MUSINA LOCAL MUNICIPALITY

VISION

Vehicle of affordable quality services and stability through socio-economic development and collective leadership

MISSION

To be a community driven municipality with a developing and adapting infrastructure, serving all people in a focused, efficient and accountable manner.

DRAFT USAGE OF OFFICIAL VEHICLES POLICY (TRANSPORT AND TRAVEL POLICY AND PROCEDURE)

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1. Definitions:

In this policy, unless the context otherwise indicates:

"Council" means the Musina Local Municipality established by way of proclamation in accordance with the Local Government: Municipal Structures Act, 1998 (Act 117 of 1998), and
"Municipality" shall have the same meaning.
"Management" shall mean the Municipal Manager, Managers and Section Heads.
"Representatives" shall mean Councillors, Management, employees as well as members of the public or stakeholders authorised by the Municipal Manager to attend or participate in events which involves municipal participation.

2. PURPOSE AND AIM

The Municipality believes that it is essential for representatives of the municipality to travel to destinations inside and outside the borders of the municipality, to establish and maintain links and relationships with other municipalities, government bodies, and other parties, institutions and organisations operating in the sphere of local government. This can effectively only be done through the medium of personal contact with a wider range of local government stake holders.

The municipality also has an obligation to provide official vehicles to certain employees to enable them to effectively exercise their daily duties.

This policy sets out the basis for:

- the payment of a subsistence and travel allowance for the purposes of official travelling.
- Participation in the Motor Vehicle Allowance Scheme, and
- Transport control.

3. POLICY STATEMENT

A. Travel and Subsistence.

Councillors, Management and employees of the Municipality will be paid a travel and subsistence allowance to travel to areas outside the jurisdiction of the municipality for official business purposes.

B. Motor Vehicle Allowance Scheme.

The Municipality implements and manages a Motor Vehicle Allowance scheme for certain post levels and positions, as identified from time to time, and the Scheme framework forms part of this policy.

C. Transport Control

The Musina Local Municipality owns and manages a fleet of vehicles which form part of the municipality's assets, and which must be managed and accounted for by the employees who have to use those vehicles. This policy sets out the basis for the management and control of the municipality's fleet of vehicles.

A. TRAVEL AND SUBSISTENCE

This section deals extensively with matters related to travel and subsistence payments to councillors, management and employees.

1. RESPONSIBILITIES OF COUNCILLORS AND OFFICIALS (REPRESENTATIVES) WHO TRAVEL ON BUSINESS OF THE MUNICIPALITY.

a) Every representative, travelling on the business of the municipality, must comply with this policy in letter and in

spirit, and with any specific mandates they have been given.

b) Representatives who travel on the business of the municipality are, at all times, ambassadors for the municipality, and must ensure that their actions, conduct and statements are in the best interest of the municipality.

c) Council delegates or representatives to any conference, workshop or meeting must ensure that they arrive on time and attend until the conclusion of such event.

   If any representative fails to do so, the Mayor or Municipal Manager, as the case may be, may recover all allowances and disbursement paid to the delegate or representative to attend such event, provided that such person is afforded the opportunity to submit reasons for not being able to be present from the commencement to conclusion of the event.

d) Consistent with the municipality's performance monitoring and evaluation objectives, the Municipal Manager will ensure that a record is kept of all delegations and travelling by officials and councillors.

2. SUBSISTENCE AND TRAVEL ALLOWANCE

A subsistence and travel allowance is an amount of money paid by the municipality to a representative of the municipality to cover the following expenses:

- Meals (including reasonable gratuities);
- Incidentals such as parking, fax and e-mail; (out of pocket expenses in excess of the day tariff for incidentals will be refundable on presentation of slips),and
- All business-related travel.

A subsistence allowance does not cover any personal recreation, such as visits to a cinema, theatre or nightclubs, or sightseeing.

