 Eskom	<b>Directive</b>	
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**Title:** Directive for the implementation of the National Treasury Instruction 03 of 2017/2018 on Cost Containment Measures, and 06 and 07 of 2022/2023 on Cost Containment Measures related to Travel and Subsistence

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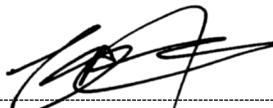
**Compiled by**

**Functional Responsibility**

**Authorised by**







**Esta Swart**  
**Middle Manager Process Control and Assurance**

**Sanjith Rampath**  
**Corporate Professional Process Control and Assurance**

**Calib Cassim**  
**Chief Financial Officer**

Date: 2022/11/18

Date: 21/11/2022

Date: 28/11/2022

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## 1. Introduction

In September 2016, the National Treasury issued two instructions on cost containment measures for departments, constitutional institutions, and public entities listed in Schedules 2 and 3 to the Public Finance Management Act (PFMA), 1999 (Act No 1 of 1999). National Treasury Instruction No 02 of 2016/2017 (Cost containment measures) and National Treasury Instruction No 03 of 2016/2017 (Cost containment measures related to travel and subsistence) were prescribed in the Ministerial Handbook and effective 1 November 2016. During the implementation of the Treasury Instructions, it came to light that certain provisions were impractical to implement. Therefore, they posed difficulties to ensure full compliance with Treasury Instruction No 02 of 2016/2017.

Treasury Instructions No 02 and No 03 of 2016/2017, issued on 30 September 2016, were repealed, and replaced on 25 May 2017 with National Treasury Instructions No 03 and No 04 of 2017/2018 on Cost Containment Measures.

An erratum to National Treasury Instruction No 03 of 2017/2018, issued on 18 March 2020, regarding cost containment measures on expenses related to cellular phones, was withdrawn on 22 May 2020.

National Treasury Instruction No 02 of 2017/2018, dated 20 April 2017, was repealed, and replaced on 8 July 2022 by National Treasury Instruction No 06 of 2022/2023.

National Treasury Instruction No 04 of 2017/2018 on Cost Containment Measures, dated 25 May 2017, was repealed on 7 July 2022, and replaced by National Treasury Instruction No 07 of 2022/2023.

The relevant Eskom policies and procedures have not yet all been updated. Therefore, all the instructions according to National Treasury Instruction No 03 of 2017/2018 and No 06 and No 7 of 2022/2023 on Cost Containment Measures have again been included in this directive.

Accounting officers and accounting authorities must implement control measures to contain costs and eliminate all non-essential expenditures. Non-compliance with the provisions of the Treasury Instructions can constitute grounds for financial misconduct, as regulated in chapter 10 of the PFMA.

Section 51(1)(b)(ii) of the PFMA requires accounting authorities of public entities to take effective and appropriate steps to prevent irregular expenditure and fruitless and wasteful expenditure.

In terms of the PFMA and in Eskom's context, the Board of Directors is the accounting authority. Eskom does not have an accounting officer, as this does not apply to state-owned entities.

Accounting officers and accounting authorities are required to ensure that all invoices related to, among others, travel-related transactions that are paid within 30 days from receipt of the invoice unless otherwise agreed in a contract or other agreement with the supplier.

## 2. Directive content

### 2.1 Directive statement

This directive contains the principles or rules to be implemented and complied with within Eskom Holdings SOC Ltd and its subsidiaries to give effect to the National Treasury Instructions referred to in paragraph 1. Eskom's cost containment initiatives are simultaneously aligned and take priority.

The detailed principles and rules are in **Tables 1 and 2** in 2.2 below.

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## 2.2 Policy principles or rules

The relevant policies, procedures and guidelines are to be drawn up and/or updated in accordance with the principles or rules reflected in **Tables 1 and 2** with immediate effect to comply with National Treasury Instructions.

**Table 1**

A	NATIONAL TREASURY INSTRUCTION NO 03 OF 2017/2018 (NTI 03), EFFECTIVE 15 MAY 2017 (NO CHANGES)	ESKOM COST CONTAINMENT DIRECTIVE UNTIL RELEVANT ESKOM POLICIES/ PROCEDURES HAVE BEEN UPDATED WITH THE INSTRUCTIONS
4.	<b>COST CONTAINMENT MEASURES</b>	
4.1	<b>ENGAGEMENT OF PROFESSIONAL SERVICE PROVIDERS (CONSULTANTS)</b>	
4.1	Accounting officers and accounting authorities must ensure that consultants are appointed only where this is a cost-effective alternative to the utilization of staff employed by the department, constitutional institution or the public entity concerned. The appointment of consultants must be supported by a motivated business case, setting out the analysis of the underlying skills gap and a diagnosis of requirements and specified deliverables, as approved by the accounting officer or accounting authority.	<p><b>Eskom Procurement and Supply Chain Management Procedure 32-1034 Rev 4, (14.8.1 Consultants)</b></p> <p>A consultant can be defined as a person, company or close corporation that provides expert or specialised advisory skills and/or services.</p> <p>A consultant does not necessarily supply the ultimate end product but provides recommendations and/or outputs that will contribute to or lead to the best solution to a specific need based on his/her specialist knowledge and/or expertise.</p> <p>When there is a need for appointing consultants, use a panel of consultants, or when the contract with the consultant needs to be modified, the end user/requestor of the services must do a gap analysis, reduction plan, and motivation and/or business case.</p> <p>The gap analysis is needed to confirm that the business does not have the requisite skills or resources in its full-time employees to perform/provide the specific scope of services required. Consultants must only be appointed where Eskom does not have the requisite skills in-house.</p> <p>The reduction plan is to show how Eskom will reduce the use of and dependency on consultants. The business case is to motivate why the service of the consultant is needed.</p> <p><b>Additional guidance from SMEs</b></p> <p>The use of consultants covers a broad spectrum of services that can be obtained from strategic consulting firms, engineering firms, construction</p>

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	<p>managers, management firms, procurement agents, inspection agents, auditors, multi-national organisations, financial advisory, investment and merchant banks, universities, research agencies, government agencies, non-governmental organisations (NGOs), and specific individuals. The actual services obtained from consultants may include advice on policy, engineering services, construction supervision, social and environmental studies, feasibility studies, project implementation, etc. It is, therefore, not limited only to strategic advice or technical services.</p> <p>Strategic, business, and management consulting are seen as a specific type of consulting service and has to do with e.g., consultants appointed to give guidance to management future strategy or direction of the business; assist in business process re-engineering, strategic business direction, etc. In the case of professional/management consultants doing strategic consulting and giving strategic advice, professional liability does not arise. Eskom management must consider the advice and decide how much, if any, of the advice they will apply in the future management of the business.</p> <p>For the use of financial advisory services from the established panel, a business case/motivation with a skills gap analysis and budget letter must be presented for review and approval to the financial advisory services (FAS) panel control committee. These documents should be signed off and supported by the relevant Group Executive/Divisional Executive (GE/DE) before submission to the panel control committee.</p> <p>Where a panel contract for consulting services has been established, the approval of the Panel Control Committee (PCC) or Task Order Committee is required before a task order (TO) is issued/purchase order (PO) can be created. The finance business partner must confirm that this service has been budgeted for.</p>
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		<p>Where there is no contract or panel appointed, the gap analysis and reduction plan will form part of the business case/motivation with an estimated cost breakdown using rates as prescribed by either their professional body or those prescribed by the Department of Public Works as may be relevant as well as have a budget confirmation letter that the end user/requestor must submit to the relevant GE/DE for approval.</p> <p>This applies to the broad spectrum of professional consulting services (strategic, business and management, engineering, audit, legal, etc.) that the business may require. The requestor should approach those panels for their required services. However, where there is no panel in place, the relevant procurement process should be followed. The contract should be established after approval from the delegated adjudication authority process. Where an internal supplier (Eskom subsidiary) requires consulting services, the business case/motivation must be submitted to the Chief Financial Officer (CFO) for approval. The normal procurement process will be followed with the necessary approval from the delegated adjudication authority before the contract award. The relevant PCC should be established/approached to confirm the availability of such consultant services and comply with the requirements of the committee. Where ERI requires consulting services, the relevant process of submitting to the PCCs must be followed. Each BU/OU (including ERI) needs to determine if they are included in the scope of works of the consultants' panels. The procurement practitioners must liaise with SDL&amp;I and HR to establish skills development programmes and monitor skills transfer as a contractual obligation. The applicable requirements must be included in the contract conditions.</p>
4.2	<p>Bid documentation for the appointment of consultants must include a clause that rates of remuneration will be subject to negotiation, not exceeding the applicable rates as contained in the guidelines referred to in 4.3 below.</p>	<p>Consultancy contracts must include overall cost ceilings by specifying whether the contract price is inclusive or exclusive of travel and subsistence disbursements. Consultants may not be remunerated at higher rates than prescribed by their respective professional body or those prescribed by the NT. Where contracts have been established (either stand-alone or in a panel), the rates as agreed must be applied. These rates should not exceed the legislative thresholds.</p>

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4.3	Accounting officers and authorities must adopt a fair and reasonable remuneration framework for consultants, considering: a) The "Guideline on Fees for Audits done on behalf of the Auditor-General of South Africa (AGSA)" as issued by SAICA b) The "Guide on Hourly Fee Rates for Consultants" as issued by the Department of Public Service and Administration (DPSA) c) Remuneration guidelines issued by professional service organisations or regulatory bodies, as may be relevant	P&SCM must adopt a fair and reasonable remuneration framework for consultants, considering the following: • The "Guideline on Fees for Audits done on behalf of the Auditor-General of South Africa (AGSA)" as issued by the South African Institute of Chartered Accountants (SAICA) • The "Guide on Hourly Fee Rates for Consultants", as issued by the Department of Public Service and Administration (DPSA) • Remuneration guidelines issued by professional service organisations or regulatory bodies, as may be relevant
4.4	When negotiating cost-effective consultancy rates for international consultants and expert advisors, one should also consider the relevant international and market-determined reference rates.	Eskom may also consider the relevant international and market-determined reference rates when negotiating cost-effective consultancy rates for international consultants. Evidence of such benchmarking must be included in the submission to the relevant authority for approval and a proper audit trail.
4.5	Consultants must, where practical, be appointed on an output-specified basis, subject to a clear specification of deliverables and associated remuneration. Where consultants are appointed on a time and cost basis, this must be accompanied by regular monitoring and reporting on activities, outputs, and deliverables.	Consultants must, where practical, be appointed on an output-specific basis (activity-based), subject to a clear specification of deliverables and associated remuneration rates. Where consultants are appointed on a time and cost basis (rate per hour), requirements for regular monitoring and reporting on activities, outputs, deliverables, and key performance indicators must be specified in the contract.
4.6	Consultancy contracts must include overall cost ceilings by specifying whether the contract price is inclusive or exclusive of travel and subsistence disbursements.	Consultancy contracts must include overall cost ceilings by specifying whether the contract price is inclusive or exclusive of travel and subsistence disbursements.
4.7	Accounting officers and authorities may approve alternative travel and subsistence arrangements for international consultants and expert advisors, considering relevant cost-efficiency measures.	For accommodation and transport costs, the actual costs will be paid as follows: • Domestic hotel accommodation and related costs in respect of consultants may not exceed the rate prescribed by NT • The standard of air travel for domestic and international air travel must be in economy class, with consideration of restricted fare types • Car hire may not be from a category higher than vehicles categorised as "Mini, Economy or Compact" (Group B) or an equivalent class • Claims for the use of private vehicles are in line with the Automobile Association of South Africa's rates per kilometre (these rates may not exceed the rates approved by the Automobile Association of South Africa)

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		<ul style="list-style-type: none"> <li>No fee percentage may be added to accommodation and travel costs. (Only actual expenditures are to be verified and reimbursed, where applicable, per the contract)</li> </ul>
4.8	Accounting officers and authorities must ensure that appropriate monitoring and reporting requirements are set for all consultancy contracts and that penalty provisions are invoked when deemed necessary.	The P&SCM Contract Management Department must ensure that appropriate monitoring and reporting requirements are set for relevant consultancy contracts and that penalty provisions are invoked when deemed necessary.
<b>CATERING EXPENSES</b>		
4.9	Accounting officers and authorities must implement policies and procedures to eliminate unnecessary catering expenses.	<p><b>Procedure for Events Management 240-97192186 rev 2 (3.3)</b></p> <p>All managers must implement processes to eliminate unnecessary catering expenses. No provision for the benefits listed below will be budgeted or paid from the department/business unit's cost centres or by any suppliers or sponsors:</p> <ul style="list-style-type: none"> <li>Farewell functions [except for farewell functions for employees that "retire" after 20 or more continuous years of service, or "retire" after 20 or more years of service on the grounds of ill health, up to a maximum of R1 000,00 per function]</li> <li>Breakaways</li> <li>Team-building exercises</li> <li>Entertainment (meals for business-related guests)</li> <li>Family days</li> <li>Year-end functions</li> <li>Baby and bridal shower functions</li> <li>Farewell functions in respect of employees being internally transferred</li> <li>Promotional functions and events</li> <li>Sporting events</li> <li>Secretaries' Day and any other social function not listed above</li> </ul>
4.10	Departments, constitutional institutions, and public entities may not incur catering expenses for internal meetings, unless approved otherwise by the relevant accounting officer or accounting authority.	<p><b>Procedure for Events Management 240-97192186 rev 2 (3.3.2 and 3.3.3)</b></p> <ul style="list-style-type: none"> <li>Eskom may not incur catering expenses for any internal meetings (including Board/Exco meetings, Board/Exco Governance Committee meetings, etc.) unless formally approved by the CFO or Group Chief Executive (GCE)</li> <li>Eskom may not incur catering expenses for any meetings with external people (customer forums, press briefings, foreign delegations) or</li> </ul>

