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**TO ALL: ACCOUNTING OFFICERS  
ACCOUNTING AUTHORITIES  
CHIEF FINANCIAL OFFICERS**

## PROVINCIAL INSTRUCTION NOTE NO. 2 OF 2025/26

### REDEEMING OF TRAVEL AND ACCOMMODATION VOUCHERS FOR CASH

#### PURPOSE

1. The purpose of this Provincial Instruction Note is to notify Eastern Cape Provincial departments and public entities of the provisions prohibiting the traveler (government employees) from requesting or demanding cash from an accommodation establishment in lieu of the meal cost included in the traveler's accommodation voucher.

#### BACKGROUND

2. Accounting Officers and Accounting Authorities are required to implement control measures to ensure that all expenditure in their respective institutions is necessary, appropriate, cost effective and is recorded and reported as prescribed by the relevant legislative framework.

3. Accounting Officers and Accounting Authorities are responsible for ensuring that all employees are mindful of the current economic realities and the need to intensify efforts to improve efficiency in expenditure as well as prudent financial management and good governance.

## LEGISLATIVE FRAMEWORK

4. Section 18 (2) (a) of the PFMA empowers Provincial Treasury to issue instructions not inconsistent with the PFMA.
5. Section 38 (1) (b) of the PFMA requires Accounting Officers of departments and constitutional institutions to be responsible for the effective, efficient, economical and transparent use of the resources.
6. Section 38 (1) (c) (ii) of the PFMA requires Accounting Officers of departments and constitutional institutions to take effective and appropriate steps to prevent unauthorised, irregular and fruitless and wasteful expenditure as well as losses resulting from criminal conduct.
7. Section 51 (1) (b) (ii) of the PFMA requires the Accounting Authority of a public entity to take effective and appropriate steps to prevent unauthorised, irregular and fruitless and wasteful expenditure as well as losses resulting from criminal conduct, and expenditure not complying with the operational policies of the public entity.
8. Treasury Regulations issued in terms of Section 76 of the PFMA stipulates that:
  - 8.1. The accounting officer or accounting authority must take all reasonable steps to prevent abuse of the supply chain management system (Treasury Regulation 16A9.1 (a)).
9. The Public Service Code of Conduct clause 4.5.3 states that an employee must not use his or her official position to obtain private gifts or benefits for himself or herself during the performance of his or her official duties nor does he or she accept any gifts or benefits when offered as these may be construed as bribes.

10. Public Service Regulations, 2016: Chapter 2; Sections 11 to 15 articulate the manner in which public servants are expected to conduct themselves when they are interacting with the public. In carrying out their official duties, public servants have to conduct themselves in a manner that is ethical and they must adhere to the Constitution and all other laws of the Republic of South Africa.
11. The Prevention and Combating of Corrupt Activities Act No.12 of 2004, Part 2 Section 4 defines the offences in respect of corrupt activities relating to public officers. A public officer who, directly or indirectly, accepts or offers to accept any gratification from any other person, whether for the benefit of himself or herself or for the benefit of another person; in order to act personally or by influencing another person so to act in a manner that amounts to any unauthorized or improper inducement to do or not to do anything; is guilty of the offence of corrupt activities relating to public officers.
12. It follows, thus, that each institution should ensure that effective, efficient and transparent processes of financial and risk management must be implemented to prevent and detect unauthorised, irregular, fruitless and wasteful expenditure, and criminal conduct as well as abuse of the Supply Chain Management (SCM) system.

## DISCUSSION

13. National Treasury issued Instruction Note Instruction Note 1 of 2024/25 Revised Cost Containment Measures so as to provide a policy framework for consistent decision making by departments, constitutional institutions and public entities that facilitate travel, accommodation and related requirements by travelers.
14. It has emerged that officials of departments and public entities engage in the practice of requesting and/or demanding the redemption of travel accommodation vouchers or part thereof for cash from service providers who render accommodation services. This practice has been identified through a number of complaints received by Provincial Treasury from individual service providers and associations representing service providers. Furthermore, there have been instances reported of the practice where officials have threatened to discontinue using their services/establishments if they do not accede to their request. This is a criminal act of extortion.