2.1 ENTITLEMENT TO A SUBSISTENCE AND TRAVEL ALLOWANCE

a) A representative may claim a daily subsistence allowance as provided in this policy with the understanding that all authorised personal expenses are covered by the subsistence allowance. No further expenses, with the

exception of certain business expenses (see below), may be claimed.

b) The subsistence allowance, which is a fixed amount determined by Council from time to time, may be claimed without the representative having to furnish proof of expenses.

c) Entertainment of external business associates or contacts or clients or potential investors or potential clients falls outside the scope of the subsistence allowance and will be separately reimbursed; provided that prior approval has been granted. If a representative of the municipality has an entertainment allowance, this entertainment of external business associates or contacts or other parties must be claimed against the entertainment allowance.

d) A representative of the municipality must claim his or her subsistence allowance, as provided for in this policy, before embarking on any official trip.

e) All travelling on business of the municipality must be approved by the Municipal Manager, or person delegated to do so on his/her behalf, before a representative is entitled to a subsistence allowance. A councillor or official will not be entitled to a travel and subsistence allowance if the trip or travel is not related to the official business of the municipality.

f) For the purposes of a travel and subsistence allowance, a representative shall mean:

i. Mayor, or Speaker as the case may be,
ii. Members of Council.
iii. Councillors specifically authorised to represent the municipality on a particular occasion,
iv. Municipal manager,
v. Heads of Departments,
vi. Any other official or authorised person duly delegated to represent the municipality on a particular occasion.

2.2 ACCOMMODATION COSTS AND SUBSISTENCE ALLOWANCE

Travel within national borders.

a) Representatives who travel on the business of the municipality where such business unavoidably entails one or

more nights to be spent away from home, may stay in a hotel, motel, guesthouse or bed and breakfast establishment.

b) In respect of domestic travel, the cost of accommodation, breakfast and dinner, as direct cost, will be borne by the municipality, subject to a maximum amount for accommodation, dinner and breakfast per night per room, as determined by Council (from time to time) during the Budget approval process.

c) In addition to the cost of accommodation and meals, a subsistence allowance per day, as determined by Council from (time to time), during Budget approvel will apply in respect of domestic travel.

d) If a representative stays with a relative or friend, an accommodation allowance at an amount determined by Council (from time to time) during Budget approval, may be claimed, to be deemed direct costs, together with the applicable subsistence allowance payable per day.

e) If a representative is not required to stay overnight no accommodation allowance will be paid.

International travel

a) The recoverable cost of accommodation (inclusive of full meals) for international travel will be determined per trip as per the bookings made in the denomination of the country to be visited, and the subsistence allowance will be calculated according to the conversion rate of the applicable denomination at the date of travel, as approved by the Municipal Manager.

b) In the case of international travel, the day of departure from South Africa and the day of return to South Africa each qualify for a subsistence allowance.

c) For the purposes of this policy, domestic travel shall mean travel within South Africa and the SADEC countries, and international travel shall mean travel to any country other than South Africa and the SADEC countries.

d) Representatives intending to travel to any SADEC country may request the Mayor, in consultation with the Municipal

Manager or person acting on his behalf, to approve a higher accommodation and subsistence allowance if the representative can motivate such an increase in the light of prevailing exchange rates in such country or countries, or claim such costs on return.

2.3. SUBSISTENCE ALLOWANCE IF TRAVEL IS FOR A DAY OR PART OF A DAY WITH NO OVERNIGHT STAY

If a representative travels on the business of the municipality for a day or part of a day, the applicable subsistence allowance per day is payable. No more than the applicable subsistence allowance will be payable per day, irrespective of the number of trips undertaken or events attended.