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		<p>the hosting of any conferences, indabas, or forums unless formally approved by the CFO or GCE</p> <ul style="list-style-type: none"> <li>Such meetings/events are to be accommodated within existing budgets</li> <li>Only internal venues are to be used, unless an external venue is absolutely necessary and approved by the responsible GE/DE and the relevant finance business partner</li> <li>The meeting/event should be for the duration of five continuous hours or more</li> <li>This does not apply to SAP Learning Solution-(LSO) registered training when the training duration is for five continuous hours or more</li> </ul>
4.11	<p>Notwithstanding the provisions of 4.10 above, public entities may incur catering expenses for official engagements that last for five (5) continuous hours or more, including:</p> <ol style="list-style-type: none"> <li>The hosting of conferences, workshops, indabas, forums, recruitment interviews, training sessions or hearings</li> <li>Meetings related to commissions or committees of inquiry</li> <li>Meetings hosted by the accounting officer or authority, including governance committee meetings</li> </ol>	<p><b>Procedure for Events Management 240-97192186 rev 2 (3.3.2 and 3.3.3)</b></p> <ul style="list-style-type: none"> <li>All managers must implement processes to eliminate unnecessary catering expenses</li> <li>Eskom may not incur catering expenses for any internal meetings (including Board/Exco meetings, Board/Exco Governance Committee meetings, etc.) unless formally approved by the CFO or GCE</li> <li>Eskom may not incur catering expenses for meetings with external people (customer forums, press briefings, foreign delegations) or the hosting of any conferences, indabas, or forums, unless formally approved by the CFO or GCE</li> <li>Such meetings/events are to be accommodated within existing budgets</li> <li>Only internal venues are to be used, unless an external venue is absolutely necessary and approved by the responsible GE/DE and the relevant finance business partner</li> <li>The meeting/event should be for a duration of five continuous hours or more</li> <li>This does not apply to SAP Learning Solution-(LSO) registered training</li> </ul>
<b>ENTERTAINMENT EXPENSES</b>		
4.12	<p>Entertainment allowances for qualifying persons<sup>3</sup> may not exceed two thousand rand (R2000) per person per financial year, unless approved otherwise by the accounting officers or accounting authorities.</p>	<p><b>Remuneration and Benefits Practices Manual 32-1073 Rev 7 (3.1 and 3.1.2.1)</b></p> <p>Basic principles in terms of entertainment expenditure and approval are provided, but <u>no entertainment allowance</u> is provided in Eskom's COS. Business needs are to comply with any other</p>

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	<i>(<sup>3</sup>Qualifying persons are those employees who are allocated an entertainment allowance in terms of a policy of the institution).</i>	approved Eskom policies/procedures/rules regarding entertainment, catering, etc.
4.13	Entertainment allowances for accounting officers, accounting authorities <sup>4</sup> , chief executive officers or other persons in charge of public entities may not exceed four thousand rand (R4000) per person per financial year, unless approved otherwise by the National Treasury. <i>(<sup>4</sup>Where the public entity has a board or controlling body, the entertainment allowance of R4000 shall be applicable to that board or controlling body as a collective and not for individual members).</i>	<b>Remuneration and Benefits Practices Manual 32-1073 Rev 7 (3.1 and 3.1.2.1)</b> Basic principles in terms of entertainment expenditure and approval are provided, but <u>no entertainment allowance</u> is provided in Eskom's COS. Business needs are to comply with any other approved Eskom policies/procedures/rules regarding entertainment, catering, etc.
	<b>Alcohol expenses</b>	
4.14	Expenditure on alcoholic beverages may not be included in the accommodation or subsistence costs.	<b>Procedure for Events Management 240-97192186 rev 2 (3.2.7)</b> No alcohol will be served or paid for by Eskom at internal or external events.
4.15	Expenses related to alcohol may not be claimed as part of reimbursable expenses, including entertainment expenses.	
4.16	Accounting officers and accounting authorities may only incur expenses on alcoholic beverages at: a. State banquets b. Functions hosted for the promotion of South Africa and its goods or services, or c. The hosting of foreign dignitaries.	
	<b>Expenses related to social functions and corporate-branded items</b>	
4.17	Accounting officers and accounting authorities must ensure that social functions, team building exercises, year-end functions, sporting events, budget vote dinners and other functions that have a social element are not financed from the budgets of their respective institutions or by any suppliers or sponsors.	<b>Procedure for Events Management 240-97192186 rev 2 (3.2.14)</b> <ul style="list-style-type: none"><li>• Year-end functions may not be financed by Eskom</li><li>• Family days are not allowed to be paid for by Eskom</li><li>• No event may be hosted if it has not been budgeted for</li></ul> <b>(3.2.3)</b> <ul style="list-style-type: none"><li>• No promotional items may be handed out to staff. Promotional items may be handed out at external events but in limited quantities in the form of lucky draws or selective giveaways</li></ul>
4.18	Expenditure may not be incurred on corporate branded items of clothing or goods for personal use of employees	<b>Procedure for Events Management 240-97192186 rev 2 (3.2.3)</b>

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	(other than uniforms, office supplies and tools of trade) unless costs related thereto are recovered from those employees that are availed the items.	No promotional items may be handed out to staff. Promotional items may be handed out at external events but in limited quantities in the form of lucky draws or selective giveaways.  Expenditure may not be incurred on corporate-branded items of clothing or goods for personal use by employees (other than uniforms, office supplies and tools of trade). Such items may not be distributed for the personal use of employees.
4.19	Accounting officers and accounting authorities may incur expenditure to host farewell functions in recognition of employees who: <ul style="list-style-type: none"> <li>a. Retire after serving for ten (10) or more years, or</li> <li>b. Retire on grounds of ill health.</li> </ul>	<b>Procedure for Events Management 240-97192186 rev 2 (3.2.14.1)</b> Eskom may incur expenditure to host farewell functions for employees that “retire” after 20 or more continuous years of service or “retire” after 20 or more years of service on the grounds of ill health, up to a maximum of R1 000,00 per function.
<b>EXPENSES ON NEWSPAPERS AND OTHER PUBLICATIONS</b>		
4.20	Newspapers and other related publications for the use of employees must be discontinued on expiry of existing contracts or supply orders.	All newspaper subscriptions in Eskom were discontinued from February 2014, with the last cancellation in October 2014. All Eskom employees can access online newspapers and publications through Eskom’s Info Centre (Online Services) on the Eskom Intranet.
<b>EXPENSES RELATED TO TELEPHONE, CELLULAR PHONES, AND DATA FACILITIES</b>		
4.21	Accounting officers and accounting authorities must implement policies and procedures to effectively manage and monitor expenses related to telephones, cellular phones, and data facilities, including the recovery of costs for the private use thereof by employees.	<b>Remuneration and Benefits Practices Manual 32-1073 Rev 7 (3.14)</b> Eligibility for a cellular phone benefit will remain at the discretion of the respective manager within the business unit and will be approved by the E-Band manager.
4.22	The allocation of cellular phones and data facilities and the reimbursement of communication related expenses must be managed in accordance with the requirements associated with an employee’s responsibilities rather than levels of occupational positions.	<b>Remuneration and Benefits Practices Manual 32-1073 Rev 7 (3.14.2)</b> A monthly allowance, as determined by the Divisional Remuneration and Benefits Manager, will be paid to permanent employees who, in terms of the nature of their work, are required to be always contactable or to make calls at all times.
4.23	Accounting officers and accounting authorities <b>may</b> , subject to paragraph 4.24 below, participate in the transversal term contract (RT15) arranged by the National Treasury for the acquisition of mobile communication services. Documents related to the transversal term	A request for a cellular phone allowance must be approved by the authorised senior manager (E-Band).

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	contract can be downloaded via the following web link: <a href="http://www.treasury.gov.za/divisions/ocpo/ostb/contracts/default.aspx">http://www.treasury.gov.za/divisions/ocpo/ostb/contracts/default.aspx</a>	The allowance will cover all costs of personal ownership, including subscription costs, calls, VAT, and insurance. The allowance shall be paid through payroll, in advance, monthly, will be included in the employee's gross remuneration and is subject to fringe benefits tax.															
4.24	If accounting officers and accounting authorities decide not to participate in the transversal term contract referred to in 4.23 above, the accounting officers and accounting authorities concerned must report to the National Treasury, the discounts that will be achieved by their respective institutions prior to the conclusion of their mobile communication contracts. This information must be submitted to the National Treasury via e-mail to <a href="mailto:transversal.contracting@treasury.gov.za">transversal.contracting@treasury.gov.za</a>	<p>The allowance per job level is as follows:</p> <table border="1"> <thead> <tr> <th>Employee grade</th><th>Minimum allowance</th><th>Maximum allowance</th></tr> </thead> <tbody> <tr> <td>M/P/G/S 17 to 18</td><td>R1 100</td><td>R1 100</td></tr> <tr> <td>M/P/G/S 14 to 16</td><td>R1 000</td><td>R1 000</td></tr> <tr> <td>T/P 11 to 13</td><td>R300</td><td>R830</td></tr> <tr> <td>T04 to T10</td><td>R300</td><td>R600</td></tr> </tbody> </table> <p>Should the relevant amount be exceeded because of business calls, a detailed motivation will have to be submitted to the general manager for approval. Any general manager whose business calls exceed the allowance amount will require approval from the GE/DE.</p> <p><b>Remuneration and Benefits Practices Manual 32-1073 Rev 7 (3.14.3)</b></p> <p>Reimbursement allowance for occasional business use of personal cellular phone. The responsibility for deciding who will be allowed to use a personal cellular phone for business purposes shall be an E-Band level decision and the final approval must be made by the relevant general manager. The responsibility for approving occasional monthly claims shall be at E-Band level. It remains the employee's responsibility to provide an itemised bill, clearly indicating business calls.</p> <p><b>NOTE:</b></p> <p>All cost centre managers must review their cost centre Eskom landline telephone "User Cost Summary Report," which is distributed monthly to identify excessive private telephone use by employees and take the necessary steps to recover such excessive private telephone costs from employees via payroll.</p> <p><b>NOTE:</b></p> <p>As required by <b>NTI 03 (4.24)</b>, it is recommended for Eskom to report to the National Treasury the discounts to be achieved before the conclusion of mobile communication contracts, should Eskom</p>	Employee grade	Minimum allowance	Maximum allowance	M/P/G/S 17 to 18	R1 100	R1 100	M/P/G/S 14 to 16	R1 000	R1 000	T/P 11 to 13	R300	R830	T04 to T10	R300	R600
Employee grade	Minimum allowance	Maximum allowance															
M/P/G/S 17 to 18	R1 100	R1 100															
M/P/G/S 14 to 16	R1 000	R1 000															
T/P 11 to 13	R300	R830															
T04 to T10	R300	R600															

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		decide not to participate in any of the transversal term contracts arranged by the National Treasury.
	<b>EXPENSES RELATING TO ADVERTISING</b>	
4.25	Accounting officers and accounting authorities must exercise strict control of public communication campaigns, publications, and advertisements to ensure moderation and cost-effectiveness. Vacancies must, where practical, be advertised through bulk advertisements with minimal information related to the position. Detailed job specifications related should be provided on the website of the department, constitutional institution, or public entity.	<p><b>GROUP COMMERCIAL:</b>  <b>Eskom's Procurement and Supply Chain Management Procedure 32-1034 rev 4 (14.7.4 Advertising of open tenders)</b>  Enquiries, which are issued as open tenders, are published/advertised in the Eskom Tender Bulletin, NT's electronic tendering system (currently called the NT e-Tender Portal), CIDB (if construction-related) and/or the relevant media (if applicable).  If the approved commercial strategy stipulates open tendering, then an advertisement must be published on the NT's electronic tendering system and Eskom's Tender Bulletin or through other local, national, or international media (depending on the anticipated target market).</p> <p>Construction contracts of more than R30 000 must be advertised on the CIDB i-tender system.</p> <p>The costs of advertising must be considered when deciding to advertise in the media.</p> <p><b>FOR INFORMATION (HUMAN RESOURCES)</b>  One-liner advertisements for recruitment are placed in newspapers with a link to the Eskom website, where all the details regarding the vacancies/recruitment are reflected.</p> <p><b>FOR INFORMATION (Government and Regulatory Affairs)</b>  Government and Regulatory Affairs Division (GRAD) manages all corporate marketing campaigns linked to the Corporate Plan, i.e., public safety, brand reputation management, the Just Energy Transition and Turnaround Plan, etc. The budgets for these campaigns reside within the various divisions and subsidiaries, and GRAD provides the marketing contracts that should be used when any division and/or subsidiary execute a marketing campaign. This ensures that all campaigns pay the same low rates achieved through the open tender process and negotiation through economies of scale.  There is a marketing PCM (240-82406494), which requires GRAD's input on all marketing campaigns and any advertising requests, ensuring only essential/strategic campaigns are executed cost-effectively. All departments engaging in marketing</p>

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		<p>activities must seek guidance from GRAD during campaign conception to enjoy these benefits. Central oversight of marketing activities (campaigns, publications, advertisements) allows the opportunity to avoid duplication and leverage synergies to maximise cost-effectiveness.</p> <p>The marketing campaign contract prices are negotiated annually and are firm for the duration of the contract addendum, with any price adjustments for inflation (not more than the gazetted annual average CPI rate) taking effect at the beginning of each financial year throughout the term of the annual contract.</p> <p>Annual Price negotiations and benchmarking of all agency fees and rates with other similar agencies within the media industry are done.</p> <p>All agency contracts have been changed from monthly retainers to pay-as-you-go (PAYG) contracts to compensate for budget uncertainty and severe budget cuts.</p> <p>Corporate Affairs, HR practitioners, and Eskom commercial departments must continue to exercise strict control of public communication campaigns, publications, and advertisements to ensure moderation and cost-effectiveness. Vacancies must, where practical, be advertised through bulk advertisements with minimal information related to the position. Detailed job-related specifications should be provided on the Eskom website. Tenders should be advertised on Eskom's Tender Bulletin.</p>
	<b>HIRING OF VENUES</b>	
4.26	Expenditure on the hiring of venues for official engagements must be strictly controlled and government-owned facilities and resources must be used unless such venues are not available.	<p><b>Procedure for events management 240-97192186 Rev 2 (3.2.9)</b></p> <p>All internal events should be held at Eskom premises. If the internal venues cannot accommodate the required number of employees/contractors, an external venue may be used, provided approval is given by the relevant GE/DE and the relevant finance business partner.</p>
<b>5.</b>	<b>COST CONTAINMENT MEASURES RELATED TO THE HOSTING OF AND ATTENDANCE AT CONFERENCES OR EVENTS</b>	

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REVIEW OF PLANNED CONFERENCES AND EVENTS	
5.1	Before approving the hosting of conferences or events, accounting officers and accounting authorities must ensure that the costs associated with such have been reliably estimated, cost-effective options have been assessed and that sufficient budgeted funds are available to host the conference or event.
5.2	When assessing whether to host conferences or events, at least the following costs must also be considered: <ul style="list-style-type: none"> <li>a. Employee time for conference or event preparation and planning</li> <li>b. Employee time for attendance at the conference or event or en-route</li> <li>c. Any other costs referred to in 5.6 of the Treasury Instruction that are charged for the hosting or running of the conference or event</li> </ul>
5.3	When assessing cost-effective options to host conferences or events for 300 or more delegates, accounting officers and accounting authorities must take cognizance of the cost restrictions referred to in 5.5 of the Treasury Instruction.
5.4	Accounting officers and accounting authorities must treat each conference or event that is hosted as a separate project and all expenditure incurred by the organisation for hosting a conference or event must be recorded against the relevant items associated with a project.

