

WINNIE MADIKIZELA-MANDELA LOCAL MUNICIPALITY



FINAL COST CONTAINMENT POLICY

2026-2027 FINANCIAL YEAR

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1. DEFINITIONS

In this policy, a word or expression to which a meaning has been assigned in the Act has the same meaning as in the Act, unless the context indicates otherwise, and-

“Act” Means the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003).

“After hours” means any time after ordinary hours of work

“Consultant” means a professional person, individual, partnership, corporation, or a company appointed to provide technical and specialist advice or to assist with a design and implementation of projects or to assist a municipality or municipal entity perform its functions to achieve the objects of local government in terms of section 152 of the Constitution;

“Cost containment” means measures implemented to curtail spending in terms of these regulations;

“Credit card” means a card issued by a financial service provider, which creates a revolving account and grants a line of credit to the cardholder.

“Councillor” means a member of Council;

“Consulting service” means those specialist services and skills that are required for the achievement of a specific objective with the aim of providing expert and professional advice on a time and ad-hoc basis. These professional services may include:

- a) the rendering of expert advice;
- b) obtaining relevant information from the institution to draft a proposal for the execution of specific tasks that are of a technical or intellectual nature;
- c) business and advisory services;
- d) infrastructure and planning services;
- e) laboratory services; and
- f) science and technology.

“Catering” means the provisioning of a meal at a formal sit-down and dine, but, excludes **“refreshments”**

“Delegated official” means any person or committee delegated with authority by the municipality in terms of the provisions of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003);

“Delegation” in relation to a duty, includes an instruction or request to perform or assist in performing a duty the duty, and “delegate” has a corresponding meaning

“Economical” means the cost of the resources consumed versus the value of the output obtained, i.e. it is about receiving value for money;

“Effective” means that you are successful or achieving the required results, i.e. it is about doing the right things;

“Efficient” means that you are performing or functioning in the best possible manner with the least waste of time and effort, i.e. it is about doing things right;

“Official” means an employee of Winnie Madikizela-Mandela Local municipality responsible for carrying out a duty or function or exercising any power in terms of this policy and includes any employee delegated to carry out or exercise the duty, function or power;

“Political Office Bearer” means the speaker, executive mayor, deputy executive mayor, mayor, deputy mayor or member of the executive or mayoral committee as referred to in the Municipal Structures Act;

“Return trip” means a trip from one place to another place/s and back to where you started from;

“Refreshments” means light snacks and/or drinks that is provided during meetings or events.

“Social event” means an event involving a public performance, or where entertainment is provided, or a competition where a winner is selected, or a team building exercise, or a year-end function, or a sporting event, or budget vote diners. It excludes events where recognition is given to employees for achievements.

“Disabilities” means a person who are physically impaired and/or requires assistance to move or are depended upon a wheelchair

“Special need” means a distinctly different need of a Traveller that requires the Accounting Officer or delegated official to make a judgement call to provide for such need.

“Traveller” means a person travelling at the behest of the municipality on official business

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2. OBJECTIVES OF POLICY

- 2.1 The objectives of the policy are to ensure that resources of the municipality are used effectively, efficient and economically by implementing cost containment measures.
- 2.2 The objective of this policy, in line with sections 62(1)(a), 78(1)(b), 95(a) and 105(1)(b) of the Act, is to ensure that resources of the municipality are used economically, effectively and efficiently by implementing cost containment measures.
- 2.3 Each requirement in this policy should be measured against the 3 pillars of effectiveness, efficiently and economical.

3. APPLICATION OF THE COST CONTAINMENT POLICY

- 3.1 This policy shall apply to all municipal officials, political office bearers and councillors of the Winnie Madikizela-Mandela Local Municipality.

