



Province of the  
**EASTERN CAPE**  
DEPARTMENT OF EDUCATION

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All Directors (Head office and Districts)  
All Chief Directors (Cluster and Head Office)  
All Responsible Managers (Head office and Districts)  
Cc Chief Financial Officer  
Cc DDG (IOM)  
Cc Chief Director: Head of Department office  
Cc Director: MEC office

**CIRCULAR NUMBER:      20 OF 2016:**

**POST AUDIT FINDINGS ON SUBSISTENCE AND TRAVEL ALLOWANCE:**

**DEPARTMENT POLICY EFFECTIVE 1 APRIL 2006**

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**BACK GROUND**

1. This communique is issued due the Internal Control, Post audit findings on Subsistence and Travelling Allowance.
2. Contained herein is the Department of Education, Subsistence and Allowance Policy, which was issued in 1 April 2006.
3. **DEFINITIONS**

3.1 " Delegated Authority " Means an official who has been delegated powers or instructed to perform duties assigned by the Accounting officer.

3.2 "Subsistence Allowance " means expenditure in respect of accommodation, meals.

3.3 " Incidental Expenditure "Means the expenditure in respect of reading matters, private calls and liquid refreshments which do not form part of the meals.

3.4 "Head Quarters " Means the city, town or place where the principal duties of an official are or have to be performed or which may be indicated as his/her

headquarters by the department of Education or which may be indicated as his /her location on his/her job description.

3.5 "Home "means a place where an official resides daily. This include rented accommodation, boarding, residence that is registered in an official's name whether single, with his /her spouse or life partner and where and official resided daily, and residence that is not registered in the officials' name but where he /she resides daily with his /her parents, family or friends.

3.6 " Official duty " means official absence from headquarters on official business as authorized by the department of education.

3.7 "Source documents "means as per Head of department instruction dated 23 January 2015.

- Invitation for the meeting.
- Signed attendance register.
- Written report for the meeting.

3.8 "Suspected Corrupt and fraudulent transactions "means corrupt and fraudulent Subsistence and Allowance claims which are but not limited to:

- a) traveling with a small vehicles vehicle and claiming for larger vehicle.
- b) Passenger making claims as if he/she drove with own vehicle.
- c) Using a GG car and make claims as if he/she drove with own vehicle.
- d) Abuse of Travel claims
  - Signing attendance registers yet employee was never at the meeting.
  - Trips claimed for on the Logs in respect of trips ( Z79 ) yet these trips are not on the Line managers weekly programme for subsidized vehicles .

**4. LEGAL FRAMEWORK**

- 4.1 In terms of PFMA Treasury Regulation 17.1.1 the Accounting officer must ensure that all transactions must be supported by authentic and verifiable source documents, clearly indicating the approved accounting allocation.
- 4.2 In terms of PFMA and the Prevention and combating Corrupt Activities Act, no 12 of 2004, (PCCA) there is a duty on persons holding position of authority, responsible line managers and supervisors, to report known or suspected fraudulent and corrupt activities to the Accounting Officer delegated officials, which is Labour Relations and Risk Management.

**5 GENERAL**

- 5.1 The subsistence and travel scheme is intended to compensate officials while away from home to perform official duties.
- 5.2 An official that is away from his workplace on official duties but reside at his /her home cannot claim special daily allowance or fixed daily subsistence allowance.
- 5.3 Officials must submit a Subsistence and Travelling claim within the HRM prescribed fourteen (14) days after the trip together with all relevant source documentation to Line manager.
- 5.4 Any journey between the officials home and their place of work constitutes private travel.
- 5.5 Similarly, the journey from official's head Quarters, in respect of those staying in East London and attending a meeting at East London Institute constitute private Travel.
- 5.6 Officials who are passengers in vehicles must not submit claims as if they drove with the own vehicles and such claims are fraudulent claims.
- 5.7 When using a GG car, no claims regarding kilometers travelled must be made and such claims are fraudulent.