#### Procedure for events management 240-97192186 rev 2

**3.1.5** When assessing the need for an event, the marketing project manager/communications/public relations managers should ensure that the National Treasury directive is adhered to and that the following guidelines have been interrogated:

- Is the event part of an approved marketing strategy or campaign?
- Has budget approval been granted or confirmed?
- Is the event format optimal in terms of cost savings?
- Can the event be successfully executed without the involvement of external service providers?
- Would the campaign be less successful without an event?
- Can an Eskom venue be used? Does the nature of the campaign dictate the venue?
- Is the collateral realistic or can the event proceed without the distribution of collateral and other forms of branding (cost-effective/enhancing the brand/ensuring longevity)

**3.2.2** No event may be hosted if it has not been budgeted for.

**3.2.3** No promotional items may be handed out to staff. Promotional items may be handed out at external events but in limited quantities in the form of lucky draws or selective giveaways.

**3.2.5** No event companies or external suppliers may be appointed to oversee any internal functions, provide entertainment, produce banners, do voice-overs, take videos, or do photography. These services may be used for high-level external events, but the cost estimates need to be approved and signed off by the relevant GE/DE and the relevant finance business partner in line with approved budgets.

**3.2.6** Where possible, events could be combined or incorporated into existing employee engagements to reduce costs.

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		<p><b>3.2.7</b> No alcohol will be served or paid for by Eskom at internal or external events.</p> <p><b>3.2.8</b> Eskom staff should be used as programme directors for all internal events. No external people or entertainment may be hired at any cost to Eskom except for high-level external events as approved by the relevant GE/DE and the relevant finance business partner in line with approved budgets.</p> <p><b>3.2.9</b> All internal events should be held at Eskom premises. If the internal venues cannot accommodate the required number of employees/contractors and external venue may be used provided approval is given by the relevant GE/DE and the relevant finance business partner.</p> <p><b>3.2.10</b> Eskom's corporate image should always be reflected as professional in terms of the quality of branding, promotional material, invitations, brochures, etc. at external events but cost savings remain critical. External events such as marketing and customer events/training sessions may continue but should preferably be held at Eskom venues.</p> <p><b>3.2.11</b> Internal events should take place during business hours to avoid unnecessary overtime claims, etc.</p> <p>The cost allowed per employee/contractor for events at internal venues is stipulated in the delegation of authority letter from the CFO to the GE/DEs.</p> <p><b>3.2.12.2</b> Accounting officers and accounting authorities must treat each conference or event that is hosted as a separate project and all expenditure incurred for hosting a conference or event must be recorded against the relevant internal order to ensure cost associated with the conference/event is ring-fenced.</p>
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HOSTING OF CONFERENCES OR EVENTS (WITHIN THE BORDERS OF SOUTH AFRICA)																		
5.5	<p>Accounting officers and accounting authorities may proceed with the hosting of conferences or events where the expenses related thereto do not exceed the rates referred to in <b>Table 1</b> of this Treasury Instruction. The National Treasury may periodically review these amounts.</p> <p><b>Table 1: Rates set for hosting of conferences or events per person per day:</b> <i>(inclusive of conference or event package, food and beverages excluding costs of other services and items that conference or event organisers will require)</i></p> <table><tr><th>Hotel grading</th><th>Cost pppd</th></tr><tr><td>3 Star</td><td>R350.00</td></tr><tr><td>4 Star</td><td>R480.00</td></tr><tr><td>5 Star</td><td>R565.00</td></tr></table>	Hotel grading	Cost pppd	3 Star	R350.00	4 Star	R480.00	5 Star	R565.00	<p>Compliance with the <b>Procedure for Events Management 240-97192186 Rev 2</b> is required.</p> <p><b>(3.4)</b></p> <p>For conferences or events hosted by Eskom, compliance with the rates (not to be exceeded) referred to in <b>Table 1</b> of the National Treasury Instruction for hosting “approved” external conferences or events is mandatory.</p> <p><b>Table 1: Rates set for hosting of conferences or events per person per day:</b> <i>(inclusive of conference or event package, food, and beverages)</i></p> <table><tr><th>Hotel grading</th><th>Cost per delegate per day</th></tr><tr><td>3 Star</td><td>R350.00</td></tr><tr><td>4 Star</td><td>R480.00</td></tr><tr><td>5 Star</td><td>R565.00</td></tr></table>	Hotel grading	Cost per delegate per day	3 Star	R350.00	4 Star	R480.00	5 Star	R565.00
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5.6	<p>For the purposes of par 5.5 of the Treasury Instruction, the following services that are required by the conference or event organisers are excluded from the costs referred to in Table 1.</p> <p>a) Hiring of the venue, including the hiring of rooms for official business</p> <p>b) Usage of audio visual and other equipment</p> <p>c) Computer, fax, internet, and telephone access</p> <p>d) Printing</p> <p>e) Outlays for conference or event preparation and planning</p> <p>f) Transportation of equipment or material to be showcased at the conference or event</p> <p>g) Speaker fees</p> <p>h) Administrative expenses</p> <p>i) Translation and interpretation expenses</p> <p>j) Security costs to ensure the safety of attendees or dignitaries</p>	<p><b>Procedure for Events Management 240-97192186 rev 2</b></p> <p><b>(3.4.3)</b></p> <p>For the purposes of paragraph 5.5 of the Treasury Instruction, the following services that are required by the conference or event organisers are excluded from the costs referred to in Table 1:</p> <p>a) Hiring of the venue, including the hiring of rooms for official business</p> <p>b) Usage of audio visual and other equipment</p> <p>c) Computer, fax, internet, and telephone access</p> <p>d) Printing</p> <p>e) Outlay for conference or event preparation and planning</p> <p>f) Transportation of equipment or material to be showcased at the conference or event</p> <p>g) Speaker fees</p> <p>h) Administrative expenses</p> <p>i) Translation and interpretation expenses</p> <p>j) Security costs to ensure the safety of attendees or dignitaries</p>																
5.7	<p>Where the expenses related to a conference or event exceeds the rates referred to in par 5.5 of the Treasury Instruction, the accounting officer or</p>	<p><b>Procedure for Events Management 240-97192186 rev 2</b></p> <p><b>(3.4.4.)</b></p>																

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	accounting authority must obtain <u>prior</u> written approval from the relevant treasury before proceeding with any arrangements related to that conference or event. If such prior written approval is not obtained, the expenditure related thereto shall be regarded as irregular expenditure and <i>ex post facto</i> approval may not be granted by the relevant treasury.	Where the expenses related to a conference or event hosted by Eskom exceed the rates referred to in paragraph 5.5 of the Treasury Instruction, the CFO and GE/DE must obtain <u>prior</u> written approval from the relevant treasury before proceeding with any arrangements related to that conference or event. If such prior written approval is not obtained, the expenditure related thereto shall be regarded as irregular expenditure in the PFMA Report and <i>ex post facto</i> approval may not be granted by the relevant treasury.
5.8	When approaching the relevant treasury for approval in terms of par 5.7 of the Treasury Instruction, the accounting officer or accounting authority must, as a minimum, submit the following information: a) The nature of the conference or event b) The target audience. c) The total number of anticipated delegates. d) The attendance cost per person. e) The breakdown of the conference or event expenses. f) How the conference or event contributes to the mandate of the organisation. g) How the conference or event contributes to relationships with stakeholders.	<b>Procedure for Events Management 240-97192186 rev 2 (3.4.5)</b> When approaching the relevant treasury for approval in terms of paragraph 5.7 of the Treasury Instruction, the CFO and GE/DE must, as a minimum, submit the following information: a) The nature of the conference or event hosted by Eskom b) The target audience c) The total number of anticipated delegates d) The attendance cost per person e) The breakdown of the conference or event expenses f) How the conference or event contributes to the mandate of Eskom g) How the conference or event contributes to relationships with Eskom stakeholders
5.9	Accounting officers and accounting authorities must exercise effective control of conference or event expenses and avoid incurring non-essential expenditure by identifying opportunities to maximize the use of government owned facilities and resources, where available.	<b>Procedure for events management 240-97192186 Rev 2 (3.2.9 and 3.2.9.1)</b> All internal events should be held at Eskom premises. If the internal venues cannot accommodate the required number of employees/contractors, an external venue may be used, provided approval is given by the relevant GE/DE and the relevant finance business partner. Alternatively, consider using other suitable government-owned facilities and resources where possible.
<b>ATTENDANCE AT EXTERNAL CONFERENCES OR EVENTS (WITHIN THE BORDERS OF SOUTH AFRICA)</b>		
5.10	Accounting officers and accounting authorities must establish policies and procedures to manage applications by employees to attend conferences or events hosted by professional bodies or	Eskom must comply as follows: • Manage applications by employees for approval by GE/DE, to attend conferences or events hosted by professional bodies or non-

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	non-governmental institutions (external conferences or events) held within the borders of South Africa, considering their merits and benefits, costs, and available alternatives.	governmental institutions (external conferences or events) held within the borders of South Africa, considering their merits and benefits, costs, and available alternatives
5.11	Accounting officers and accounting authorities may consider appropriate benchmark costs with other professional bodies or regulatory bodies prior to granting approval for an employee to attend a conference or event within the borders of SA. Such benchmark cost may not exceed R2500.00 per employee per day. The National Treasury may periodically review this amount.	<ul style="list-style-type: none"> <li>Consider appropriate benchmark costs with other professional bodies or regulatory bodies before approving an employee to attend a conference or event within the borders of South Africa. Such benchmark costs may not exceed R2 500,00 per employee per day (excluding VAT)</li> <li>The CFO and GE/DE may consider granting approval for employees (upon written motivation from the employee's senior manager submitted for approval) if the amount exceeds R2 500 per employee per day</li> </ul>
5.12	If the amount referred to in par 5.11 of the Treasury Instruction exceeds R2500 per employee per day, the accounting officer or accounting authority may consider granting approval for employees of the respective institutions to attend.	<ul style="list-style-type: none"> <li>The amount of R2 500 (or the higher pre-approved amount referred to in NTI 03 (5.12)) excludes costs related to travel, accommodation, and related expenses. However, it includes the following: <ul style="list-style-type: none"> <li>a) Conference or event registration expenses</li> <li>b) Incidental expenses</li> <li>c) Any other expense incurred in relation to the conference or event</li> </ul> </li> </ul>
5.13	The amount referred of R2500 or the amount approved in terms of par 5.12 of the Treasury Instruction excludes costs related to travel, accommodation, and related expenses, however, includes the following: <ul style="list-style-type: none"> <li>a) Conference or event registration expenses</li> <li>b) Incidental expenses</li> <li>c) Any other expense incurred in relation to the conference or event</li> </ul>	<ul style="list-style-type: none"> <li>Take the following into account when approving applications from employees to attend conferences or events within the borders of South Africa: <ul style="list-style-type: none"> <li>a) The employee's role and responsibilities and the anticipated benefits of the conference or event to Eskom</li> <li>b) Whether the conference or event addresses relevant matters of Eskom</li> <li>c) The appropriate number of employees attending the conference or event</li> <li>d) The availability of funds budgeted for to meet expenses to the conference or event</li> </ul> </li> <li>Eskom employees must, where applicable, take advantage of early registration discounts for conferences or events</li> </ul>
5.14	Accounting officers and accounting authorities must ensure that travel and subsistence expenses related to their respective employees are consistent with National Treasury Instruction No 07 of 2022/2023 on Cost Containment Measures related to Travel and Subsistence.	<ul style="list-style-type: none"> <li>Eskom employees may not participate in conferences or events that offer inappropriate marketing benefits such as laptops, tablets, other similar electronic equipment, and/or other items/benefits to attendees</li> </ul>
5.15	When reviewing applications from employees to attend conferences or events within the borders of SA, accounting officers and accounting authorities must at least take the following into account – <ul style="list-style-type: none"> <li>a) The employee's role and responsibilities and the anticipated benefits of the conference or event</li> </ul>	

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	<p>b) Whether the conference or event addresses relevant concerns of the institution</p> <p>c) The appropriate number of employees attending the conference or event</p> <p>d) The availability of funds to meet expenses to the conference or event</p>	
5.16	Employees of departments, constitutional institutions and public entities must, where applicable, take advantage of early registration discounts for conferences or events.	
5.17	Employees of departments, constitutional institutions and public entities may not participate in conferences or events that offer inappropriate marketing benefits such as laptops, tablets, and other similar electronic equipment to attendees.	
<b>ATTENDANCE AT EXTERNAL CONFERENCES, EVENTS, AND STUDY TOURS (OUTSIDE THE BORDERS OF SOUTH AFRICA)</b>		
5.18	Accounting officers and accounting authorities must establish policies and procedures for the approval of employees attending conferences, events and study tours hosted by professional bodies and other governmental or non-governmental institutions held outside the borders of SA (external conferences, events, and study tours), considering their merits, benefits, costs, and available alternatives.	<p><b>Business Travel Management Procedure 32-1042, rev 4 (3.1.2)</b></p> <ol style="list-style-type: none"> <li>1. Travellers (i.e., Eskom employees) must discuss and provide proposed travel information to their line manager, including a minimum of three flight quotations obtained from the travel agent for planning and approval of international travel.</li> <li>2. Should the proposed travel be supported by the line manager, the traveller prepares a motivational memo that provides the reason for travel, including the selected flight and accommodation options. All the associated costs and quotations must be recommended by the line manager, supported by the GM, and approved or rejected by the GE/DE.</li> <li>3. Travellers are expected to book the most direct route and/or the most cost-effective tickets.</li> <li>4. The traveller must submit an offline request for international travel on the system.</li> <li>5. Travellers are required to attach the following documents to the offline international travel request: <ul style="list-style-type: none"> <li>• Motivational memo and/or late motivational memo (for late bookings – not within six weeks before travel and including additional Forex required)</li> </ul> </li> </ol>
5.19	Expenses related to the attendance of external conferences, events or study tours may not exceed R60 000.00 per employee per conference, event, or study tour. The National Treasury may periodically review this amount.	
5.20	If the amount referred to in par 5.19 of the Treasury Instruction exceeds R60 000 per employee per conference, event or study tour, the accounting officer or accounting authority may consider granting approval	