4. LEGISLATIVE

- 4.1 The legislative framework governing cost containment are:
 - i. Local Government Municipal Finance Management Act, Act 56 of 2003 section 62(1) a, 78 (1) b, 95(a) and 105(1) (b).
 - ii. Municipal Cost Containment Regulations
 - iii. The policies of WMM Local Municipality
 - iv. Remuneration of Public Office Bearers Act, 1998 (Act No. 20 of 1998)

5. POLICY PRINCIPLES

- 5.1 This policy will apply to the procurement of the following goods and/or services:
 - (i) Use of consultants
 - (ii) Vehicles used for political office–bearers
 - (iii) Travel and subsistence
 - (iv) Domestic accommodation
 - (v) Credit cards
 - (vi) Sponsorships, events and catering
 - (vii) Communication
 - (viii) Conferences, meetings and study tours
 - (ix) Any other related expenditure items

6. COST CONTAINMENT POLICY

- 6.1 The policy shall be reviewed annually as part of the budget process and/ or when there is a need (i.e. new regulations published).
- 6.2 The policy shall be communicated on the municipality's website.

- 6.3 Included in the policy is measures to monitor the implementation and the consequences for the non-adherence thereof.
- 6.4 The policy must be read in conjunction with:
- a) The Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003);
 - b) The Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) – Municipal Cost Containment Regulations, 2019; 2022
 - c) The Municipal Finance Management Act, Act 2005 (Act No. 56 of 2003), Circular 82, published on 7 December 2016
 - d) The By-Laws of Winnie Madikizela-Mandela Local Municipality; and
 - e) The policies of Winnie Madikizela-Mandela Local Municipality

7. USE OF CONSULTANTS

- 7.1 A municipality may only appoint consultants if an assessment of the needs and requirements confirms that the affected department or section does not have the requisite skills or resources in its full time employ to perform the function.
- 7.2 The assessment report should be confirmed and signed by the Senior Manager or delegated official before procurement processes starts.
- 7.3 The assessment referred to in 7.1 must confirm that the municipality does not have requisite skills or resources in its full time employ to perform the function that the consultant will carry out.
- 7.4 When consultants are appointed the following should be included in the Service Level Agreements:
- i. Consultants should be appointed on a time and cost basis that has specific start and end dates;
 - ii. Consultants should be appointed on an output-specific, specifying deliverables and the associated remuneration;
 - iii. Ensure that cost ceilings are included to specify the contract price as well as travel and subsistence disbursements and whether the contract price is inclusive or exclusive of travel and subsistence;
 - iv. All engagements with consultants should be undertaken in accordance with the municipality's supply chain management policy and the Municipal Supply Chain Regulations, 2005; and
 - v. That skills be transferred by the consultants to the relevant officials of the municipality.
- 7.5 Consultancy reduction plans should be developed
- 7.6 Consultants may be used for extensive rehabilitation of existing roads and not for normal road maintenance projects.

- 7.7 All contracts with consultants must include a retention fee or a penalty clause for poor performance
- 7.8 The specifications and performance of the service provider must be used as a monitoring tool for the work that is to be undertaken and performance must be appropriately recorded and monitored
- 7.9 Travel and subsistence cost of consultants must be in accordance with the national travel policy issued by the National Department of Transport, as updated from time to time
- 7.10 An accounting officer must adopt a fair and reasonable remuneration framework for consultants considering the rates-
- a) Determined in the “Guidelines on fees for audits undertaken on behalf of the Auditor general of South Africa, issued by the South African institute of chartered accountant (SAICA);
 - b) Set out in the “Guide on Hourly fee rates for consultant” issued by the Department of public service and Administration; or
 - c) As prescribed by the body regulating the profession of the consultants i.e. ECSA guidelines.
 - d) Vetting of legal fees invoices before processing for payment.
- 7.11 The tender documentation for the appointment of consultants must include a clause that the remuneration rate will be subject to negotiation, not exceeding the applicable rates mentioned in paragraph 7.8 above.
- 7.12 When negotiating cost-effective consultancy rates for international consultants, the accounting officer may consider the relevant international and market-determined rates.
- 7.13 When consultants are appointed, an accounting officer, or delegated official or committee must-
- a) Appoint consultants on a time and cost basis with specific start and end dates;
 - b) Where practical, appoint consultants on an output-specified basis, subject to a clear specification of deliverables and associated remuneration;
 - c) Ensure that contract with consultants include overall cost ceilings by specifying whether the contract price is inclusive or exclusive of travel and subsistence disbursements;
 - d) Ensure the transfer of skills by consultant to the relevant officials of the municipality;
 - e) Develop consultancy reduction plans to reduce the reliance on consultants; and