2.4. CAR RENTAL, FLIGHT COSTS AND OTHER TRAVEL COSTS

a) Category "A" or "B" or "C" vehicles may be rented, as per the schedule attached to the policy.

b) Car rental must be approved as part of the travel package before the trip is embarked on. A representative who rents a vehicle whilst travelling on the business of the municipality without having received prior authorisation will only be reimbursed for the cost of the vehicle rental if proof of expenditure can be produced and the representative can demonstrate that the vehicle rental was reasonably but unexpectedly necessitated by circumstances.

c) The Mayor, Councillors and the Municipal Manager may book business class for domestic travel. All domestic flights for other representatives of the municipality shall be in the economy class, except flights to Cape Town, for which bookings in business class may be approved by the Municipal Manager.

d) International flights for representatives shall be in the business class.

e) If a representative has to utilise his or her personal motor vehicle outside the boundaries demarcated for the municipality, and the representative participates in the Council's Motor Vehicle Scheme, he or she will be reimbursed at the travel allowance, running cost per

kilometre, as determined by (Council from time to time) the Department of Roads and Transport travel schedules.

f) If the representative does not participate in the Council's Motor Vehicle Scheme, he or she will be paid fixed and running costs as prescribed by the (AA-tariff schedules), Department of Transport travel schedules for that trip.

g) 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. If the total number of kilometres for which such reimbursement is received exceeds 8 000 in any tax year, reimbursement for the excess kilometres over 8 000 must be taxed for PAYE purposes.

h) (Where possible representatives must travel together, up to a maximum of four in a vehicle, to minimise travelling expenses.)

2.5. SUBSISTENCE AND TRAVEL ALLOWANCES FOR PERSONS INVITED FOR INTERVIEWS

A travel and subsistence allowance and overnight accommodation as determined by Council from time to time will be paid to a candidate invited by the municipality for an employment interview.

2.6. AUTHORISATION

For purposes of implementing this policy:

a) Only the Municipal Manager, or person acting on his/her behalf, may authorise any travel to be undertaken by the Mayor and officials; (Provided the expenses to be incurred are on the approved budget)

b) Only the Mayor may authorise any travel to be undertaken by any councillor or the Municipal Manager. (, provided that the expenses to be incurred are on the approved budget of the municipality.)

c) An invitation to attend a workshop, meeting or related event is not an automatic authorisation to attend such workshop or event. The required authorisation must still be obtained

from the Municipal Manager or Mayor, or person acting on his/her behalf, as the case may be.

2.7 LEGAL REQUIREMENTS

In terms of Section 66 of the Municipal Finance Management Act No 56 of 2003, the accounting officer of the municipality must report to the council, in the format and for the periods prescribed, all expenses relating to staff salaries, allowance and benefits, separately (*inter alia)* travel, subsistence and accommodation allowances paid.

B. MOTOR VEHICLE ALLOWANCE SCHEME

This section provides for the payment of a motor vehicle and travel allowance at rates as determined by the Bargaining Council from time to time, or Council, as the case may be, for the utilisation of a private vehicle in the execution of official duties.

(Participation in this scheme is intended for) The incumbents of post levels 1 – 3, automatically qualify to participate in the Motor Vehicle Allowance Scheme, or post levels as may be determined from time to time by way of post evaluation or organisational changes as determined by council from time to time.

1. Fixed Transport Allowance

The tariff for the basic distance allocated to an employee is paid to the employee for journeys within the boundaries of the Musina Local Municipality and he/she is not required to provide proof of the distance travelled for official journeys. The employee will be compensated for journeys outside the boundaries of the municipality in accordance with the prescribed tariff for total running costs for the actual distance travelled.

It is a requirement that the participating employee shall have private transport available on a daily basis for the execution of official duties. The payment of a monthly transport allowance to the various participating employees is subject to the following conditions:

1.1 that no official transport is provided to such incumbents,
1.2 that journeys between residence and place of work do not form part of the allowance,
1.3 that all other requirements considered in this scheme are complied with; and,
1.4 that where the local circumstances justify or require that in respect of a certain class of employee the restrictions contained in this scheme be relaxed, it is implemented with the sanction of the Bargaining Council.