15. The Instruction Note 1 of 2024/25 Revised Cost Containment Measures Annexure A: National Travel Guideline also emphasises that some accommodation establishments do not offer meal facilities and will provide meal vouchers in lieu of the meal which can be redeemed at facilities with which the establishment has made arrangements with. The traveler may not request or demand cash from an accommodation establishment in lieu of the meal cost included in the institution's travel accommodation voucher.

## CONTROL MEASURES

16. Departments and public entities are hereby instructed that such practice is prohibited and are required to communicate such to all officials within the department/public entity and ensure that adequate controls are implemented to prevent, detect and deal with instances of violation of the provisions of this Instruction Note. This includes amending standard operating procedures, procedures manuals, service level agreements with travel management companies etc. to include this prohibition. The conditions and terms of reference for the travel management bids must also stipulate that this practise is prohibited.
17. Departments and public entities must create awareness amongst their service providers through the travel management company of the prohibition of the practice of demanding the redeeming of travel accommodation vouchers or part thereof for cash. Any instances of such requests must be reported to the relevant department or public entity with the relevant official's details.
18. It must not be possible that travelers to nominate the establishment they stay in, that is a function of SCM and the travel agent.
19. Travel accommodation vouchers issued by the travel agent must bear the words "This voucher or any part thereof may not be redeemed for cash" or words to this effect. Establishments that do not honour these terms must be given warnings and, if they fail to stop, they must be removed from the list of available establishments of the travel management company.

20. The travel agent/ SCM is to verify the accommodation establishment does either have catering facilities (proven by supplying a municipal health certificate for its kitchen) or have an outsource arrangement with restaurant with a certified kitchen, failing which, accommodation must be booked without meals and officials must claim meals as part of their Subsistence & Travel allowances.
21. Any complaints by officials regarding the quality of the reserved accommodation must first be directed to the management of the establishment. Only if they fail to rectify the issue(s), a complaint in writing by the traveler must be lodged with the relevant travel management company or their agent, who is required to investigate the complaint immediately, and, if necessary, arrange any remedial actions as soon as possible.
22. The names of the implicated officials and travelers must be obtained, and their respective supervisor(s) and the Ethics Officer must be informed of their unethical conduct, with a view that a disciplinary process is to be followed as well as criminal prosecution.
23. Travel agents must be contracted to only use accommodation establishments that are registered and compliant to Central Supplier Database requirements, which ensures the establishments are paying the necessary taxes and are not conflicted with government officials.
24. Any travel management company or service provider, including owners/shareholders, found to be complicit, aiding and abetting this practice must be reported to the South African Police Service for criminal prosecution and may be liable to be included in the list of restricted suppliers and be prevented from doing business with the state for a period of up to ten (10) years.

## **AUTHORITY**

25. This Instruction Note is issued in terms of section 18 (2) (a) of the PFMA.

## **APPLICABILITY**

26. The Instruction Note applies to all Provincial Departments and Schedule 3C and 3D Public Entities.



## REPEAL OF PROVINCIAL TREASURY INSTRUCTION

27. Provincial Treasury Instruction No. 3 of 2018/2019 on Redeeming of Travel and Accommodation Vouchers for cash dated 30 July 2018 is hereby repealed.

## EFFECTIVE DATE

28. The Instruction Note takes effect from 01 April 2025.

## DISSEMINATION OF INFORMATION

29. Kindly ensure that all relevant officials receive copies of this Instruction Note.

30. Should there be any enquiries regarding the contents of this Instruction Note, please contact:

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***Ikhwezi Lomso greetings: Serving with Honesty, Humility and Integrity.***



**MR D. MAJEKE**

**HEAD OF DEPARTMENT**

31/03/2025

**DATE**