- f) Undertake all engagement of consultants in accordance with the municipal supply chain management regulations and the municipality's supply chain management policy.

7.14 The contract price must specify all travel and subsistence cost and, if the travel and subsistence costs for appointed consultants are excluded from the contract price, such costs must be reimbursed in accordance with the abovementioned travel policy of the national department of transport.

8. VEHICLE USED FOR POLITICAL OFFICE - BEARERS

- 8.1 The threshold limit for the vehicle purchases relating to official use by political office-bearers may not exceed R700 000.00 (seven hundred thousand Rands) or 70% of the total annual remuneration package for applicable political office bearer, whichever is lower.
- 8.2 The procurement of vehicles must be undertaken using the national government transversal contract mechanism.
- 8.3 If any other procurement process is used, the cost may not exceed the threshold set out in 8.1 above
- 8.4 Before deciding on another procurement process as contemplated in 8.2 above, the accounting officer or delegated official must provide the council with information relating to the following criteria which must be considered;
 - a) Status of current vehicles;
 - b) Affordability of options including whether to procure a vehicle as compared to rental or hire thereof, provided that the most cost-effective option is followed, and the cost is equivalent to or lower than that contemplated in paragraph 8.1
 - c) Extent of service delivery backlogs;
 - d) Terrain for effective usage of vehicles; and
 - e) Any other policy of council.
- 8.5 If the rental referred in paragraph 8.4 is preferred, the accounting officer must review the cost incurred regularly to ensure that value for money is obtained.
- 8.6 Regardless of their usage, vehicles for official use by public office bearers may only be replaced after completion of 180 000 kilometers.
- 8.7 Notwithstanding 8.6, a municipality may replace vehicles for official use by public office bearers before completion of 180 000 kilometers only in instances where the vehicle experiences serious mechanical problem and is in a poor condition, and subject to obtaining a detailed mechanical report by the vehicle manufacturer or approved dealer.

9. VEHICLE USED FOR COUNCIL BUSINESS

- 9.1 The threshold limit for the vehicle purchases relating to council business may not exceed R550 000.00
- 9.2 The procurement of vehicles must be undertaken using the National Government transversal contract mechanism.
- 9.3 If any of the procurement process is used, the cost may not exceed the threshold set out above.
- 9.4 Before deciding on another procurement process, the Senior Manager of the procuring department must provide the council with information relating to the following criteria which must be considered;
- i. Status of current vehicles
 - ii. Budget allocation for the period
 - iii. Terrain for effective usage of vehicles; and
 - iv. Any other policy of council
- 9.5 Regardless of their usage, vehicles for council use by officials and councillors may only be replaced after completion of 180 000 kilometers.
- 9.6 Notwithstanding 9.5, a municipality may replace vehicles for council use before completion of 180 000 kilometers only in instances where the vehicle experiences serious mechanical problem and is in a poor condition, and subject to obtaining a detailed mechanical report by the vehicle manufacturer or approved dealer.
- 9.7 The accounting officer must ensure that there is a policy that addresses the use of municipal vehicles for official purposes.