2. (Running) Transport allowance <u>for posts other than post level 1-3)</u>

Where it is agreed with an employee, (other than Section 57 Managers and those on post levels 1 – 3) to daily utilise private transport for the execution of official duties, and such employee travels more than 300 km per month in the process, a (running) monthly transport allowance shall be paid in accordance with the total distance travelled, provided that the maximum limitation as agreed upon by the Council, or 650 km is not exceeded. The post to which this monthly transport allowance is coupled will be designated as a transport allowance bearing position and will be subject to the conditions specified in the Motor Vehicle Allowance Scheme applicable to post levels 1-3.

For the determination of distances with regard to a monthly transport allowances, the following principles shall apply:

- Monthly log sheets must be submitted by the employee for a period of three months to <u>determine an average kilometre</u> <u>meter distance per month.</u>
- These log sheets must be approved by the Head of the Department.
- Should an employee not be satisfied with the determination or re-determination of the official distance limitation applicable to the transport allowance bearing position occupied by him, the matter should be referred to the Municipal Manager for consideration.
- In the event of failure to reach an agreement, the employee may refer the matter to the Bargaining Council.)

The maximum kilometre distance (distance limitation) per month that the municipality determines for such post (other than post levels 1- 3 posts), must be made known to the employee <u>and mutually agreed apon</u>.

In cases when an official has to travel more than 1 500km per month for official purposes, it is suggested as a guideline that such incumbent rather be provided with an official vehicle.

3. Ad-hoc transport allowance in respect of temporary and casual official journeys.

Ad-hoc transport allowances are payable in cases where temporary or casual official journeys are undertaken by means of private transport. The following provision will apply:

3.1 An employee occupying a transport allowance bearing position and who temporarily occupies another transport allowance bearing position and leaves his own position, shall from that date and for as long as he/she temporarily acts in the other position, be paid a transport allowance based on the official annual kilometre distance applicable to the temporary position, or the transport allowance applicable to his/her own position, which ever is the bigger, and the transport allowance payable in terms of this paragraph shall be calculated as follows:

A = (B X C/12 X K/F) +)b X c2/12XM/F)

Where A = The monthly transport allowance,

B = Total vehicle ownership cost per kilometre based on the actual new purchase price of the vehicle provided by the employee, subject to the provisions of clause 7 on an annual kilometre distance of 14 000 km;

C1 = Official annual kilometre distance in respect of employee's own position as determined;

C2= Official annual kilometre distance in respect of the position temporarily occupied by the employee, as determined;

F= Number of working days in the calendar month in which the transport allowances are calculated;

K= Number of working days that the employee occupies his own position in the calendar month mentioned in F;

M= Number of working days in the calendar month mentioned in F that the employee occupies the temporary position mentioned in C2.

3.2 An employee who occupies a transport allowance bearing position and who, temporarily, in addition to his duties, occupies that of another employee for a period of (five) ten working days per month or more, shall receive the transport allowance applicable to the post occupied by him, as well as an additional amount, calculated on a pro rata basis as the difference between his/her travel allowance and that of the acting position.

The additional portion shall be calculated as follows:

A = g x a
Where A = the additional amount,
g = total running costs per kilometre,
a = Kilometre distance travelled in the execution of duties applicable to the position of the other employee.

3.3 An employee who does not carry a transport allowance bearing position, when acting temporarily in the place of an employee who does occupy a transport allowance bearing position shall, if such employee provides a private vehicle for the period during which so acting, receive the transport allowance applicable to such transport allowance bearing position. The transport allowance shall be calculated as follows:

A = b x c/12 x e/f
A = Transport allowance payable;
b = Total vehicle ownership cost per kilometre, based on the actual new purchase price of the vehicle provided by the employer, subject to clause 7 and on an annual kilometre distance of 14 000 km;
c= annual kilometre distance as determined in respect of the position in which the employee temporarily acts;
e = Number of working days that the employee acts in the temporary position I the calendar months mentioned in f;
f= Number of working days in the calendar month in which the transport allowance is calculated.