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	for employees of their respective institutions to attend.	
5.21	<p>The amount referred of R60 000 or the amount approved in terms of par 5.20 of the Treasury Instruction excludes costs related to travel, accommodation, and related expenses, however, includes the following:</p> <ol style="list-style-type: none"> <li>Conference or event registration expenses.</li> <li>Incidental expenses.</li> <li>Any other expense incurred in relation to the conference, event, or study tour.</li> </ol>	<ul style="list-style-type: none"> <li>Sponsor funding letter, including travel arrangements and expenses covered (where applicable)</li> <li>Addendum</li> <li>3 x flight and accommodation quotes from travel agent</li> <li>Copy of passport</li> <li>Invitation letter (if travel is conference, workshops, etc.)</li> <li>Signed service retention agreement (if travel is for training)</li> <li>Written approval from GE/DE for conference attendance</li> <li>Foreign assignment (if travel is for long stays). Medical insurance requirements obtained from Travel Accounting</li> </ul>
5.22	Accounting officers and accounting authorities must ensure that travel and subsistence expenses related to their respective employees are consistent with National Treasury Instruction No 07 of 2022/2023 on Cost Containment Measures related to Travel and Subsistence.	6. All international bookings, e.g., flights and accommodation, must be <b>approved</b> in the system by the GE at least six weeks before departure; seven days for travelling to SADC countries if flights are required and three days where no flights are required. If this is not possible, a late memo specifying the reason for late booking must be included with the travel request.
5.23	<p>When considering applications by employees to attend conferences, events, or study tours outside the borders of SA, accounting officers and accounting authorities must at least take the following into account: -</p> <ol style="list-style-type: none"> <li>The employee's role and responsibilities and anticipated benefits of the conference, event, or study tour.</li> <li>Whether the conference, event or study tour addresses relevant concerns of the institution.</li> <li>The number of employees attending the conference, event or study tour is limited to one (1), unless approved otherwise by the accounting officer or accounting authority.</li> <li>Funds are available in the organisation's budget to meet expenses related to the conference, event, or study tour.</li> </ol>	<p>7. Where a trip is funded by a sponsor, Eskom will not be responsible for making the travel arrangements and will not bear any travel expenses unless otherwise agreed by both parties (Eskom and sponsor).</p> <p>8. Eskom travellers must submit a feedback report on the international visit within 30 days after the end date of the trip.</p> <p>9. A manual feedback report can be submitted to the GM if the system is not available or if the manual travel process was followed.</p> <p>10. No subsequent international trips will be approved if the feedback report is not submitted, even if within the 30-day period of the previous travel request.</p> <p><b>Business Travel Management Procedure 32-1042, rev 4 (3.10)</b></p> <ol style="list-style-type: none"> <li>Expenses related to the attendance of external conferences, events, or study tours may not exceed <b>R40 000</b> per employee per conference, event, or study tour.</li> <li>If the amount exceeds R40 000 per employee per conference, event, or study tour, the CFO</li> </ol>

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		<p>and GE/DE may consider granting approval for employees to attend upon written application and motivation from the employee's senior manager.</p> <p>3. The amount of R40 000 or the amount approved by the CFO and GE/DE excludes costs related to travel, accommodation, and related expenses, however, includes the following:</p> <ul style="list-style-type: none"> <li>a) Conference or event registration expenses</li> <li>b) Incidental expenses</li> <li>c) Any other expense incurred in relation to the conference or event</li> </ul> <p>4. When considering applications by employees to attend conferences, events, or study tours outside the borders of South Africa, the CFO must take at least the following into account:</p> <ul style="list-style-type: none"> <li>a) The employee's role and responsibilities and anticipated benefits of the conference, event, or study tour to Eskom</li> <li>b) Whether the conference, event, or study tour addresses the relevant business of Eskom</li> <li>c) The number of employees attending the conference, event, or study tour is limited to one, unless approved otherwise by the CFO and GE/DE</li> <li>d) Funds are available in Eskom's budget to meet expenses related to the conference, event, or study tour</li> </ul>
5.24	Employees of departments, constitutional institutions and public entities must, where applicable, take advantage of early registration discounts for conferences, events, or study tour.	Eskom employees must, where applicable, take advantage of early registration discounts for conferences, events, or study tours.
<b>6.</b>	<b>TRAVEL AND SUBSISTENCE</b>	
	Accounting officers and accounting authorities must ensure that all travel and subsistence expenditure incurred by their respective institutions is consistent with National Treasury Instruction No 07 of 2022/2023 on Cost Containment Measures related to Travel and Subsistence.	All managers must ensure that all travel and subsistence expenditures incurred are consistent with National Treasury Instructions on Cost Containment Measures related to Travel and Subsistence or as otherwise prescribed by Eskom in this directive or a policy/procedure/rule.
<b>7.</b>	<b>REQUESTS FOR TREASURY APPROVAL</b>	
7.1	Accounting officers of national departments, constitutional institutions and accounting authorities of national public entities must submit requests for	Requests for treasury approval (4.13 on entertainment allowances and 5.7 on hosting of conferences or events) will be made via the Office of the CFO and not directly to Treasury.

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	treasury approval, as referred to in paragraph 4.13 and 5.7 above to: <b>The Director-General National Treasury Private Bag X115 PRETORIA 0001 For attention: The Accountant-General</b>	
7.2	Accounting officers of provincial departments and accounting authorities of provincial public entities must submit requests for approval, as referred to in paragraph 5.7 above, to their respective provincial treasuries.	
<b>8.</b>	<b>ADDITIONAL COST CONTAINMENT MEASURES</b>	
	In addition to the cost containment measures prescribed in par 4 & 5 above, accounting officers and accounting authorities are urged to consider implementing additional cost containment measures in the enclosed <b>Annexure A of NTI 03</b> . Such measures are considered necessary especially considering the current economic realities.	<p><b>MANAGEMENT AND EMPLOYEES ARE URGED TO CONSIDER THE FOLLOWING ADDITIONAL COST CONTAINMENT MEASURES ACCORDING TO ANNEXURE A OF <u>NTI 03</u></b></p> <p><b>Inventory</b></p> <ol style="list-style-type: none"> <li>1. Supplier and early settlement discounts can be negotiated to secure lower prices.</li> <li>2. Savings on the amount of paper used may be considered by printing draft documents 'back-to-back' and by using colour printing facilities sparingly.</li> <li>3. The use of electronic mail (email) should be encouraged instead of postage.</li> <li>4. Consideration should be given to purchasing software licences through the State Information Technology Agency (SITA) to leverage economies of scale and preferential rates (<i>for consideration by Group IT</i>).</li> </ol> <p><b>Water and electricity</b></p> <ol style="list-style-type: none"> <li>5. Water and electricity must be used sparingly to lower utility costs.</li> </ol> <p><b>Communication</b></p> <ol style="list-style-type: none"> <li>6. Telephone and/or videoconferencing facilities should be used, where possible, to avoid unnecessary travel and subsistence costs.</li> </ol> <p><b>Advertising</b></p> <ol style="list-style-type: none"> <li>7. Consideration should be given to utilising the services of the Government Communications and Information System (GCIS) for media-related needs.</li> </ol>

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		<b>Miscellaneous measures</b> 8. There should be synergy between similar business activities to avoid duplication of processes and efforts. 9. Labour-saving devices should be shared within the establishment to optimise the capacity utilisation of each device. 10. Warranties on motor vehicles and computer equipment should, where possible, be extended for reasonable periods instead of procuring new motor vehicles and computer equipment ( <i>for consideration by Fleet Management and Group IT</i> ). 11. Purchasing new furniture and equipment and office refurbishments should only be undertaken where absolutely necessary ( <i>for consideration by Buildings and Facilities Management</i> ).
<b>Table 2</b>		
<b>B</b>	<b>NATIONAL TREASURY INSTRUCTION NO 06 and 07 OF 2022/2023 EFFECTIVE 1 September 2022 (NEW)</b> <i>(Should be read in conjunction with each other for further understanding and application)</i>	<b>ESKOM COST CONTAINMENT DIRECTIVE (EFFECTIVE FROM THE DATE OF APPROVAL OF THIS DIRECTIVE) UNTIL RELEVANT ESKOM POLICIES/ PROCEDURES HAVE BEEN UPDATED (OR DEVELOPED) WITH THE INSTRUCTIONS</b>
	<b>NATIONAL TRAVEL POLICY FRAMEWORK (NTI 06) and COST CONTAINMENT MEASURES RELATED TO TRAVEL AND SUBSISTENCE (NTI 07)</b>	
<b>4</b>	<b>COMPLIANCE WITH COST CONTAINMENT MEASURES</b>	
	Institutions must assist employees involved in the arrangement of travel to comply with the provisions of these Treasury Instructions to avoid possible irregular and fruitless and wasteful expenditure.	Eskom complies with these requirements and so must all its employees. These requirements will also be included in PFMA training.
<b>5.</b>	<b>COST CONTAINMENT MEASURES</b>	
<b>5.1</b>	<b>GENERAL PRINCIPLES</b>	
5.1.1	Institutions will allow the travel booker <sup>7</sup> or the appointed Travel Management Company (TMC), to make travel arrangements on behalf of the Institution that is in line with the provisions of the Institution's Travel Policy and this Treasury Instruction.	Eskom is using a travel agent to make travel arrangements on behalf of Eskom, and the necessary contracts are in place.

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	<i>(Travel Booker means the person coordinating travel reservations with the Travel Management Company consultant on behalf of the traveller).</i>	
5.1.2	Travel bookers, TMC and travellers must impartially consider rates and fares available. Travel bookings must not be based on personal preferences for a particular travel services provider, access to lounges or the accumulation of reward and loyalty points.	Eskom employees must make bookings through the appointed travel agent, utilising the Eskom-negotiated rates and fares, the government-negotiated corporate rates, and fares where applicable, e.g., discounted airfares with airlines, or, where the travel agent can obtain better rates or fares, the travel agent rates or fares for travel services within the maximum allowable rates as prescribed by the National Treasury.
5.1.3	Travel bookers or the TMC must compare the best price of the day of various airline fares, accommodation establishment rates and car rental rates before confirming a booking, maintaining the principles of competitiveness and cost effectiveness in supporting the institution's sustainability.	In cases where the trip includes both air and road travel, the travel agent must select the mode and combination thereof that is the most cost-effective, considering the cost of the trip, time consumed, and productivity.
5.1.4	Institutions must make bookings: a) Utilising the government negotiated corporate rates and fares where applicable, e.g., discounted air fares with airliners; b) utilising their institutional negotiated rates and fares; c) where the TMC can obtain better rates or fares; or d) for accommodation within the maximum allowable rates as prescribed by the National Treasury.	Eskom must ensure that the travel agent compares various airline fares, accommodation established rates, and car rental rates before confirming a booking, maintaining the principles of competitiveness and cost-effectiveness <sup>5</sup> in supporting the institution's sustainability.  <sup>5</sup> Preferential Procurement Regulations, 2017, Section 6(9)(a) & (b)
5.1.5	In cases where the trip includes both air and land arrangements, travel bookers or the TMC must select the mode and combination thereof that is the most cost effective and practical, considering the total cost of the trip.	<b>Business Travel Management Policy 32-1041, rev 6 (2.2.1)</b> The Authorising Official/Delegated Authority must satisfy themselves of the following before approving travel requests: a) The necessity to travel is limited to official business trips supporting Eskom's mandate b) The number of travellers c) The benefit to Eskom d) Other alternatives to travelling (e.g., MS Teams, videoconference, teleconference) e) Compliance with Eskom's Travel Policy and procedure Travellers cannot claim any allowances where Eskom or another party or host is paying for such expenses or the overall cost includes meals and/or accommodation, etc.
5.1.6	The double payment of travel expenses is prohibited, e.g., an official cannot claim for meal expenses if meals are already included in the accommodation and, or conference arrangements.	
5.1.7	Accounting officers and accounting authorities must reduce an allowance where the Institution or another party or host is paying for the claimed expenses. The Institution must recover the over payment from the traveller in accordance with applicable prescripts.	