10. TRAVEL AND SUBSISTENCE

10.1 Air Travel

- 10.1.1 Travel bookers/ municipal demand management unit must consider the following when selecting a fare for air travel:
- i. Fare class: All air travel must be booked using the best price of the day and in the class of travel permitted by this policy or related regulation.
 - ii. Value for money: Municipality must compare fare classes and types across airlines servicing the particular route required.

- iii. Advance booking: In order 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 departure. International travel should be booked at least three weeks in advance, where possible.
- 10.1.2 The standard of air travel for domestic air travel of **five hours or less** must be in **economy class**. Any exceptions to this must be approved by the accounting officer.
- 10.1.3 Business class is permitted in exceptional cases for trips less than five hours or more than five hours but requires prior approval of the accounting officer.
- i. Exceptional cases for purchase of business class tickets that must be approved by accounting officer:
 - a) Travellers with disabilities;
 - b) Travellers with special needs based on medical grounds (medical certificate required)
 - c) Where the business class ticket is the same price or cheaper than the economy class ticket to the same destination
- 10.1.4 The standard of air travel for international flights not exceeding **five hours** shall be **economy class**, however, the Accounting Officer may approve a higher class based on the merits of each request.
- 10.1.5 Business class is permitted for international trips that exceed eight hours in exceptional cases. Prior approval of the Accounting officer is required for these cases:
- i. Travellers with disabilities;
 - ii. Traveller with special needs based on medical grounds;
 - iii. Where the business class ticket is the same price or cheaper than the economy class ticket to the same destination
- 10.1.6 Business class tickets for flight exceeding eight hours are purchase for only for accounting officer, political bearers, councillors and persons reporting directly to accounting officers.
- 10.1.7 International travel meeting or events that are considered to be fruitful and to the best of the municipal council, the number of officials attending such meetings or events must be limited to those officials directly involved in the subjects matter related to such meetings or events. (Senior Manager, Manager(s) and One official). Delegation should be within same level

10.2 Accommodation

- 10.2.1 Domestic accommodation expenditure should not exceed the maximum allowable rates set out in the domestic accommodation rate grid enclosed as **Annexure A** of this policy. These rates will be review as and when necessary.

- 10.2.2 Domestic accommodation for travellers is limited to instances where-
- i. The distance travelled **exceeds 500 kilometers** on a return journey (250km each way) from the place of work to the destination; or
 - ii. The meeting/conference/workshop/event is held over a number of days (2 or more days); or
 - iii. The event finishes after hours, where it is impractical to travel back home.
- 10.2.3 Section 9.2.1 & 9.2.2 should be read in conjunction with section 9.2.13, 9.2.14 & 9.2.15 of this policy.
- 10.2.4 The booking section must choose the lowest rate available at suitable accommodation establishments within reasonable distance from place of duty.
- 10.2.5 Domestic accommodation selected must not exceed the maximum allowable rates as per **Annexure A** of this policy. Any exceptions to this rule must be approved by the accounting officer.
- 10.2.6 An accounting officer may approve accommodation costs that exceed the maximum allowable rates under following circumstances: -
- i. During peak holiday periods;
 - ii. When the demand is high and the accommodation establishment are sold out;
 - iii. The accommodation that is still available is priced higher than the maximum allowable rates. Records should be kept for audit purpose is to why the maximum was exceeded;
 - iv. When officials are required to stay over in the accommodation establishment where the official business is conducted to avoid additional travelling cost;
 - v. When major local or international events are hosted in a particular geographical area that results in an abnormal increase in the number of local and international guests in that particular geographical area; and
 - vi. If there is an operational requirement (i.e. VIP protector to stay in the same hotel as their VIP)
- 10.2.7 Expense claims for meals may not be paid to the traveller if meals are already included in the accommodation rate or conference fee.
- 10.2.8 The standard class of domestic accommodation must be a **three-star** establishment or equivalent accommodation establishment, unless approved otherwise by the accounting officer.
- 10.2.9 The following persons may stay in a **four-star** establishment or equivalent accommodation establishment only if it is at the best cost effective to the

municipality, unless the person elects to stay in lower graded establishment:

- i. Accounting officer;
- ii. Senior Management;
- iii. Political bearers & Councillors.