5.8 Should an official have to go to the office and from there on to the meeting /workshop /course, the kilometers travelled will be calculated from his /her workplace.

5.9 The subsistence allowance is not to:

- a) Compensate an official for any discomfort.
- b) Supplement an official's salary.

## **6 PAYMENT PROCESS**

6.1 It is the responsibility of the Line manager certifying the subsistence claim form to ensure that the amounts being claimed are responsible and within the determined limits.

6.2 Where deviations are detected, the amounts on the claim form must be amended prior to the claim being authorized and processed.

6.3 The official approving the claim must be satisfied that all the prescripts have been met and that the claim is generally in order.

## **7 ECONOMY AND EFFICIENCY**

8 The Head of Department internal memorandum dated 22 January 2015 clearly states that the amount of travelling of SMS and MMS have increased considerably. Cost must be cut to the minimum, but not at the expense of results to ensure there is an optimum balance between costs and results.

9 Every effort must be made to keep costs (economy) to the minimum, but without adversely affecting the achievement of results (efficiency).

**BELOW IS POLICY OF THE DEPARTMENT FOR EASY INFORMATION**

10 The information below was copied As- Is from the Department Policies handbook:

**Accommodation**

11.1.6.1.12.1 Care should be taken to ensure that the most cost-effective accommodation is utilised at all times. Hotels of a grading of no higher than 3-star must be utilised.

11.1.6.1.12.2 The Department may register all employees of the Department as "Frequent Guests" with the hotel establishment agreed upon through collective agreement.

**11.1.6.1.13 Subsistence Allowances and Incidental Expenses whilst on Official Local Journeys (journeys within the borders of South Africa)**

11.1.6.1.13.1 Allowance tariffs for local journeys are prescribed in terms of Resolution No. 3 of 1999. Provision is made for two types of allowances –

(a) **A special daily allowance** to compensate for incidental expenses in cases where actual expenses incurred are claimed with the necessary documentary proof; and

(b) **A fixed daily subsistence allowance** payable in cases where actual expenses are not claimed, but a fixed rate is claimed.

11.1.6.1.13.2 An allowance for local official journeys will be paid when employees are away from their place of employment for 24 hours or more. The allowance will be calculated from the time the employee departs from his/her place of employment or residence (whichever is the later) and will end when the employee arrives back at his/her place of employment or residence (whichever is the earlier).

11.1.6.1.13.3 The **special daily allowance**, paid when actual expenses are claimed for reimbursement, must be utilised to cover incidental expenses relating to, *inter alias*:

- (a) Private phone calls;
- (b) Tips;
- (c) Room service charges;
- (d) Newspapers;
- (e) Snacks and refreshments between meals;

11.1.6.1.13.4 The following guidelines for meals will apply for claims for actual expenses incurred –

(a) Breakfast – A maximum as prescribed currently will be allowed for breakfasts. It must be noted that the cost of breakfast can only be claimed if it is not included in the cost of the accommodation. The cost of breakfast can, only be claimed if the employee departs from his/her residence before 06:00.

(b) Lunch and dinner – A maximum as prescribed currently will be allowed for lunch and dinner. It must be noted that the cost of dinner will only be reimbursed if the employee returns to his/her residence after 20:00.

(c) Detailed, itemised receipts for all expenses incurred must be submitted as proof and attached to the claim form submitted. The Department will only reimburse employees for **one non-alcoholic drink** per meal per person.

- (d) No proof of expenditure is required in cases where employees submit claims for the **fixed daily subsistence allowance**.

**11.1.6.1.14 Subsistence Allowances and Incidental Expenses whilst on official journeys abroad (journeys outside the borders of South Africa).** Specific allowance rates for different destinations are prescribed in terms of the Public Service Administration Regulations.

11.1.6.1.14.1 An allowance for official journeys abroad will be paid when employees are away from their place of employment for 24 hours or more. The allowance will be calculated from the time the employee departs from the airport and will end when the employee arrives back at the airport after the journey.