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5.2	EMPLOYEES TRAVELLING ON THE SAME ENGAGEMENTS	
5.2.1	Accounting officers and accounting authorities must implement policies and procedures to restrict the number of employees and, where applicable, persons appointed on policy considerations in terms of section 12A of the Public Services Act 1994, travelling to the same event, conference, consultation, or meeting to reasonable and necessary representation, including representations to Parliament or Provincial Legislatures.	<p><b>Business Travel Management Policy 32-1041, rev 6 (2.3)</b></p> <p>Executives and groups of Eskom employees travelling shall adhere to the following safety principles:</p> <ol style="list-style-type: none"> <li>There shall not be more than three Board members, including the Chairman, in any one conveyance</li> <li>The following executives shall not travel together: <ul style="list-style-type: none"> <li>The Eskom GCE and Eskom CFO</li> <li>The Eskom GCE and Chief Operating Officer (COO)</li> <li>No more than three Exco members</li> </ul> </li> <li>A Group Executive shall not travel with more than one of his/her direct reports</li> </ol> <p>The maximum number of Eskom travellers travelling in any one conveyance shall not exceed the legislated design capacity of the mode of transport.</p>
5.2.2	Where more than one traveller is attending the same event or meeting, they must co-ordinate the renting of cars or shuttle services to reduce the cost. This provision also applies to SMS officials using their own vehicles or MMS that has structured for a vehicle allowance.	
5.2.3	<p>The provisions of par 5.2.1 &amp; 5.2.2 of this Treasury Instruction do not apply to:</p> <ol style="list-style-type: none"> <li>Accounting officers (AO)/Directors-General or persons holding equivalent ranks in departments.</li> <li>Deputy Directors-General or persons holding equivalent ranks in departments<sup>9</sup></li> <li>AO/Chief Executive Officer of constitutional institutions</li> <li>Officials at the level of management that report directly to AO of a constitutional institution.</li> <li>Members of the Board of a public entity (schedule 2 and 3 of the PFMA).</li> <li>The Chief Executive Officer or any other person in charge of the public entity.</li> <li>Members of the executive committee that report directly to the Chief Executive Officer or to any other person in charge of the public entity.</li> <li>Non-executive members serving on any governance committee (audit, risk, and remuneration committees) of institutions<sup>10</sup>; and</li> <li>Officials of departments, constitutional institutions and public entities performing official duties in Parliament</li> </ol>	

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	<p>or in a provincial legislature other than those mentioned to in paragraph 5.2.1 above.</p> <p><i>(<sup>9</sup>This does not apply to persons holding other ranks/positions in departments but who are remunerated at salary levels 15).</i></p> <p><i>(<sup>10</sup>These Governance Committees include audit, risk, social, ethics and remuneration committees).</i></p>	
<b>5.3</b>	<b>AIR TRAVEL</b>	
5.3.1	<p>National Treasury has negotiated with some domestic airlines for upfront discounted air fares for government employees travelling on official business. Copies of the agreements are available on request. Due to confidentiality clauses in the agreements, National Treasury cannot publish the discounts in the public domain.</p>	<p><b>Business Travel Management Policy 32-1041, rev 6 (2.2)</b></p> <ol style="list-style-type: none"> <li>1. All bookings for travel must be made through the Travel Management Self-booking System ("the system") by the traveller and approved in accordance with Eskom's Delegation of Authority.</li> <li>2. All travel bookings shall be according to the negotiated government corporate rates or lower rates whenever possible.</li> <li>3. Travellers need to plan and book in time to allow for the approvals and the travel booking process to unfold: <ol style="list-style-type: none"> <li>(a) All domestic bookings (excluding flights), e.g., accommodation and car rental, must be <b>approved</b> 48 hours before the service is required to guarantee the travel service</li> <li>(b) All domestic flights must be <b>approved</b> at least seven working days before departure</li> <li>(c) All international bookings, e.g., flights and accommodation, must be approved in the system at least six (6) weeks before departure</li> </ol> </li> </ol>
5.3.2	<p>Travel bookers must consider the following when selecting a fare for air travel:</p> <ol style="list-style-type: none"> <li>(a) Fare class: all air travel must be booked using the best price of the day and in the class of travel permitted under this instruction.</li> <li>(b) Fare type: the use of restricted fare types as follows: <ol style="list-style-type: none"> <li>i. where there is a high degree of certainty of arrival or departure times, travellers, travel bookers and TMC must consider restricted fare types</li> <li>ii. where there is possibility that a scheduled meeting will not proceed, or there is uncertainty around the time that a scheduled meeting may conclude, travellers, travel bookers and TMC must consider whether the additional cost of flexible fares outweighs the cost of possible changes or cancellation fees</li> </ol> </li> <li>(c) Value for money: travellers, travel bookers and TMC must compare fare classes and types across airlines servicing the particular route required.</li> </ol>	

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	(d) Advance booking: to benefit from the available best price of the day, domestic travel should be booked at least seven days in advance, where possible. The most cost-effective options are available when making travel bookings/reservations more than 14 days prior to departure. International travel should be booked at least three weeks in advance, where possible	
5.3.3	Institutions must use the negotiated discounted rates. The agreements are <b>not exclusive</b> agreements and, before confirming a booking, Institutions must ensure that their appointed TMCs or travel booker, compare the discounted rates with all other airline rates that is servicing the specific route, including the low-cost carriers.	
5.3.4	To make full use of the corporate discounts, institutions must instruct their TMCs or travel booker to book against the relevant deal codes <sup>11</sup> assigned to Government by the airlines.  <i>(<sup>11</sup>The code that the TMCs must quote/insert when making the booking to benefit from the negotiated discounted fares).</i>	
5.3.5	<b>Air travel (including travel to neighbouring and regional countries) that are five hours or less (from origin airport to destination airport)</b>	
5.3.5.1	The standard of air travel for <b>Domestic air travel</b> of five hours or less must be in <b>economy class</b> , with consideration of <b>restricted fare types</b> as described in 5.3.2(b). Any exceptions to this rule must be approved by the AO/AA or delegated official.	<b>Business Travel Management Policy 32-1041, rev 6 (2.6)</b> 1. The standard of air travel for domestic air travel of five hours or less must be in economy class. Any exceptions to this rule must be approved by the Authorising Official/Delegated Authority, who will satisfy themselves of the principles of 2.2.1 of the Business Travel Management Policy, before approving travel requests. 2. Business class is permitted in exceptional cases for trips less than five hours (from origin airport to destination airport) but requires prior approval of the GE. 3. Business class tickets may be purchased for the following travellers subject to approval by the GE:
5.3.5.2	Business class is permitted in exceptional cases for trips less than five hours (from origin airport to destination airport) but requires prior approval of the AO/AA or delegated official.	
5.3.5.3	Despite paragraphs 5.3.5.1 and 5.3.5.2, AO/AAs or delegated officials of Institutions may approve the purchase of business class tickets- a) For travellers with disabilities <sup>12</sup>	

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	<p>b) For travellers with special needs<sup>13</sup> based on medical grounds</p> <p>c) Where the business class ticket is the same price or cheaper than the economy class ticket to the same destination<sup>14</sup></p> <p><i>(<sup>12</sup>Disability for purposes of this document is defined as a person who are physically impaired and/or requires assistance to move or are depended upon a wheelchair)</i></p> <p><i>(<sup>13</sup>Special needs means a distinctly different need of a traveller that requires the AO/AA or Delegated Official to make a judgement call to provide for such a need. A medical certificate noting the medical need and the applicable period must be provided)</i></p> <p><i>(<sup>14</sup>A complete and accurate trial of such cases must be kept by the AO/AA or Delegated Official for audit purposes).</i></p>	<p>(a) for travellers with disabilities</p> <p>(b) for travellers with special needs based on medical grounds</p> <p>(c) where business class tickets are the same price or cheaper than the economy class ticket to the same destination</p> <p>4. In the event where economy class flights are unavailable, the traveller or the travel agent are not allowed to book business class unless approved by the GE in advance, where it has been confirmed that the airline class was full, and no other applicable flights are available.</p>
5.3.5.4	<p>In cases where economy class flights are not available, <sup>15</sup> travel bookers or TMC are not allowed to book business class unless approved by the AA/AO or delegated official, where it has been confirmed that the airline class was full, and no other applicable flights are available.</p> <p><i>(<sup>15</sup>A complete and accurate trial of such cases must be kept by the AO/AA or Delegated Official for audit purposes).</i></p>	
5.3.6	<b>International air travel exceeding five hours</b>	
5.3.6.1	International travel requires the approval of the most senior official or a duly delegated official of the institution.	<p><b>Business Travel Management Policy 32-1041, rev 6 (2.2; 2.7)</b></p> <p>1. All international bookings (e.g., flights and accommodation) must be approved in the system at least six weeks before departure.</p> <p>2. Requests for international travel must include the following:</p> <ul style="list-style-type: none"> <li>a) A formal invitation or motivation (or both) for the visit and its benefit for the Eskom mandate</li> <li>b) An indication of whether the trip is fully or partially sponsored (i.e., a letter from the sponsor/host)</li> <li>c) The financial implications of the visit</li> <li>d) Any support staff, or other officials, including the roles of each official</li> </ul>
5.3.6.2	The standard of air travel for international flights exceeding five hours shall be <b>economy class</b> , however, the AO/AA of delegated official may approve a higher class based on the merits of each request.	
5.3.6.3	Business class is permitted for trips that exceed five hours (from origin airport to destination airport) but requires prior approval of the AO/AA or delegated official.	
5.3.6.4	Business class tickets may only be purchased for the following persons, unless the person elects to fly economy class:	

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	<p>Directors-General or persons holding equivalent ranks in departments</p> <ol style="list-style-type: none"> <li>Deputy Directors-General or persons holding equivalent ranks in a department<sup>16</sup></li> <li>Persons appointed on grounds of policy considerations in terms of section 12A of the Public Services Act, 1994 (i.e., advisors to executive authorities)</li> <li>AO/GCE of constitutional institutions</li> <li>Officials at the level of management that report directly to the AO of a constitutional institutions</li> <li>Members of Boards of public entities (schedule 2 and 3 of the PFMA)</li> <li>The GCE or other person in charge of the public entity</li> <li>Members of the executive committee that report directly to the GCE or to any other person in charge of the public entity</li> <li>Non-executive members serving on any Governance Committee of an Institution<sup>17</sup></li> </ol> <p><i>(<sup>16</sup>This does not apply to persons holding other ranks/positions but who are remunerated at salary levels 14 or 15)</i> <i>(<sup>17</sup>These Governance Committees include audit committees and risk management committees)</i></p>	<ol style="list-style-type: none"> <li>Any bookings not meeting these requirements (i.e., late booking) must be motivated and authorised by the GE.</li> <li>Economy class tickets shall be booked for international flights exceeding five hours. However, the GM may approve a higher class based on the merits of each request.</li> <li>Business class tickets for flights <b>exceeding five hours</b> may only be purchased for the following employees unless the employee selected to travel economy class: <ol style="list-style-type: none"> <li>Members of the Eskom Board of Directors</li> <li>Employees at the level of management that report directly to the GCE</li> <li>Employees at the level of management that report directly to the employees referred to in (b) above</li> <li>Non-executive Board members serving on any governance committee (e.g., audit and risk committee)</li> </ol> </li> <li>The purchase of business class tickets may be approved for the following: <ol style="list-style-type: none"> <li>Employees with disabilities</li> <li>Employees with special needs based on medical grounds</li> <li>In cases where economy class tickets are not available</li> <li>Where the business class ticket is the same price or cheaper than the economy class ticket</li> </ol> </li> </ol>
5.3.6.5	<p>Despite paragraphs 5.3.6.2 to 5.3.6.4, the AO/AA or delegated official may approve the purchase of business class tickets-</p> <ol style="list-style-type: none"> <li>For travellers with disabilities<sup>18</sup></li> <li>For travellers with special needs<sup>19</sup> based on medical grounds</li> <li>Where the business class ticket is the same price or cheaper than the economy class ticket to the same destination<sup>20</sup></li> <li>For a traveller accompanying a person entitled to travel at a higher class if the traveller is required to maintain contact with that person for business purposes, e.g., travelling together to make a presentation shortly after arrival</li> </ol> <p><i>(<sup>18</sup>Disability for purpose of this document is defined as a person who are physically impaired and/or requires assistance to move or are depended upon a wheelchair)</i></p>	<ol style="list-style-type: none"> <li>In the cases where economy class tickets are not available, the traveller or travel agent are not allowed to book business class tickets unless approved by the GE/DE, where it has been confirmed by the travel agent, in writing, that the ticket class, and no other applicable flights were available.</li> </ol>

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	<i>(<sup>19</sup>The term “Special needs” means a distinctly different need of a traveller that requires the AO/AA or Delegated Official to make a judgement call to provide such a need. A medical certificate noting the medical need and the applicable period must be provided)</i> <i>(<sup>20</sup>A complete and accurate trial of such cases must be kept by the AO/AA or Delegated Official for audit purposes)</i>	
5.3.6.6	In cases where economy class flights are not available travel bookers or TMCs are not allowed to book business class unless approved by the AO/AA or delegated official, where it has been confirmed that the airline class was full, and no other applicable flights are available.	
5.4	ACCOMMODATION	
5.4.1	AA/AO must ensure that domestic accommodation expenditure does not exceed the maximum allowable rates set out in the Domestic Accommodation Rate Grid enclosed as <b>Annexure A</b> (refer page 47) to this Treasury Instruction. National Treasury will review the rates as and when necessary.	<b>Business Travel Management Procedure 32-1042, rev 4 (Annexure A, Table 1))</b> <ul style="list-style-type: none"><li>Domestic accommodation may not exceed the following:</li></ul>
5.4.2	Domestic overnight accommodation for travellers is limited to instances where- a) The distance travelled exceeds 300 kilometres on a return journey (150km each way) from the place of work to the destination b) The meeting /conference/workshop is held over several days c) The event finishes after hours	
5.4.3	When choosing domestic or international accommodation, the Travel Booker or TMC must choose the lowest rate available at suitable accommodation establishments within reasonable distance from place of duty. The Travel Booker will select the most appropriate star rating, based on what is allowed in this Instruction, business requirements and total cost of travel (typically, accommodation rates plus transportation costs).	
5.4.4	Domestic accommodation selected must not exceed the maximum allowable rates as prescribed by National Treasury. Any exceptions to this rule must be approved by the AO/AA or delegated official.	