10.2.10 A higher star graded establishment may be booked under the following circumstances (Relevant supporting documentation should be kept for audit purposes):

- i. Higher star graded establishment is equal or lower than the lower star graded establishment;
- ii. Higher star grade establishment is the only available option due to location and availability (supporting documentation should be kept for audit purposes).
- iii. The municipality has negotiated lower rates with the higher star graded establishment and rates are within the limits of the maximum allowable rates permitted.
- iv. In all cases the principle of cost-effectiveness must prevail.

10.2.11 In exceptional cases the accounting officer may approve a deviation from the above paragraph (9.2.9) with justifiable reasons and accurately recorded for audit purposes

10.2.12 International travel requires the approval from the accounting officer.

10.2.13 Where an event starts **on or before 09:00** on the first day, accommodation may be arranged for the previous night when a delegate has to travel for **more than 250km** on single trip.

10.2.14 Where an event concludes **after 15:00**, delegate may arrange for overnight accommodation when a delegate has to travel **250km** or more (single trip) to reach his/her place of residence and/ or municipal premises, whichever is close. Consent from the HOD will be required.

10.2.15 Domestic accommodation can be arranged where an event/meeting/conference/workshop is conducted number of days (2 or more) **and** distance travelled **exceeds 500km** on a return journey.

10.2.16 Domestic accommodation for pool drivers is limited to instances where-

- i. The distance travelled exceeds **500 kilometers** on a return journey (250km each way) from the municipality to the destination;
- ii. Officials or Councillors or Political bearers or Approved public stakeholders being transported are attending the meeting/conference/workshop/event for **one day** and distance travelled **exceeds 500 kilometers** on a return journey (150km each way)

10.3 Ground Transportation

- 10.3.1 Cost effective and practical mode of transportation must adhere where official business trip includes both air and road travel.
- 10.3.2 Where more than one official is attending the same event or meeting, they must co-ordinate the renting of cars or shuttle services in order to reduce the cost. The Accounting officer and Senior Management are excluded from this paragraph.

10.4 Car Rental

- 10.4.1 The official must book a rental vehicle for the period that it is actually required for official business.
- 10.4.2 The official must return the rental vehicle within the specified rental period or notify, through SCM unit, the travelling agency to make additional arrangements with the car rental company. Additional charges incurred by the municipality should be recovered from the official.
- 10.4.3 The default car types to be booked are vehicles categorised as “Mini, Economy or Compact” also known as Group B, subject to availability and cost effectiveness.
- 10.4.4 The following officials/councillors may hire a higher-class vehicle (Intermediate, Standard, Premium or Luxury) subject to cost effectiveness:
 - i. Mayor,
 - ii. Speaker
 - iii. Senior Management
- 10.4.5 Officials of a municipality who are allowed by municipal policy must-
 - i. Utilise the municipal fleet, where viable, before incurring costs to hire vehicles;
 - ii. Make use of shuttle service if the cost of such a service is lower than-
 - a) The cost of hiring a vehicle;
 - b) The cost of kilometers claimable by the employee; and
 - c) The cost of parking.
 - iii. Not hire vehicles from a category higher than group B or an equivalent class;
 - iv. Where a different class of vehicle is required for a particular terrain or to cater for the special needs of an official, seek the written approval of the accounting officer before hiring the vehicle(s).
- 10.4.6 Municipalities must utilise the negotiated rates for flights and accommodation, communicated by the national Treasury, from time to time, or any other available cheaper flight and accommodation.

11. DOMESTIC TRAVEL

11.1 Destinations within WMM Local Municipality

11.1.1 Representatives travelling officially to destinations within the WMM Local Municipality's area of jurisdiction will be handle as follows:

a) Officials without a fixed travel allowance and using WMMLM vehicles

- i. No additional travelling costs will be paid by the municipality.

b) Officials driving privately owned vehicles who are not paid a fixed travel allowance.

