treasury (PT) concluded an impact assessment on the revised NTF issued via NT instruction note No 06 of 2022/2023. A synopsis of the key issues in respect of the NTF are highlighted hereunder:

- a) There still appears to be a disparity in treatment of different ranking officials and what would be allowable at the different salary bands for flights. It is practice in the WCG that all officials utilise economy class unless there are practical reasons to dictate or motivate otherwise, exceptions may however apply subject to the approval of the accounting officer or accounting authority;
- b) Cost containment measures as well as the NTF appears to be applied to lower levels and ranks whilst the upper salary bracket have the leeway or privilege to incur the higher expenditure as a right because of the salary bracket/post description. The bulk of the expenditure is however incurred by the executive top management components for travel and accommodation. The question should not be affordability in a personal capacity but what is reasonable, affordable and of value for money from a government context; and
- c) The NTF still differentiates when it comes to car hire and the star rating (standard class of domestic accommodation must be a three-star establishment or equivalent accommodation establishment and four-star establishment or equivalent accommodation establishment based on the level of employment) being commensurate with the level of employment.

2.2 The PT initially communicated its stance in respect of the provincial travel transversal contract and interim arrangements via Treasury Circular 11 of 2017 and indicated that a provincial travel policy and contract will be concluded. It was subsequently indicated that National Treasury would issue a travel management policy and transversal booking tool which halted the provincial process. Institutions were required to in the interim, appoint travel agencies to assist with travel arrangements. Departments and public entities must note that PT Circular 11 of 2017 is repealed via this Treasury Circular.

2.3 Departments and public entities are required to note that National Treasury Instruction No. 04 of 2016/2017, which prescribed the minimum bid specification requirements for travel management services with Annexures A-A4 remains applicable (Attached herewith as Annexure C) and may be utilised to procure the services of travel management companies.

2.4 Paragraph 5.1 (c) of Treasury Circular No. 29 of 2022 states that:

“NT has issued a National Travel Framework (Instruction Note 06 of 2022/23) for implementation 1 September 2021. The PT requested an extension from the NT on the implementation date of the NTF to 1 April 2023 which was subsequently granted by NT on condition that departments and public entities abide by the requirements of the current provincial travel framework and SOPs, (NT endorsement is herewith attached as annexure H, which institutions must maintain as part of their audit trail). The PT is in the process of developing a pro-forma travel framework and SOPs for the Province to give effect to the minimum requirements of the National Travel Framework and to maintain standardisation across provincial departments and public entities.”

2.5 Assessment process is followed within the PT for all NT policies and instructions issued which impacts on the SCM environment. This is in order to determine whether the requirements are rational, practical, and implementable; and whether or not it has any associated risks. This is a detailed process which requires further consultation with different stakeholders where deemed necessary. An assessment of the departmental travel policies and SOP's was concluded to ascertain alignment to the National Travel Framework Policy, 2022 issued via NTI No. 06 of 2022-23.

2.6 The assessment concluded that most of the provincial departmental policies and SOP's submitted to the PT were aligned to the previously issued cost containment instructions and National Travel Policy issued by the NT.

2.7 Although the National Travel Framework Policy was not issued by 1 April 2023 as required by the National Treasury endorsement, the cost containment measures issued via NTI No. 07 of 2022-23 are also included in the NTF, which was issued via Treasury Circular No. 29 of 2022 to which all provincial departments have aligned to.

2.8 Departments are required to note the key considerations as highlighted in paragraph 3 below.

3. NATIONAL TRAVEL FRAMEWORK (NTF)

3.1 Without having to repeat the full context of NT Instruction No. 06 of 2022/23 and the attached NTF the following must be noted:

3.1.1 The accounting officer/accounting authority (AO/AA) of the procuring institutions are required to align or develop their own institutional policies and procedures using the NTF as a minimum standard and may adapt the principles contained in the NTF;

3.1.2 The institution's / department's Travel Policy must be approved by the AO/AA or delegated official.

3.1.3 It must be noted that the NTF was issued without standard operating procedures (SOP's). In the absence of such SOP's, departments and public entities must ensure that their institutional travel and expense policies and SOP's are aligned to the NTF.

3.1.4 The NTF makes reference to the "best price of the day" which remains problematic as it is difficult to substantiate if the Travel Management Company (TMC) offered the best price of the day. The PT previously brought this risk to the attention of the NT. The "best price of the day" may not necessarily be the appropriate option for the particular traveller as other factors may play a role (the time and place of meetings) hence the "best price of the day" will only be applied if it meets the requirements of the traveller in terms of practicality, implement ability and value for money considerations;

3.1.5 Paragraph 5.2.2 of NT instruction No. 07 of 2022/2023 and the NTF paragraph 13.1.4 states that:

“Where more than one Traveller/official is attending the same event or meeting, they must coordinate the renting of cars or shuttle services in order to reduce the cost. This provision also applies to SMS officials using their own vehicle or MMS that has structured for a vehicle allowance.”