Vouchers include	Band 1	Band 2	Band 3
	Room only  Tourism levy VAT	Room and breakfast  Tourism levy VAT	Room, Breakfast, and dinner  Tourism levy VAT 2X non-alcoholic beverages at dinner
Graded hotel or boutique hotel			
3 Star	R1 190	R1 310	R1 530
4 Star	R1 360	R1 470	R1 700
5 Star	R2 280	R2 401	R2 740
Graded bed and breakfast, country house, or guest house			
3 Star	R980	R1 150	R1 350
4 Star	R1 090	R1 260	R1 460
5 Star	R1 300	R1 480	R1 680
Graded self-catering			
3 Star	R1 190		
4 Star	R1 360		
5 Star	R1 570		
Maximum for meals			
Breakfast	R100,00		
Lunch	R158,50		
Dinner	R158,50		
Any meal without a voucher	R60.50		

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5.4.5	<p>The AO/AA or delegated official may only approve domestic accommodation costs that exceed the maximum allowable rates under the following circumstances:</p> <ol style="list-style-type: none"> <li>During peak holiday periods<sup>21</sup></li> <li>When the demand is high, and the accommodation establishments are sold out</li> <li>The accommodation that is still available is priced higher than the maximum allowable rates. In this case the Travel Booker will book the most reasonable option and retain a record of why the maximum was exceeded</li> <li>When officials are required to stay over in the accommodation establishment where the Official Business is conducted to avoid additional travelling cost</li> <li>If there is an operational requirement<sup>22</sup></li> </ol> <p><i>(<sup>21</sup>Peak holiday period means a period during South African school holidays and public holidays as provided for in the South African calendar)</i></p> <p><i>(<sup>22</sup>Example: VIP Protectors to stay in the same hotel as the VIP; Visiting Heads of State/Heads of Government; during major events such as WEF, SADC, etc. where hiring of an operational room in the hotel where VIPs are accommodated is necessary. Furthermore, it is sometimes an operational requirement for an entire delegation to stay in the same place of accommodation to reduce the travelling cost)</i></p>	<p><b>Business Travel Management Policy 32-1041, rev 6</b> <b>(2.6.2)</b></p> <p>Accommodation booking must be done in accordance with the maximum allowable rates set out in the Accommodation Rate and Star Grading according to Annexure A of the 32-1042 Business Travel Management Procedure or the latest reviewed National Treasury Instruction.</p> <p>Overnight accommodation may only be booked where the return trip exceeds 300 kilometres (km) unless otherwise approved (i.e., manager's discretion required when employee safety is negatively impacted by this requirement).</p> <p>The senior manager (E-band) may, depending on the urgency of the business travel, only approve accommodation costs that exceed maximum allowable rates as follows:</p> <ol style="list-style-type: none"> <li>During peak holiday periods</li> <li>When the demand is high, and the accommodation establishments are sold out</li> <li>The accommodation that is still available is priced higher than the maximum allowable rates. In this case the traveller/travel booker must book the most reasonable option and retain a record of why the maximum was exceeded</li> <li>When employees are required to stay over in the accommodation establishment where the official business is conducted to avoid additional travelling cost</li> <li>If there is an operational requirement</li> </ol> <p>Double claiming of allowances is not allowed. i.e., the traveller may not claim for actual meal expenses where the meals are included in accommodation arrangements or conference fees.</p>
5.4.6	<p>Expense claims for meals may not be paid to the traveller if meals are already included in the accommodation rate or conference fee.</p>	
5.4.7	<p>Special dietary requirements must be considered when the most relevant accommodation option is booked. If the accommodation establishment does not cater for special dietary requirements, then a room</p>	

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	excluding meals must be booked (bed-and-breakfast or room only). The traveller may claim actual expenditure for the meals (not exceeding the maximum daily amount and must be accompanied by receipts as supporting evidence).	
5.4.8	In cases where the accommodation establishment does offer meal facilities, the travel Booker or TMC must book the room only or bed-and-breakfast options. The traveller may claim the actual expenditure for meals (not exceeding the maximum daily amount and must be accompanied by receipts and supporting evidence).	
5.4.9	Some accommodation establishments do not offer meal facilities and will provide meal vouchers in lieu of the meal which can be redeemed at the facilities with which the establishment have made arrangements with. The traveller must not request or demand cash from an accommodation establishment in lieu of the meal cost included in the Institution's Travel Accommodation Voucher. Such action is misconduct and must be dealt with in terms of the Institution's Disciplinary Policy. In exceptional cases, where the accommodation establishment offers cash because there is no alternative, it may be accepted.	
<b>5.4.10</b>	<b>Domestic accommodation</b>	
5.4.10.1	South African Tourism, through its Tourism Grading Council component, is mandated to provide quality assurance of tourism products and facilities through amongst others the grading of establishments such as hotels, bed & breakfasts, guest houses and conference venues in South Africa.	South African Tourism, through its Tourism Grading Council component, is mandated to provide quality assurance of tourism products and facilities through, among others the grading of establishments such as hotels, bed and breakfasts, guest houses, and conference venues in South Africa.
5.4.10.2	To promote the grading establishments throughout the country, Cabinet approved that government institutions should, with effect from January 2005, procure accommodation only from graded establishments and that, in exceptional cases, the use of establishments which are not graded by the Grading Council may be permitted.	Eskom follows this rule to procure, through the appointed travel agent, accommodation only from graded establishments and that, in exceptional cases, the use of establishments not graded by the Grading Council may be permitted.
5.4.10.3	Institutions may enter into agreements, through the normal procurement process, with accommodation facilities to secure rates that	Eskom will request the appointed travel agent to negotiate and secure rates lower than the maximum allowable rates prescribed by the National Treasury.

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	are lower than the maximum allowable rates as prescribed by National Treasury.							
5.4.10.4	The maximum allowable rates per star grading and type (room only, bed-and-breakfast or dinner-bed-and-breakfast) for domestic accommodation within which a traveller is allowed to be accommodated in accordance with his or her organisational level or position within the Institution.	Refer to Annexure A, Tables 3 and 4 of the 32-1042 Business Travel Management Procedure Rev 4:						
5.4.10.5	The standard class of domestic accommodation must be a <b>three-star</b> establishment or equivalent accommodation establishment, unless approved otherwise by the AO/AA or delegated official.	Table 3: Maximum star grading per employee level for domestic accommodation						
5.4.10.6	The following persons may stay in a <b>four-star</b> establishment or equivalent accommodation establishment, unless the person elects to stay in a lower graded establishment: a) AO/Director-General or persons holding equivalent ranks in departments b) Deputy Directors-General or persons holding equivalent ranks in departments c) Persons appointed on grounds of policy considerations in terms of section 12A of the Public Services Act, 1994 (i.e., advisors to executive authorities) d) AO/CEO of constitutional institutions e) Officials at the level of management that report directly to the AO of a constitutional institutions f) Members of AA (Board) of public entities (schedule 2 and 3 of the PFMA) g) The CEO or other person in charge of the public entity h) Members of the CEO's executive committee that report directly to the CEO or to any other person in charge of the public entity i) Non-executive members serving on any Governance Committee of Institutions <sup>23</sup> <i>(<sup>23</sup>These Governance Committees include audit, risk, and remuneration committees)</i>	<table><tr><th>Employee level</th><th>Star grading</th></tr><tr><td>Board members, non-executive board members serving on a governance committee, executive directors, and employees at the level of management that report directly to the GCE</td><td>4 stars</td></tr><tr><td>All other employees</td><td>3 stars</td></tr></table> Table 4: Maximum star grading for international accommodation	Employee level	Star grading	Board members, non-executive board members serving on a governance committee, executive directors, and employees at the level of management that report directly to the GCE	4 stars	All other employees	3 stars
Employee level	Star grading							
Board members, non-executive board members serving on a governance committee, executive directors, and employees at the level of management that report directly to the GCE	4 stars							
All other employees	3 stars							
		<table><tr><th>Employee level</th><th>Star grading</th></tr><tr><td>Executive, non-executive directors, and Board members</td><td>5 stars</td></tr><tr><td>Employees at the level of management that report directly to the GCE, senior management, middle management, junior management, and other employees</td><td>4 stars</td></tr></table>	Employee level	Star grading	Executive, non-executive directors, and Board members	5 stars	Employees at the level of management that report directly to the GCE, senior management, middle management, junior management, and other employees	4 stars
Employee level	Star grading							
Executive, non-executive directors, and Board members	5 stars							
Employees at the level of management that report directly to the GCE, senior management, middle management, junior management, and other employees	4 stars							
5.4.10.7	Despite paragraphs 5.4.10.5 and 5.4.10.6 above, a higher star graded establishment may be booked (irrespective of the organisational level or position) under the following circumstances: <sup>24</sup>	Despite paragraphs 5.4.10.5 and 5.4.10.6 above, a higher star graded establishment may be booked (irrespective of the organisational level or position) under the following circumstances: <sup>24</sup>						

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	<p>a) Where the rate of the higher star graded establishment is equal or lower than the lower star graded establishment and within the limits of the maximum allowable rates permitted</p> <p>b) The higher star graded establishment is the only available option due to location and availability</p> <p>c) The institution has negotiated lower rates with the higher star graded establishment and the rates are within the limits of the maximum allowable rates permitted</p> <p>d) In all cases the principle of cost-effectiveness must prevail. The lowest rate available at suitable accommodation establishments within reasonable distance from place of work. The travel Booker will determine the most appropriate star rating, based on an assessment of government business requirements and total cost of travel (typically, accommodation rates plus transportation costs).</p> <p><i>(<sup>24</sup>A complete and accurate audit trail of such cases must be kept by the Institution for audit purposes)</i></p>	<p>a) Where the rate of the higher star graded establishment is equal to or lower than the lower star graded establishment and within the limits of the maximum allowable rates permitted</p> <p>b) The higher star graded establishment is the only available option because of location and availability</p> <p>c) Eskom has negotiated lower rates with the higher star graded establishment and the rates are within the limits of the maximum allowable rates permitted</p> <p>d) In all cases the principle of cost-effectiveness must prevail. The lowest rate available at suitable accommodation establishments within reasonable distance from place of work. The traveller/travel Booker will determine the most appropriate star rating, based on an assessment of business requirements and total cost of travel (typically, accommodation rates plus transportation costs)</p> <p><i><sup>24</sup>A complete and accurate audit trail of such cases must be kept by the institution for audit purposes.</i></p>
5.4.10.8	<p>In exceptional cases the AO/AA or delegated official may approve a deviation from paragraphs 5.4.10.5 and 5.4.10.6 above with justifiable reasons and accurately recorded for audit purposes.</p>	<p><b>Business Travel Management Policy 32-1041, rev 6 (2.6.2)</b></p> <p>The senior manager (E-band) may, depending on the urgency of the business travel, only approve accommodation costs that exceed the maximum allowable rates as follows:</p> <p>a) during peak holiday periods</p> <p>b) when the demand is high, and the accommodation establishments are sold out</p> <p>c) the accommodation that is still available is priced higher than the maximum allowable rates. In this case, the traveller/travel Booker must book the most reasonable option and retain a record of why the maximum was exceeded</p> <p>d) when employees are required to stay over in the accommodation establishment where the official business is conducted to avoid additional travelling costs</p> <p>e) if there is an operational requirement</p> <p>Also refer to Out of Policy Rules &amp; Principles in <b>Business Travel Management Policy 32-1041, rev 6, (2.2.2.1)</b></p>

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5.4.11	International accommodation	
5.4.11.1	International travel requires the approval of the most senior official or a duly delegated official of the Institution.	<b>Business Travel Management Policy 32-1041, rev 6 (2.2)</b> 1. All international bookings (e.g., flights and accommodation) must be approved in the system at least six weeks before departure. 2. Any bookings not meeting these requirements (i.e., late booking) must be motivated and authorised by the GE.
5.4.11.2	The approval submission must comply with the requirements of the National Travel Policy Framework, with specific reference to the financial implications and be approved by the most senior official or duly delegated official.	
5.5	GROUND TRANSPORTATION	
5.5.1	In cases where the Official Business trip includes both air and road travel, travel bookers of TMCs must select the mode and combination thereof that is the most cost effective and practical, considering the total cost of the Official Business trip and time consumed.	<b>Business Travel Management Policy 32-1041, rev 6 (2.6.4)</b> 1. Employees are required to make use of travel arrangements, including public transport (shuttle, uber, taxi services, etc.), or use of own or departmental transport that is practical, cost-effective, and safe rather than the cost of renting a car. 2. Where more than one traveller is attending the same event or meeting, they must co-ordinate the renting of cars or shuttle services to reduce the cost.
5.5.2	Where more than one traveller is attending the same event or meeting, they must co-ordinate the renting of cars or shuttle services to reduce the cost. This provision also applies to SMS officials using their own vehicles or MMS that has structured for a vehicle allowance.	
5.5.3	Travellers may make use of public transport such as Uber, Gautrain, taxi, municipal bus services, etc. or shuttle services when travelling to and from the airport if it is safe and/or more cost effective than the cost of car rental and, or the cost of parking and, or kilometers claimed.	
5.5.4	AOs/AAs are responsible for the cost-effective management of travel reimbursement and vehicle hire (car rental) expenses and for the adoption of policies and procedures to this effect.	
5.5.5	Car Rental	
5.5.5.1	The travel booker or TMC must book a rental vehicle for the period that is actually required for Official Business.	<b>Business Travel Management Policy 32-1041, rev 6</b>

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5.5.5.2	The traveller must return the vehicle within the specified rental period or notify the travel booker or TMC to make additional arrangements with the Car Rental Company. If the traveller fails to inform the travel booker or the TMC, where it was in his or her ability to do so, and additional charges are incurred, the Institution will settle the account, and if the traveller is found liable, recover the amount from the traveller.	<p><b>(2.6.4)</b></p> <ol style="list-style-type: none"> <li>1. The traveller should only book a rental vehicle for the period that is required for official business and ensure that they have a valid driver's licence at the time of booking.</li> <li>2. The traveller must ensure that the vehicle is returned within the specified rental period, as it can be regarded as stolen if the vehicle is not returned in time without any notification (and valid reason) to the rental company and travel agent. Failure to notify (with valid reason) will result in the traveller being held personally responsible/liable for the additional charges for the late return of the vehicle.</li> </ol>
5.5.5.3	If the traveller needs to extend the rental period for Official Business purposes, the traveller must obtain approval from the Authorizing Official and the TMC will issue a Travel Voucher for the extended period.	<p><b>Business Travel Management Procedure 32-1042, rev 4</b> <b>(3.8)</b></p> <p>Should it be necessary to extend the rental period, the rental agent and travel agent should be informed as early as possible. The traveller must submit a new travel request on the system for approval of any extension or modification of the rental period in line with the Finance DOA.</p>
5.5.5.4	The various Car Rental Companies use different groups and, or SIPP codes to categorise their vehicles. Please refer to <b>Annexure B</b> for the various Car Rental Companies' Group and SIPP code categorization.	<p><b>Business Travel Management Policy 32-1041, rev 6</b> <b>(2.6.4)</b></p> <ol style="list-style-type: none"> <li>1. Vehicles categorised as Group B ("Mini, Economy or Compact") should be booked, subject to availability and cost-effectiveness.</li> <li>2. A higher class vehicle (categorised as "Intermediate, Standard, Premium or Luxury") may be booked for executive and non-executive directors unless the person elects to hire a "Mini, Economy or Compact" type of vehicle.</li> <li>3. The GE may approve the hiring of a different class of vehicle ("Intermediate, Standard, Premium, or Luxury", minibus, 4x4 bakkie) in instances where: <ol style="list-style-type: none"> <li>a) Three or more travellers are travelling together</li> </ol> </li> </ol>
5.5.5.5	The default car types to be booked are vehicles categorized as " <b>Mini, Economy or Compact</b> " also known as <b>Group B</b> , subject to availability and cost effectiveness.	
5.5.5.6	The following officials may hire a higher-class vehicle (categorised as "Intermediate, Standard, Premium or Luxury"), unless the person elects to hire a "Mini, Economy or Compact" type of vehicle: <ol style="list-style-type: none"> <li>a) AO/Director-General or persons holding equivalent ranks in departments</li> <li>b) AO and GCE of constitutional institutions</li> <li>c) Members of the Boards of public entities (schedule 2 and 3 of the PFMA)</li> <li>d) The GCE or other person in charge of a public entity</li> </ol>	
5.5.5.7	Officials with a disability who requires the use of an automatic vehicle or officials who have a restriction on their driver's license may hire a "Mini, Economy or Compact" type of vehicle	