- i. A reimbursement travelling allowance as prescribed by SARS will be paid. The distance to which the reimbursement applies, must be the shortest distance between the municipality's offices and the location where the official business is to be transacted and express prior approval of Municipal Manager or Head of Department is required.

c) Councillors and Officials driving privately owned vehicles who are paid fixed travel allowance.

- i. No reimbursement travelling cost will be paid to an official in respect of the first 500km travelled in a particular month. All kilometers travelled in a particular month in excess of 500km will be reimbursed according to the SARS rates.
- ii. No reimbursement travelling cost will be paid to a Councillor in respect of kilometers travelled within jurisdiction of WMMLM

12. USE OF MUNICIPAL VEHICLES

12.1 Municipal officials who have travel allowance are not allowed to use municipal vehicles. Unless, prior approval is obtained from the Accounting Officer.

12.2 Councillors who have travel allowance are not allowed to use municipal vehicles. This section should be read in conjunction with Remuneration of Public Office Bearers Act, 1998 (Act No. 20 Of 1998), 2022.

12.3 Municipal officials who has travel allowance and used municipal vehicles for more than 15 days, his or her travel allowance for the month shall be paid in pro-rata (i.e. $15-31 \times (\text{Travel allowance amount}/31 \text{ days})$).

12.4 Accounting Officer may approve use municipal vehicle for municipal official who have travel allowance in compliance with section 11.1.3 of this policy for exceptional cases.

12.5 A councillor may, in exceptional circumstances and upon good cause shown, and with the approval of the Mayor or Speaker, utilise the municipal-owned vehicle for official purposes: Provided that the municipal council must, in line with applicable legislation and approved municipal council policy, exercise prudent financial management to ensure that the provision of motor vehicle does not undermine the need to prioritise service delivery and sustain viable municipalities.

13. USE OF OWN TRANSPORT

13.1 When a municipal official or councillor travels outside the municipal jurisdiction for official business and chooses to use their private vehicle instead of air travel, reimbursement will be calculated using the lower of the following two amounts:

- a) The reimbursable kilometres travelled, based on municipal rates; or
- b) The estimated cost of a return flight (airport to airport) for the same journey.

13.2 The cost of the return flight must be supported by a valid quotation, obtained either from the Supply Chain Management (SCM) unit or an approved external source. Quotations must be for flights scheduled on or around the date of travel and should remain valid at the time of submission.

13.3 Employees must provide supporting documentation when opting to use a private vehicle instead of flying. This includes:

- a) The applicable flight cost estimate;
- b) A brief, approved motivation for choosing to travel by private vehicle;
- c) Evidence of kilometres travelled (e.g., odometer readings or Google Maps distance).

13.4 This approach ensures that reimbursements are cost-effective and consistent with the municipality's cost containment objectives

14. CREDIT CARDS

14.1 An accounting officer must ensure that no credit card or debit card linked to a bank account of a municipality is issued to any official or public office bearer, including members of the board of directors of municipal entities.

14.2 Where officials or public office bearers incur expenditure in relation to official municipal activities, such officials' bearers must use their personal credit cards or cash arrangements made by the municipality, and request reimbursement from the municipality in accordance with the relevant municipality's policy and processes.

15. SPONSORSHIPS, EVENTS AND CATERING

15.1 A Municipality may not incur catering expenses for meetings which are only

attended by persons in the employ of the municipality, unless the priorwritten approval of the accounting officer is obtained.

15.2 An accounting officer may incur **refreshments** expenses for hosting of meetings, conferences, workshops, courses, forums, recruitment interviews, and proceedings of council that **exceed five hours**.