3.3 Casual transport payments

Any employee to whom the abovementioned paragraphs do not apply and who, on the instructions of a Head of Department or the Municipal Manager, provides casual transport in the service of the Council, shall be paid a transport allowance for the actual kilometre distance travelled, including one return journey between residence and place of work, with a maximum of 10 km return for every day that the employee provides such transport in the Council's service. The casual transport allowance shall be calculated as follows:

A = b x c
Where A = the casual transport allowance payable,
b = total vehicle ownership cost per kilometre, based on the actual new purchase price of the vehicle provided by the employee, subject to the provisions of clause 7 and on an annual kilometre distance of 14 000 km;
a = Actual kilometre distance travelled.

3. Calculation of transport allowances

The actual transport allowances payable shall be calculated according the schedules provided by the Department of Transport from time to time.

(3.1 Basis of Compensation (tables)
All transport allowance payments shall be calculated in accordance with the tables of the Automobile Association of SA (AA) for "Estimated average car ownership cost over six years".

The AA tables provide for the following factors:

4.1.1 Fixed Cost
This factor includes the following elements:

Depreciation on new car value, loss of interest (at current rates), comprehensive insurance (based on Reef premiums), licence, registration and parking fees. To calculate the fixed cost, the actual purchase price shall be related to the annual distance travelled. For the purpose of fixed cost, the purchase price, excluding VAT, shall be used as basis. Should this price be higher than the retail sales value of the vehicle, according to the "auto Dealer's Digest" the last value shall be used for calculation purposes.

4.1.2 Cost of fuel

This factor is related to the price of premium and regular fuel on the Reef and on the Coast. Fuel consumption factors for urban and rural journeys have been applied.

4.1.3 Maintenance Cost

This factor includes the following elements:
Tyres, spares, repairs, servicing, lubrication, and wash and polish over a period of six years, being the life span of the motor. To obtain maintenance costs in cents/km relate the engine size to annual distance travelled.

4.1.4 Total ownership cost

This factor represents the sum total of the fixed, fuel and maintenance cost of a vehicle and represents the tariff base for transport allowance calculations. No deviation is allowed from the above-mentioned table which represents the tendency of projected average motor ownership costs over six years. The municipality must, for the purpose of this scheme, use the prescribed tables for the calculation of transport allowances, whether of a fixed, running or ad-hoc nature.

4.2 Principles of compensation

4.2.1 A transport allowance is payable monthly and is calculated as follows:
$A = b \times c/12$

Where A = The monthly transport allowance;
b= total ownership cost per kilometre;
c= total annual kilometre distance.

4.2.2 The transport allowance for a particular calendar month shall where possible, be paid to the employee at the end of the same month.

4.2.3 With regard to periods of unpaid leave or the period prior to an employee assuming duty in the particular transport allowance bearing position, the monthly transport allowance shall be reduced on a pro rata basis.

4.3 Fixed transport allowance payments

These payments refer to the fixed amount which is payable monthly to the incumbents of posts on post levels 1 – 3 on the establishment of Council. The basis for calculation and payment is as follows:

4.3.1 The specified tariff for fixed fuel and maintenance costs in the **(**appropriate AA tables for vehicles travelling 10 000 km per annum**)**, as provided for the the Department of Transport schedules, provided that the calculation is limited to the maximum of 100% of the employee's basic monthly salary;

4.3.2 The fixed distance limitation pertaining to the particular post;

4.3.3 In respect of official journeys outside the limitations specified above, only the prescribed tariff for total running costs, fuel and maintenance, is payable.