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	with an automatic transmission. The hiring of an automatic vehicle for any other traveller must be approved by the AO/AA or delegated official.	b) The return journey to be travelled exceeds 400 kilometres to the destination and back c) The special needs of a traveller (based on legitimate medical grounds) are to be catered for d) Employees with disabilities e) Restriction on driver's licence f) Vehicle is required for a particular terrain (i.e., 4x4 bakkie) g) Extra luggage must be accommodated h) Transportation of more than 16 passengers i) Transportation of foreign dignitaries
5.5.5.8	Despite paragraphs 5.5.5.5 to 5.5.5.7 above, AOs/AAs or delegated officials may approve the hiring of an "Intermediate, Standard, Premium or Luxury" type of vehicle, minibus, bus (above 16-seater) or passenger van in instances where: a) Three or more employees are travelling together. b) The return journey to be travelled exceeds 400km to and from the destination (return journey) c) The special needs <sup>25</sup> of a traveller (based on medical grounds) are to be catered for d) Extra luggage must be accommodated e) Transportation of more than 16 passengers f) Transporting of foreign dignitaries  <i>(<sup>25</sup>The term "Special needs" means a distinctly different need of a traveller that requires the AO/AA or Delegated Official to make a judgement call to provide such a need. A medical certificate noting the medical need and the applicable period must be provided)</i>	
5.5.5.9	A different class of vehicle (e.g., Intermediate or Standard sports utility vehicle or 4x4) may be hired if required for a particular terrain. Mountainous and gravel roads are considered difficult terrain and vehicles with higher ground clearance may be required.	
5.5.5.10	A traveller is permitted to accept a higher category of rental vehicle if such an upgrade is offered free of charge. A traveller is, under no circumstances, allowed to demand such an upgrade.	
<b>5.6</b>	<b>ENGAGEMENT OF TRAVEL MANAGEMENT COMPANIES</b>	
5.6.1	The Institution may appoint one or more Travel Management Companies. This must be done in accordance with the applicable prescripts and instructions issued by National Treasury to manage the Institution's travel services effectively and efficiently.	Eskom appointed a TMC (travel agent) in accordance with the Eskom procurement process and instructions issued by the National Treasury to manage Eskom's travel services effectively and efficiently.
5.6.2	The working relationship between the TMC and the Institution shall be regulated by a Service Level Agreement, which amongst others, shall require the TMC to:	The working relationship between the appointed travel agent and Eskom is regulated by a service level agreement, which, among other things, requires the travel agent to:

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	<p>a) obtain the best possible travel arrangements with the most competitive option when making travel bookings. In doing so, the TMC must be mindful of cost and value for money and provide competitive rates and best prices; and</p> <p>b) constantly provide feedback on bookings including any pertinent information regarding the Official Business trip to the traveller, and resolutions of any concerns raised by travellers on the services rendered by the TMC</p>	<p>a) obtain the best possible travel arrangements with the most competitive option when making travel bookings. In doing so, the travel agent must be mindful of cost and value for money and provide competitive rates and best prices; and</p> <p>b) constantly provide feedback on bookings, including any pertinent information regarding the official business trip, to the traveller and resolutions of any concerns raised by travellers on the services rendered by the travel agent.</p> <p>The travel agent is contractually obligated to deliver on the conditions/clauses outlined throughout this directive.</p>
5.6.3	The Institution must manage the Travel Management Companies to deliver cost-effective and operationally efficient support in achieving the Institution's mandate.	Eskom manages the travel agent to deliver cost-effective and operationally efficient support in achieving Eskom's mandate.
5.6.4	<p>All rates offered by TMCs to Institutions for domestic air and land arrangements must be net and non-commissionable<sup>26</sup>. This will include rates offered by domestic airlines, hotels, car rental companies and the informal accommodation market e.g., Guest Houses, Bed &amp; Breakfast or similar establishments.</p> <p><i>(<sup>26</sup>The net and non-commissionable rate means a rate that does not include any third-party reward, i.e., a rate that is not marked up to include any commissions)</i></p>	<p>All rates offered by the travel agent to Eskom for domestic air and land arrangements must be net and non-commissionable.<sup>26</sup> This will include rates offered by domestic airlines, hotels, car rental companies, and the informal accommodation market, e.g., guest houses, bed and breakfasts, or similar establishments.</p> <p><i><sup>26</sup>The net and non-commissionable rate means a rate that does not include any third-party reward, i.e., a rate that is not marked up to include any commissions.)</i></p>
5.6.5	A transparent relationship between the Institution and the 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 be declared and reimbursed to the relevant Institution or set-off against the TMC fees to the credit of the Institution.	A transparent relationship between Eskom and the travel agent must be maintained, and any commission earned through Eskom's volumes will be reimbursed to Eskom. Where it is found or suspected that the travel agent earns commission for Eskom's travel bookings, Eskom may demand (via the Eskom contract manager) that all these commissions be declared and reimbursed to Eskom or set off against the travel agent fees to the credit of Eskom.
5.6.6	Institutions will only pay the transaction fees or management fees as agreed in the Service Level Agreement between the parties and the actual cost of the airline ticket, Accommodation, car hire or shuttle service.	Eskom will only pay the transaction fees or management fees as agreed in the service level agreement or contract between the parties and the actual cost of the airline ticket, accommodation, car hire, or shuttle service.
5.6.7	In the absence of the contracted services of a Travel Management Company, Institutions must administer the procurement	In the absence of the contracted services of a TMC, Eskom will have the option to administer

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	of travel related services via the prescribed procurement processes.	the procurement of travel-related services via the prescribed procurement processes.
5.6.8	Only the services as approved and described on the Travel Voucher that correspond with the Travel Authorisation Form is for the account of the Institution and the TMC only invoices this to the Institution. The Institution instructs the TMC to invoice all other unauthorised expenses separately to the Institution. The Institution must settle the account, and if the traveller is found liable, recover the amount from the traveller, subject to the applicable prescripts	Only the services approved and described on the travel voucher that correspond with the approved travel booking is for Eskom's account, and the TMC only invoices this to Eskom. Eskom Travel Management should instruct the TMC to invoice all other unauthorised expenses separately, and Eskom must settle the account. If the employee is found liable for the additional/unauthorised expenditure, the amount should be recovered from the employee, subject to the applicable policy/legislation.
5.6.9	In the event of an After-Hours Reservation, the TMC must execute the request based on a verbal approval or approval via Short Message Service (SMS) or email from the Authorising Official. The Institution must present the Travel Authorisation Form or purchase order to the TMC within 72 hours after the request was executed by the TMC or where not practical, within 24 hours upon return to the place of work, to avoid irregular or fruitless and wasteful expenditure. The TMC must follow up with the Institution and upon failure by the Institution to submit the Travel Authorisation Form or purchase order, the TMC may proceed to invoice the transaction.	<p><b>Business Travel Management Procedure 32-1042, rev 4 (3.5)</b></p> <ol style="list-style-type: none"> <li>1. After-hours bookings can be made in the event of an emergency as classified by the divisional emergency number (i.e., GPSS for Gx, Maximo for Dx, incident number for Tx).</li> <li>2. The traveller or line manager will contact the travel agent via the emergency contact details about the emergency.</li> <li>3. The traveller or line manager must provide full details of their full name, surname, unique number, email address, and contact details for the traveller and Authorising Official/Delegated Authority, cost centre, and their position when requesting after-hours bookings to enable an easy audit trail in case of disputes with the Eskom-appointed travel agent. Failure to do so will result in the rejection of their request.</li> <li>4. The traveller or the line manager completes the DK33 form, ensures compulsory signatures are that of the delegated/authorised person and submits it to the travel agent for processing via email.</li> <li>5. The travel agent will book the required service(s) and issue the travel documents via email to the traveller and the line manager.</li> </ol>
		<p>Shared Services Travel Management must, through Procurement, ensure that the following are contained in the contracts with the appointed travel agent:</p> <ol style="list-style-type: none"> <li>a. The travel agent is not allowed to receive rebates, overrides, and any volume-driven</li> </ol>

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		<p>target incentives* earned for Eskom business. These payments and the practice of overrides must be discontinued</p> <p>b. Travel agents or persons effecting bookings on behalf of Eskom must compare various accommodation facility rates before confirming a booking, as the principles of competitiveness and cost-effectiveness must always be maintained</p> <p><i>*Rebates, overrides, and target-driven incentives are rewards from the supplier to the travel agent for volume business. In most instances, these rewards are linked to an increased target.</i></p>
<b>5.7</b>	<b>EXPENSE MANAGEMENT AND REIMBURSEMENTS</b>	
5.7.1	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.	<p><b>Business Travel Management Policy 32-1041, rev 6 (2.6.3; 2.7.3)</b></p> <ol style="list-style-type: none"> <li>1. Allowances for domestic travel apply when travellers are away from their place of work for 24 hours or longer.</li> <li>2. Fixed daily subsistence allowance for domestic travel shall be claimable in accordance with the Eskom Conditions of Service.</li> <li>3. A subsistence allowance for international travel is payable to the traveller before travel as prescribed by SARS Foreign Subsistence Allowances.</li> </ol>
5.7.2	Travel expenses must be properly documented and approved according to the Institutional Travel Policy and/or procedures. It is each traveller's responsibility to adhere to these policies and/or procedures when involved with travel expenditure on behalf of the Institution. Further, it is the responsibility of the Authorising Official to be familiar with the reason for the expenditure and to be satisfied that they have been reported and claimed in a manner consistent with the Institution's policies and/or procedures.	
5.7.3	The DPSA annually publishes a "Financial Manual for the Purposes of Calculation and Application of Allowances and Benefits" and issues Circulars indicating any adjustments of allowances and tariffs contained in the Financial Manual.	
5.7.4	The PSCBC Resolution 3 of 1999 makes provision for various kinds of remunerative allowances and benefits related to travel.	
5.7.5	Institutions to which the DPSA Financial Manual and the PSCBC Resolution 3 of 1999 do not apply must use the published	

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	South African Revenue Service (SARS) subsistence allowance and advance rates.	
5.7.6	Institutions must familiarise themselves with these provisions and apply them accordingly.	
<b>5.8</b>	<b>REIMBURSABLE EXPENSES</b>	
	<p>The following expenses are reimbursable via the Institution's expense claim policy and/or procedures while on Official Business. Institutions may only reimburse costs on submission of proof of expenditure.</p> <ul style="list-style-type: none"> <li>a) parking costs at airports, hotels, and conferences</li> <li>b) toll fees (excluding SAPS and DOD who are exempt);</li> <li>c) laundry expenses</li> <li>d) cost of meals (if not included in the accommodation voucher);</li> <li>e) mileage on the use of private vehicle</li> <li>f) use of business centres and communication at accommodation establishments or event facilities</li> <li>g) business travel vaccination requirements;</li> <li>g) visas or expenses related to obtaining business visas or passports;</li> <li>h) excess luggage if it is for business purposes</li> <li>i) loss because of exchange rate fluctuations</li> <li>j) public transport expenses</li> <li>k) refuelling of hired vehicles</li> <li>l) any other expense related to the Official Business trip on a case-by-case basis and approved by the Authorising Official</li> </ul>	<p>All Eskom employees are to comply with <b>Business Travel Management Policy 32-1041, rev 6 (2.6.6.)</b> and <b>Business Travel Management Procedure 32-1042, rev 4 (3.12 – 3.17)</b> and the rules prescribed in this directive.</p>
<b>5.9</b>	<b>NON-REIMBURSABLE EXPENSES</b>	
5.9.1	<p>The following expenses may not be claimed:</p> <ul style="list-style-type: none"> <li>a) Tips or gratuities for waitering staff included in the bills for meals</li> <li>b) room service or tray service</li> <li>c) alcoholic beverages</li> <li>d) consumable items taken from mini bars in an accommodation establishment</li> <li>e) personal phone calls</li> <li>f) private travelling;</li> </ul>	<p>All Eskom employees are to comply with <b>Business Travel Management Policy 32-1041, rev 6 (2.6.2 &amp; 2.6.6)</b> and <b>Business Travel Management Procedure 32-1042, rev 4 (3.17)</b> and the rules prescribed in this directive.</p>

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	<p>g) internet connectivity for private purposes at accommodation establishments, airports, and other public places</p> <p>h) overweight and, or over-limit baggage expenses, unless it is due to Official Business purposes</p> <p>i) fees incurred to access the health club or fitness centres of accommodation establishments</p> <p>j) any other expenses not directly linked to official business</p>	
<b>5.10</b>	<b>KILOMETRES TRAVELLED</b>	
	Institutional policies must make provision for the management of kilometres claimed when using a private vehicle for Official Business purposes. Specific focus should be given to the following areas:	<b>Business Travel Management Policy 32-1041, rev 6, (2.6.6)</b> Travel claims for the use of a private vehicle are payable as outlined in the 32-1108 Car Scheme Procedure.
5.10.1	Kilometers claimed. All claims must be based on the actual distance travelled calculated from the place of work to the destination.	<b>Business Travel Management Procedure 32-1042, rev 4 (3.14)</b> <ol style="list-style-type: none"> <li>1. Claiming kilometres for business travel is claimable on the travel management system for scheme and non-scheme vehicle owners.</li> <li>2. The traveller must attach proof of a reputable map using Google Maps as a guide on the estimated distances between the two locations for the kilometre calculation to the travel claim to enable the verifier to verify that the kilometres claimed are reasonable.</li> </ol>
5.10.2	Kilometer claim rate. <sup>27</sup> Traveller will be compensated for the official kilometres travelled, either according to the Tariffs for the Use of Motor Transport, as determined by the DoT or the SARS kilometer rates, whichever is applicable to the Institution.	
5.10.3	Incorrect mileage and engine size: Where it is found or suspected that travellers are claiming incorrect mileage or incorrect engine size to defraud government, the Institution may institute disciplinary actions and deduct the amount from the Traveller's salary, subject to applicable prescripts.	

### 3. Supporting clauses

#### 3.1 Scope

Reinforcement of National Treasury Instruction No 03 of 2017/2018 and implementation of NTI 06 and NTI 07 of 2022/2023.