15.3 Entertainment allowances of officials may not exceed two thousand rand per person per financial year, unless approved otherwise by the accounting officer, and in the case of the Accounting officer, the Mayor.

15.4 Expenses on alcoholic beverages may not be incurred.

15.5 An Accounting officer must ensure that social functions, team building exercises, year-end functions, sporting events, send-offs, budget vote

dinners and other functions that have a social element are not financed from the municipality's budget or by any suppliers or sponsors.

15.6 A municipality may not incur expenditure on corporate branded items like clothing or goods for personal use of officials, other than uniforms, office supplies and tools of trade, unless costs related thereto are recovered from affected officials.

16. COMMUNICATIONS

16.1 A municipality must, as far as possible, advertise municipal related events on its website instead of advertising in magazines or newspapers.

16.2 An accounting officer must ensure that allowances to officials for private calls are limited to an amount as determined by the accounting officer in the cost containment policy of the municipality.

16.3 Newspapers and other related publication for the use of officials must be discontinued on expiry of existing contracts or supply orders.

16.4 A municipality must participate in the transversal term contract arranged by the National Treasury for the acquisition of mobile communication services.

17. CONFERENCES, MEETING AND STUDY TOURS

17.1 An accounting officer must establish policies and procedures to manage application by officials to attend conferences or events hosted by professional bodies or non-governmental institutions held within and outside the borders of South Africa considering their merits and benefits, costs and available alternatives.

17.2 An accounting officer may consider appropriate benchmark costs with other professional bodies or regulatory prior to granting approval for an official to attend a conference or event within and outside the borders of South Africa. Such benchmark may not exceed an amount as determined by the national treasury.

17.3 When considering applications from officials to attend conference within or outside the borders of South Africa, an accounting officer must take the following into account-

- i. The official's role and responsibility and the anticipated benefits of the conference or event;
- ii. Whether the conference or event addresses relevant concerns of the institution;
- iii. The appropriate number of officials, not exceeding three officials, attending the conference or event; and

- iv. Availability of funds to meet expenses related to the conference or event.
- 17.4 When considering costs for conferences or events these may not include items, such as laptops, tablets and other similar tokens that are built into the price of such conference or events.
- 17.5 The accounting officer of a municipality must ensure that meetings and planning sessions that entail use of municipal funds are, as far as may be practically possible, held in-house.
- 17.6 Municipal or provincial office facilities must be utilised for conference, meeting, strategic planning, inter alia, where an appropriate venue exists within the municipal jurisdiction
- 17.7 An accounting officer may consider granting approval, as contemplated in sub-regulation (16.3) for officials, and in the case of councillors, the mayor
- 17.8 A municipality, where applicable, taken advantage of early registration discounts by granting the required approvals to attend the conference, event or study tour, in advance.

18. TRAVELLING AND SUBSISTENCE RELATED TO TRAINING AND DEVELOPMENT

The accounting officer-

- 18.1 May only approve accommodation and maximum of two meals per day for officials or councillor attending accredited training; and
- 18.2 An official or councillor attending training may not be entitled to claim out of town allowance and kilometers travelled.
- 18.3 The cost containment policy limits accredited training to those necessary to help officials meet prescribed minimum competency requirements.
- 18.4 No cost may be incurred by the municipality for attending of graduation ceremonies after completion of a training program.

19. OTHER RELATED EXPENDITURE ITEMS

- 19.1 All commodities, services and products covered by a transversal contract concluded by the national treasury must be produced through that transversal contract before approaching the market, to benefit from savings where lower prices or rates have been negotiated.