4.4 Payments for running and ad hoc transport allowances

These allowances refer to the amounts payable monthly to incumbents of transport allowance bearing positions who, in accordance with distance limitations and with the aid of journey or log sheets, submit claims for the actual distance travelled, up to and including the maximum prescribed distance. This basis of calculation also applies to employees who are not appointed to transport allowance bearing positions but who do from time to time utilise private transport to undertake ad hoc journeys for official use.
The basis to calculation and payment of running and ad hoc transport allowances is as follows:

4.4.1 The tariff for fixed, fuel and maintenance costs, as specified in (the appropriate AA tariffs) Department of Transport schedules for vehicles travelling 14 00 km per annum. Calculation with regard to running and ad hoc travel allowances are however, limited to vehicles with a maximum cylinder capacity of 2,500 cc and the maximum of 100% of the employee's salary.

4.4.2 The approved distances completed for official purposes with private transport.

5. Adjustments and revisions of transport allowances

The calculations of transport allowances are adjusted automatically and amended in terms of the (AA tables)Department of Transport schedules, published from time to time. The adjustments and amendments will be effected from the first day of the month following the month of adjustment in which the Department of Transport publishes the revised calculations for car ownership cost.

6. Suspension of transport allowance

6.1 Should an employee occupying a transport allowance bearing position be transferred at his own request, and by mutual agreement, to another position not bearing any travel allowance, the existing transport allowance shall be paid for a period of six months from the date of transfer, where after no transport allowance shall be payable. (from the date of transfer.)

6.2 Should any employee who occupies a transport allowance bearing position be transferred by the Council to a non transport bearing position without the employee requesting the transfer, the employee shall continue t receive the existing transport allowance contractual to incumbent. **(**the municipality shall give the employee six months notice of the retraction of the transport allowance, during which period of six months the employee shall receive a monthly transport allowance calculated on the following basis, provided the employee's vehicle is not utilised by the Council during such period:

A = b x c/12
Where A = the monthly transport allowance;
b = total cost per kilometre;
c = total annual kilometre distance.**)**

Delete:

6.3 **(**Should the Council decide to retract an employee's transport allowance, the municipality shall give such employee six months written notice of the retraction during which period of six months the employee shall receive a monthly transport allowance calculated on the basis as in 6.2 provided that the employee's vehicle is not utilised by the Council during this period.**)**

Delete:

6.4 **(**The provisions of this paragraph do not affect loans granted in terms of clause 7 for the purchases of vehicles**.)**

7. Interest subsidy on motor vehicle loans

7.1 Conditions

The Council will not grant any motor vehicle loans, but employees who qualify for motor vehicle loans will receive an interest subsidy. This subsidy is based on the difference between the interest as charged on the previous loan scheme, eight and a half (8,5) percent for employees and the lower of the interest rate on the motor loan obtained from an official financial institution or the current bank lending interest rate.

The granting of an interest subsidy on a motor vehicle is subject to the following conditions and limitations:

7.1.1 Qualifying requirements

Interest subsidies are meant for employees who participate in the transport allowance scheme. Such subsidies are limited to incumbents of transport allowance bearing positions for such employees are obliged to use private transport daily for the execution of official duties.
Consequently, employees receiving casual or ad hoc transport allowances do not qualify for benefits under this scheme.

7.1.2 Vehicle choice and purchase price

7.1.2.1 With due regard to the kilometre and purchase price limitations mentioned earlier, the choice of vehicle to be purchased by the employee in terms of the scheme for daily use will rest with the employee.

7.1.2.2 The purchase of second hand vehicles is however, subject to the issue of a certificate of suitability by an examining officer appointed by the Council to report on the general conditions and value of the vehicle.

7.1.2.3 A vehicle loan may not be negotiated for more than 100% of the actual cost of the vehicle, VAT included. The vehicle in respect of which the loan is granted, must be the vehicle used for the execution of official duties.

7.1.2.4 In the case of second hand vehicles, the maximum amount of the loan shall be equal to the retail sales value of the particular vehicle as reflected in the "Auto Dealers Digest" plus VAT, provided that it shall never exceed the amount referred to in 7.1.2.3 above.