11.1.6.1.14.2 Foreign allowances are non-accountable which means that no receipts and invoices need to be submitted.

11.1.6.1.15 Accommodation and laundry expenses will be paid by the Department upon receipt of receipts and should be submitted on the prescribed claim forms, together with the necessary documentation **on condition that the host county does not pay these.**

11.1.6.1.16 When foreign journeys are funded by donor agencies, the following principles will apply –

- (a) If donor agencies provide a daily allowance equal to, or higher, than the prescribed allowance, the employee will not receive an allowance from the Department.
- (b) If the daily allowance provided by the donor agency is less than the prescribed daily allowance, the Department will pay the difference, unless otherwise directed by the Head of the Department.
- (c) In cases where the expenses relating to the journey are to be paid by the donor agency on receipt of a claim from the Department, the employee will be responsible for –
  - (i) Obtaining approval for acceptance of the sponsorship from the Head of the Department, or delegated authority;
  - (ii) Obtain written proof of the donor arrangements, prior to the journey; and
  - (iii) Submit proof of all expenses (i.e. receipts, invoices, and copies of tickets) in order for the claim on the donor agency to be processed.

### 11.1.7 Roles and Responsibilities

#### 11.1.7.1 The Role of the Institution

11.1.7.1.1 The role of the Head of Institution is to:

- (a) Ensure that employees are compensated accordingly in terms of the appropriate legislations, regulatory frameworks and departmental collective agreements.

#### 11.1.7.1.2 The Role of the Line Manager



- (a) Ensure that the employee's claim forms on official travel are completed appropriately;
- (b) Ensure that the completed claims for official travel are sent to the relevant person;
- (c) Ensure that the supporting documents for claims are provided where necessarily;
- (d) Ensure that employees are reimbursed timeously for expenses incurred whilst on official journeys;
- (e) Certify the claims submitted on official traveling as correct.

**11.1.7.1.3 The Role of the Employee**

- (a) Ensure strict compliance with the policies and procedures relating to subsistence allowance and incidental expenses.

**11.1.7.2 The Role of the District**

11.1.7.2.1 The role of the Human Resource Administration is to:

- (a) Ensure that claims and transactions for official travel allowances are registered and processed;
- (b) Maintain records of all travel claims

**11.1.7.3 The Role of Head Office**

11.1.7.3.1 The Role of the Directorate Human Resource Administration is to:

- (a) Report to the CFO on official traveling on quarterly basis;
- (b) Ensure that records on official traveling are kept and maintained;
- (c) Monitor and evaluate the implementation of official travel policy for educators in the Department;
- (d) Effect the changes towards the policy where necessarily possible;

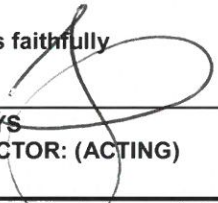
**11.1.8 Monitoring, Evaluation and Reporting**

- 11.1.8.1 The District Office should report on substance and travel allowance claimed in the District on a monthly basis to the Director HRA on the prescribed format attached to the Procedural Manual.
- 11.1.8.2 The Director HRA consolidate the monthly reports from the Districts on the prescribed format attached to the Procedural Manual and report accordingly to the Chief Director Human Resource Management.
- 11.1.8.3 Official Travel should be monitored and limited to only essential traveling. The Chief Director Human Resource Management is responsible for monitoring and evaluation and to report to the CFO on quarterly basis on official traveling of employees within the Eastern Cape Department of Education.

#### 11.1.9 Implementation

This policy was approved by the Superintendent General and the Department's Senior Management Team on the 28<sup>th</sup> March 2006 and is effective from 1<sup>st</sup> April 2006. This policy supersedes all previous policies relating to this area, which are hereby repealed.

Yours faithfully

  
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**T THYS**  
**DIRECTOR: (ACTING)**

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I acknowledge receipt of the above letters.