- 19.2 Municipal resources may not be used to fund elections, campaign activities, including the provision of food, clothing and other inducements as part of, or during election periods.
- 19.3 Expenditure on tools of trade for political office-bearers must be limited to the upper limits as approved in terms of the Remuneration of Public Office-Bearers Act, 1998
- 19.4 Expenditure on elaborate and expensive office furniture must be avoided.
- 19.5 The municipality may only use the services of the South African Police Services to conduct periodical or quarterly security threat assessments of political office-bearers and key officials and a report must be submitted to the Speaker's office.
- 19.6 Additional time-off in lieu of overtime worked may be considered. Planned overtime must be submitted to the relevant manager for consideration on a monthly basis. Proper motivation must be submitted to the relevant manager for unplanned overtime.
- 19.7 Due processes must be followed when suspending or dismissing officials to avoid unnecessary litigation cost.

20. ENFORCEMENT PROCEDURES AND CONSEQUENCE MANAGEMENT

- 20.1 Failure to implement or comply with this policy may result in any official of the municipality, political office bearer and councillor that authorised or incurred any expenditure contrary to these regulations being held liable for financial misconduct or a financial offence in the case of political officebearers and councillors as defined in Chapter 15 of the Act read with the Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings, 2014.
- 20.2 The expenditure incurred contrary to this policy will also be measured against the definitions of unauthorised, irregular and fruitless and wasteful expenditure.
- 20.3 Any person must report an allegation of non-compliance to the cost containment policy to the accounting officer of the municipality or delegated official.
- 20.4 The accounting officer must consider the allegations and determine whether to investigate and if disciplinary steps should be instituted
- 20.5 If the accounting officer determines the allegations are founded, a full investigation must be conducted by the appointed service provider or internal audit unit.
- 20.6 After completion of a full investigation, the disciplinary board must compile a report on the investigations and submit a report to the accounting officer on:

- i. Findings and recommendations; and/or
- ii. Whether disciplinary steps should be taken against the alleged transgressor.

20.7 The accounting officer must table the report with recommendations to the municipal council

20.8 Subject to the outcome of the council decision the accounting officer must implement the recommendations.

21. DISCLOSURE OF COST CONTAINMENT MEASURE

21.1 The disclosure of cost containment measures applied by the municipality must be included in the municipal in-year budget reports and annual costs savings disclosed in the annual report.

21.2 The measures implemented and aggregate amounts saved per quarter, together with the regular reports on reprioritisation of cost savings, on the implementation of the cost containment measures must be submitted to the municipal council for review and resolution. The municipality can refer such reports to an appropriate council committee for further recommendations and actions.

21.3 Such reports must be copied to the national treasury and relevant provincial treasuries within seven calendar days after the report is submitted to municipal council.

22. IMPLEMENTATION AND REVIEW OF THIS POLICY

22.1 This policy will be reviewed at least annually or when required by way of a council resolution, or when an update is issued by National Treasury.

23. SHORT TITLE AND COMMENCEMENT

23.1 This policy is called the Municipal cost containment policy of Winnie Madikizela-Mandela Local Municipality and take effect on the date of approval

24. APPROVAL

This policy review was approved as follows

APPROVED BY:



Mf L Mahlaka

Municipal Manager

Date: 29/05/2026

Annexure A: Maximum Allowable Rates

TABLE 1:

Vouchers Includes	Band 1	Band 2	Band 3
	Room Only Tourism Levy VAT	Room & Breakfast Tourism Levy VAT	Room, Breakfast & Dinner Tourism Levy VAT 2x non-alcoholic beverages at Dinner
Graded Hotel or Boutique Hotel			
1 Star	R630	R780	R1 000
2 Star	R980	R1 120	R1 350
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 & Breakfast, Country House or Guest House			
1 Star	R350	R530	R740
2 Star	R540	R710	R920
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			
	Band 1	Band 2	Band 3
1 Star	R630		
2 Star	R980		
3 Star	R1 190		
4 Star	R1 360		
5 Star	R1 570		
Maximum for Meals			
Breakfast		R 120	
Lunch		R 170	
Dinner		R 190	
Maximum		R 480	

Note: Expenses for parking is NOT included in Bands 1, 2 and 3 and may be claimed separately by travelers.