##### 3.1.1 Purpose

The purpose of this directive is to specify the principles or rules to be implemented within Eskom Holdings SOC Ltd and its subsidiaries, to give effect to the National Treasury Instructions NTI 06 and 07 issued in July 2022 until the relevant Eskom policies, procedures, and guidelines have been drawn up or updated accordingly.

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### 3.1.2 Applicability

This directive shall apply throughout Eskom Holdings SOC Ltd and its subsidiaries.

### 3.1.3 Effective date

The effective date is from the date of approval of this directive.

This directive will take precedence over existing Eskom policies, procedures, guidelines, etc., where there are any conflicting details.

## 3.2 Normative/Informative references

Parties using this document shall apply the most recent edition of the documents listed in the following paragraphs.

### Normative

- [1] National Treasury Instruction No 03 of 2017/2018
- [2] National Treasury Instruction No 06 of 2022/2023
- [3] National Treasury Instruction No 07 of 2022/2023

### Informative

- [1] Public Finance Management Act, 1999 (Act No.1 of 1999)
- [2] ISO 9001 2015 Quality Management Systems
- [3] National Treasury Instruction 02 of 2019/2020 on Irregular Expenditure Framework and Amendments
- [4] Procedure for Events Management 240-97192186
- [5] Business Travel Management Policy 32-1041
- [6] Business Travel Management Procedure 32-1042
- [7] Procedure for Recognition and Awards 240-52455639
- [8] Group Commercial Instruction Note 01 of 2016 on advertisements of bids and publication of awards on the E-Tender publication portal 240-114331554
- [9] Eskom Procurement and Supply Chain Management Procedure 32-1034
- [10] Remuneration and Benefits Practices Manual 32-1073
- [11] Eskom Conditions of Service

## 3.3 Definitions

Definition	Explanation
<b>Accounting Authority</b>	Eskom Holdings SOC Ltd
<b>GCE direct reports</b>	Exco members
<b>Eskom</b>	Eskom Holdings SOC Ltd and its subsidiaries
<b>Non-executive Board member</b>	Refers to a member of the Board who is not involved in the day-to-day activities or management of the company

## 3.4 Abbreviations

Abbreviation	Explanation
<b>AA</b>	Accounting Authority
<b>AO</b>	Accounting Officer
<b>CFO</b>	Chief Financial Officer
<b>DTC</b>	Design to cost
<b>EXCO</b>	Eskom Executive Committee
<b>FD</b>	Finance Director

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Abbreviation	Explanation
GCE	Group Chief Executive
GE/DE	Group Executive/Divisional Executive
GM	General manager
HR	Human resources
IT	Information technology
LSO	SAP Learning Solution
NGO	Non-governmental organisations
NT	National Treasury
NTI 03	National Treasury Instruction No 03 of 2017/2018
NTI 06	National Treasury Instruction No 06 of 2022/2023
NTI 07	National Treasury Instruction No 07 of 2022/2023
PAYG	Pay-as-you-go
PCC	Panel Controls Committee
PCM	Process Control Manual
PFMA	Public Finance Management Act 1 of 1999
PO	Purchase order
PSC	Professional services contract
SLA	Service level agreement
SMS	Short message service
TMC	Travel management company (travel agent)
TO	Task order
VAT	Value-added tax

### 3.5 Roles and responsibilities

All process owners are to update or develop Eskom policies/procedures to ensure compliance with the Treasury Instructions.

All Group Executives/Divisional Executives/Subsidiary Directors are to ensure that this directive is implemented within their respective groups/divisions/subsidiaries.

Shared Services are to ensure that the contract with the travel agent is specific and explicit regarding the rules of this directive and that this is formally communicated to the travel agent.

Eskom Procurement Departments are to ensure that the contracts (including those with consultants) are specific and explicit regarding the rules of this directive.

Eskom employees are to comply with the rules of this directive.

### 3.6 Process for monitoring

The compliance officers in the respective divisions need to ensure that this directive is included in the compliance framework.

Assurance providers shall conduct regular audits to ascertain compliance with this directive.

## 4. Authorisation

This document has been seen and accepted by:

Name	Designation
Sanjith Rampath	Corporate Professional Process Control and Assurance
Esta Swart	Middle Manager Process Control and Assurance

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## 5. Revisions

Date	Rev.	Remarks
December 2016	1	New directive
May 2017	2	Updated instructions contained in NTI03 and NTI04 of 2017/2018
September 2018	3	Reinforcement of National Treasury Instructions NTI03 and NTI04 of 2017/2018
October 2019	4	Reinforcement of National Treasury Instructions NTI03 and NTI04 of 2017/2018 and updating of reference to Eskom policies/procedures
December 2020	5	Reinforcement of National Treasury Instructions NTI03 and NTI04 of 2017/2018 and updating of reference to Eskom policies/procedures
November 2022	6	Reinforcement of National Treasury Instruction NTI03 of 2017/2018 and updated instructions contained in NTI06 and NTI07 of 2022/2023

## 6. Development team

The following people were involved in the updating of this document:

- Sanjith Rampath
- Esta Swart
- Dineo Dlulane
- Felicia Stallenberg
- Neville Naidoo

## 7. Acknowledgements

## 8. Annexures

Annexure A: Maximum allowable rates for domestic accommodation and meals

Annexure B: Car rental groups and SIPP codes

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## ANNEXURE A: MAXIMUM ALLOWABLE RATES FOR THE DOMESTIC ACCOMMODATION AND MEALS

### 1. GRADING AS A REQUIREMENT IN GOVERNMENT TO ONLY STAY IN GRADED ACCOMMODATION ESTABLISHMENTS

- 1.1 South African Tourism, through its Tourism Grading Council component, is mandated to provide quality assurance of tourism products and facilities through among others the grading of establishments such as hotels, bed & breakfasts, guest houses and conference venues in South Africa.
- 1.2 To promote the grading establishments throughout the country, Cabinet approved that government institutions should, with effect from January 2005, procure accommodation only from graded establishments and that, in instances where graded accommodation is not available, the use of establishments which are not graded by the Grading Council may be permitted.

### 2. MAXIMUM ALLOWABLE RATES FOR DOMESTIC ACCOMMODATION

- 2.1 Table 1 indicates the maximum allowable rates per accommodation type and per star grading of the establishment that may be booked for Travellers on Official Business.
- 2.1.1 **BAND 1:** This band is for a Room only, and the price is inclusive of VAT and the Tourism Levy. The Band is to be booked where a traveller only requires lodging and will take his/her meals elsewhere. Expenses for meals can be claimed within the maximum daily amount as indicated below.
- 2.1.2 **BAND 2:** This band is for a room and includes breakfast as part of the rate. The price is inclusive of VAT and the Tourism Levy. The Band is to be booked where a traveller requires lodging and will take his/her breakfast at the establishment. Only expenses for lunch and dinner can be claimed up to the maximum as indicated below.
- 2.1.3 **BAND 3:** This band is for a room and includes breakfast and dinner as part of the rate. The price is inclusive of VAT, the Tourism Levy and two (2) soft drinks. The Band to be booked where a traveller requires lodging and will take his/her breakfast and dinner at the establishment. Only expenses for lunch can be claimed.

TABLE 1:

Vouchers include	Band 1	Band 2	Band 3
	Room only Tourism levy VAT	Room and breakfast Tourism levy VAT	Room, breakfast, and dinner Tourism levy VAT 2x non-alcoholic beverages at dinner
<b>Graded hotel or boutique hotel</b>			
<b>1 Star</b>	R630	R 780	R1 000
<b>2 Star</b>	R980	R1 120	R1 350
<b>3 Star</b>	R1 190	R1 310	R1 530
<b>4 Star</b>	R1 360	R1 470	R1 700
<b>5 Star</b>	R2 280	R2 401	R2 740
<b>Graded bed and breakfast, country house, or guest house</b>			
<b>1 Star</b>	R350	R530	R740
<b>2 Star</b>	R540	R710	R920

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3 Star	R980	R1 150	R1 350
4 Star	R1 090	R1 260	R1 460
5 Star	R1 300	R1 480	R1 680
<b>Graded self-catering</b>			
1 Star	R630		
2 Star	R980		
3 Star	R1 190		
4 Star	R1 360		
5 Star	R1 570		
<b>Maximum for meals</b>			
Breakfast		R120	
Lunch		R170	
Dinner		R190	
Maximum		R480	

Note: Expenses for parking are **not** included in Bands 1, 2, and 3 and may be claimed separately by travellers.

### 3. MAXIMUM ALLOWABLE RATES FOR MEAL EXPENSES

3.1 Institutions to only reimburse officials for meal expenses within the limits as set out in Table 2. Receipts of actual expenditure are to be provided with the claim in all cases.

3.2 National Treasury will set these maximum allowable amounts and review it periodically.

**TABLE 2:**

Claims for meal expenditure			
Description	What does it imply if the expense type is selected?	Maximum amount	
Breakfast and lunch provided	May claim for actual expenditure for <b>dinner</b> expenses within the limits of the maximum amount	R190,00	= R480
Breakfast and dinner provided	May claim for actual expenditure for <b>lunch</b> expenses within the limits of the maximum amount	R170,00	
Lunch and dinner provided	May claim for actual expenditure for <b>breakfast</b> expenses within the limits of the maximum amount	R120,00	
Breakfast provided	May claim for actual expenditure for <b>lunch and dinner</b> expenses	R360,00	= R170 + R190

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	within the limits of the maximum amount		
Lunch provided	May claim for actual expenditure for <b>breakfast and dinner</b> expenses within the limits of the maximum amount	R310,00	= R120 + R190
Dinner provided	May claim for actual expenditure for <b>breakfast and lunch</b> expenses within the limits of the maximum amount	R290,00	= R120 + R170

### 3.3 Domestic trips longer than 24 hours

- a) Expenditure on meals and non-alcoholic liquid refreshments can be claimed in the following circumstances:

*Breakfast*

- If it is not included in the accommodation arrangements; or
- If the traveller leaves his or her residence or place of work before 06:00.
- Up to the maximum as set out in Table 2.

*Lunch*

- Lunch may only be claimed if it is not provided by the host.
- Up to the maximum as set out in Table 2.

*Dinner*

- If it is not included in the accommodation arrangements; or
- If the traveller returns to his or her residence or place of work after 20:00.
- Up to the maximum as set out in Table 2.

- b) Officials cannot claim expenses for meals if the rate of the accommodation establishment already includes dinner and/or breakfast or if the host provides lunch, or if the conference fee includes lunch and/or dinner.
- c) When a traveller stays in an accommodation establishment that does not provide meals or does not cater for special dietary requirements, such as Halaal or Kosher, he or she may claim reasonable, actual expenditure for meal expenses within the maximum daily amount set out in Table 2. Supporting evidence is required as proof of actual expenditure.

### 2.1 Domestic trips less than 24 hours

- a) When an official business trip is less than 24 hours, the official may claim expenses for meals and non-alcoholic liquid refreshments where meals are not provided by the host. Supporting evidence is required as proof of actual expenditure. Meal expenses may be claimed under the following conditions:
- i. Three meals where the official leaves his or her place of work or residence before 06:00 and only returns to his or her place of work or residence after 20:00 provided that the total cost of all three meals does not exceed the maximum daily amount as set out in Table 2 above.
  - ii. Any two meals if the total duration of the trip is more than eight hours but less than 14 hours, provided that the total cost of the two meals does not exceed the maximum amount as set out in Table 2 above.
  - iii. Any one meal if the total duration of the trip is more than four hours but less than eight hours, provided that the total cost of the meal does not exceed the maximum daily amount as set out in Table 2 above.

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## ANNEXURE B: LIST OF GROUPS AND SIPP CODES PER RENTAL COMPANY

EUROPCAR		
Group	Vehicle type OR similar	Sipp codes
T	HYUNDAI I10 GLS MOTION 5DR	MDMR
B	FORD FIESTA AMBIENTE 5DR	EDMR
C	HYUNDAI ACCENT GL MOTION	CDMR
D	VW POLO VIVO TRENDLINE	EDAR
O	BMW 3 SERIES	PDAR
O	MERCEDES BENZ C-CLASS	PDAR
N	TOYOTA FORTUNER 4X2	PRAD
E	HYUNDAI H1	PVMR
R	HYUNDAI TUSCON OR SIMILAR	SFAR

AVIS		
Group	Vehicle type OR similar	Sipp codes
A	HYUNDAI I10 OR SIMILAR	MDMR
B	FORD FIESTA HATCH OR SIMILAR	EDMR
C	TOYOTA COROLLA QUEST OR SIMILAR	CDMR
E	TOYOTA COROLLA AUTO OR SIMILAR	PVMR
G	BMW 320I OR SIMILAR	PDAR
H	MERCEDES BENZ C-CLASS	PCAR
I	TOYOTA FORTUNER 4X2	PRAR
N	HYUNDAI H1 OR SIMILAR	PVAR
L	NISSAN X TRAIL SE 4X4	SFAR

WOOD FORD		
Group	Vehicle type OR similar	Sipp codes
A	HYUNDAI I10	MDMR
B	KIA RIO/TOYOTA ATIOS	EDMR
C	TOYOTA COROLLA	CDMR
D	HYUNDAI ACCENT/POLO AUTO	CDAR
G	MERCEDES BENZ C-CLASS	PDAR
L	VW MINIBUS/HYUNDAI H1	PVMR
E1	KIA SPORTAGE/IX35	IFAR

BIDVEST		
Group	Vehicle type OR similar	Sipp codes
A	CHEV SPARK OR SIMILAR	MDMR
B	FORD FIESTA AMBIENTE 5DR	EDMR
C	HYUNDAI ACCENT GL MOTION	CDMR
E	TOYOTA COROLLA OR SIMILAR	CDAR
G	AUDI A4 OR SIMILAR	PDAR
H	MERCEDES BENZ C-CLASS	PCAR
I	TOYOTA FORTUNER 4X2	PRAR
E	VW T5 KOMBI OR SIMILAR	PVMR
R	NISSAN X TRAIL 4X4	SFMR

**Note:** *This list is not exhaustive, as not all information was available at the time of publishing. Please contact the relevant car rental company to obtain the correct group or SIPP code.*

**FOR AN EXPLANATION OF SIPP CODES, REFER TO THE NATIONAL TREASURY INSTRUCTION ANNEXURE B**

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