This requirement only applies where the institution has determined it to be feasible/reasonable to implement. The reasons for decision-making process must be documented as part of the departmental policy for audit purposes.

3.1.6 In terms of paragraph 10.5 of the NTF:

“A transparent relationship between the institution and the Travel Management Company (TMC) must be maintained and any commissions earned through an institution's volumes will be reimbursed to that institution. Where it is found or suspected that commissions are earned by the TMC for a specific institution's travel bookings, the institution may demand that all these commissions must be declared and reimbursed to the relevant institution or set-off against the TMC fees to the credit of the institution”.

3.1.7 It should be noted that non-compliance to this requirement is difficult to detect, manage and enforce with TMCs and it must be noted that the WCG has previously brought this risk to the attention of the NT, however the NT has not taken up the comments made by the WCG. Departments and public entities were advised via Treasury Circular No. 29 of 2022 that when departments and public entities enter into contracts with the TMCs that this requirement be built into the requirements of the bid, and must be managed via the Service Level Agreement (SLA). Reporting and contract management requirements must be put in place to manage and mitigate against risks and to ensure transparent relationship with the TMC is maintained.

3.1.8 Paragraph 13.3.1 of the NTF states that:

“Travellers may make use of public transport (i.e. Gautrain, taxis, municipal bus services, Uber, etc.) if it is safe, practical and more cost effective than the cost of car rental or shuttle services.”

It is at the discretion of the institution to implement public transport, Uber, Gautrain and taxi municipal bus services, etc. options as cost effective modes of transport, taking cognisance of the safety of the travellers. The reason for decision-making processes must be documented in the departmental policy for audit purposes.

3.1.9 Paragraph 5.10.1 of NT Instruction No. 07 of 2022/2023 states the following:

“All claims must be based on the actual distance travelled calculated from the place of work to the destination.”

Paragraph 13.1.2 of the National Travel Framework states that:

“Any journey where the official departs from his or her residence directly to a place of duty and, or, returns from such a venue directly to his or her residence, is considered an official business trip. In such cases, the claim must be based on the actual kilometres travelled.”

The PT requested clarity in terms of the inconsistency between the two paragraphs to which the NT responded and referenced paragraph 4.7 of the NTF which stipulates that: *“Where there is any inconsistency between the NTF and the Institutional Travel Policy and/or SOPs, the NTF will prevail.”* The Provincial Treasury has previously brought it to the attention of the National Treasury that a framework cannot supersede an instruction. Although the PT is not in agreement with the said communication received from the NT, it is advised that paragraph 4.7 of the NTF be honoured given that it is the NT intent that this requirement supersedes any other. Departments and public entities are required to approach the PT if audit findings are raised in this regard.

3.1.10 Paragraph 14.1.1 of the NTF states that:

“Institutions must have a travel and subsistence policy (Institutional Travel Policy) in terms of which the Institution will pay employees who are required to spend at least one night away from their usual place of residence on local travel for business purposes, an allowance for each night away to cover personal expenses such as meals, refreshments and laundry.”

3.1.11 Reimbursable expenses did not form part of the previous NTF therefore departments and public entities are required to note that certain expenses are reimbursable via its institutional expense claim policy and/or procedures while on official business. Institutions may only reimburse costs on submission of proof of expenditure as it relates to paragraph 14.2.1 (a-m) of the NTF; and

3.1.12 Non-reimbursable expenses did not form part of the previous NTF therefore institutions may not reimburse claims as mentioned in paragraph 14.2.1 (a-j) of the NTF.

4. REPEAL

4.1 The following instruments are hereby repealed:

- a) NT PFMA SCM Instruction No. 06 of 2022-23 repeals NT Instruction No. 2 of 2017/2018 on National Travel Policy Framework and its related Annexure (National Travel Policy Framework 1st Edition); and
- b) PT Circular No. 11 of 2017.

5. REQUEST

5.1 Accounting officers and accounting authorities must note:

- a) the content of this Circular and communicate the requirements to officials under their control responsible for the functions depicted in this Circular; and
- b) that this Circular takes effect on the date of issuance.

6. ENQUIRIES

6.1 All enquiries in respect of this circular or any other enquiries in respect of procurement must be directed to: SupplyChainManagement.HDPFMA@westerncape.gov.za



DAVID SAVAGE
HEAD OFFICIAL PROVINCIAL TREASURY

DATE: 17.5.2023