7.1.2.5 In cases where the purchase price of the vehicle, new or second hand exceeds the maximum loan amount, the borrower will only receive an allowance of up to 100% of his/her annual salary.

7.1.3 Loan limitations

The maximum interest subsidy amount which an employee may borrow to purchase a vehicle shall not exceed 100% of the particular employee's annual salary, excluding the annual bonus and allowances. The interest subsidy will be limited to 100% of the employee's annual salary.

7.1.4 Limitations of the interest rate

Interest rate subsidies are financed from funds as determined by Council at the difference between the annual interest rate of 8.5% and the current financial institution lending rate.

7.1.5 Duration of interest subsidies

The maximum period for which the interest subsidy will be received is as follows:

7.1.5.1	New vehicles	Six years
7.1.5.2	Second hand vehicles	
	- less than one year old	Five years
	- one to two years old	Four years
	- Older than two years	Three years

7.1.6 Interest rate on subsidy frequency

No employee may receive a new or further interest rate before the former loan has been fully redeemed. An employee shall only be entitled to one loan every three years unless Council specifically decides otherwise in respect of an application by an employee.

7.2 Formalities to be complied with when entering into a vehicle interest rate subsidy agreement.

The following formalities shall be complied with prior to a vehicle interest rate subsidy being granted:

7.2.1 A formal application form must be completed.

7.2.2 After approval of the interest subsidy application, an invoice from the seller/purchase agreement must be submitted prior to a subsidy agreement being signed and payment of the subsidy amount being affected.

7.2.3 Within two working days from the signing of the agreement and effecting payment, the following documentation must be submitted:

- Original registration certificate issued to the borrower, vehicle to be registered in the name of the applicant for the duration of the time that the interest subsidy is received.
- Original license receipt.

7.3 Safeguarding of assets.

7.3.1 All vehicles linked to the motor vehicle allowance scheme, all municipal vehicles, as well vehicles used for official purposes by the Municipal Manager and Section *57 Managers* will be insured by Council against any fire, theft, accident and consequential damage, and will include the installation and monthly premiums for a tracker system as required by the insurers in respect of the particular vehicle.

7.3.2 It any one of the vehicles referred to in 7.3.1 above should be unavailable for use due to prescribed services, repairs or damages for a period exceeding 12 hours, the employee or councillor may make use of a rental vehicle on the basis as set out in paragraph 6, chapter A.

7.3.3 An employee shall immediately hand to the employer for safekeeping the registration certificate of a vehicle bought with the aid of an interest subsidy. During the loan period the employee may not apply for a duplication certificate of the vehicle without obtaining prior written approval from the council.

7.3.4 Violation of any conditions of the scheme confers on the council the right to retract from the contract with accompanying remedies.

C. TRANSPORT CONTROL – USAGE OF OFFICIAL VEHICLES.

Introduction:

The Musina Local Municipality operates a fleet of official vehicles for individual use in the performance of their duties. Employees of the Municipality who are entitled to subsidised transport schemes, and duly reimbursed for the use of their respective vehicles in performing their duties, are not allowed to drive or use official vehicles. Only drivers that are authorised so, or appointed as Drivers may drive official vehicles.

Purpose and Scope:

1. The purpose of this section is to regulate the use of official Council vehicles and minimise instances of misuse.
2. This policy applies to all employees at the Musina Local Municipality.

1. OBJECTIVES OF THIS SECTION

The objectives of this Section are:

a) to identify the role and duties of the responsible Officer in the department responsible for fleet control;
b) to ensure that effective, economic and efficient use of official transport/vehicles is made by planning itineraries;
c) to ensure that proper use of logbooks is maintained;
d) to provide rules regarding the use of official transport;
e) to ensure that proper steps are taken in instances of accidents, loss or damage to official vehicles, and
f) to ensure that official vehicles are properly maintained and serviced.

2. DUTIES OF THE RESPONSIBLE OFFICER IN THE DEPARTMENT RESPONSIBLE FOR FLEET CONTROL. (hereafter referred to as "Officer")

The duties of the Officer shall be to:

Co-ordinate transport and ensure that the best and most economical use thereof is made at all times;
Exercise control over the maintenance of and expenditure involved in the use of official vehicles and other transport;

Arrange for the proper completion and regular scrutiny of all records and returns concerning transport and ensure that the vehicles controlled are kept in good condition and that they are serviced regularly;
Ensure that all instructions relevant to the use, operation and maintenance of vehicles are complied with and,
To act as liaison between the Municipality and commercial garage in matters affecting transport.

3. CATEGORIES OF VEHICLES WHICH FORM PART OF THE MUNICIPALITY'S FLEET

a) Mayor's Vehicle, Vehicles to Transport Councillors and Officials as and when needed.
b) Vehicles in Technical Department allocated to specific persons for official use.
c) Vehicles in Community Services, Traffic for traffic law enforcement and official use.
d) Construction vehicles.

4. ITINERARIES

Where applicable, Itineraries should be prepared in advance in consultation with the responsible Officer or other competent officials. Log-sheets shall be carefully compiled. Heads of Departments shall approve official trips outside the normal working area, subject to the approval of delegations by the Municipal Manager in terms of his delegated authority, to ensure effective control of the use of official vehicles.

5. LOG-BOOKS FOR OFFICIAL VEHICLES

5.1 Completion

Log-sheets shall be completed in every detail during or immediately upon completion of a trip by the official or councillor using the official vehicle in accordance with the instructions issued with it.

5.2 Supply

Logbooks are obtainable from the responsible Officer.

5.3 Safe custody

The official or councillor in charge of the vehicle concerned shall be responsible for the safe custody of the logbook in use.

6. USE OF OFFICIAL MOTOR TRANSPORT

6.1 Official purposes

6.1.1 Official transport is provided for strictly official purposes and is not to be used for private or other purposes without the necessary authority and approval. Cases, in which it has been established that improper use has been made of the transport, must be reported to the responsible Officer of the department concerned, who must refer the case to the Corporate Services Manager for further steps to be taken.
Employees who use official vehicles without authorisation are personally liable for the costs of any damages incurred due to their misuse of such vehicles. Misuse means unauthorised use, use for an improper purpose, gross negligence in the care and operation of an official vehicle, or not adhering to traffic safety regulations.

6.1.2 **Non-employees are not permitted to use official vehicles.**

In exceptional cases, where it may be necessary to transport private persons with an official vehicle, the prescribed indemnity form, attached to the log-sheet, must be completed before the passenger is permitted in the vehicle.

7.2 Standard conditions

7.2.1. The following standard conditions apply in respect of all cases mentioned in this policy and must be complied with in all instances:

7.2.1.1 The most economical vehicle suitable and available for the service must be used.

7.2.1.2 The vehicle must not be overloaded.

7.2.1.3 A copy of this Policy shall be kept in all official vehicles. The official or councillor in charge of the vehicle shall be responsible for the safe custody thereof.

7.2.1.4 No official or councillor may drive an official vehicle unless he/she had been authorised to do so by an officer who has the necessary power to exercise such authority and furthermore unless he is capable in terms of the Road Traffic Act and is properly licensed to drive the particular class of vehicle in which the one under his/her control falls. It is the responsibility of the driver to inform his/her supervisor in the event of his/her driver's licence being revoked or suspended.

7.2.1.5 Prescriptive legislation requires drivers of certain category of vehicles to possess a public driver's permit. All prescribed driver's must obtain a PDP at their own cost. It is the responsibility of each Manager to ensure that each prescribed driver in that department who drives an official vehicles is in possession of a PDP.

7.2.1.6 Special attention is directed to the requirements of the Road Traffic Act in regard to the duties of a driver in connection with the reporting of physical disabilities from which he/she may suffer or which he/she has sustained or which have developed after issue of a driver's licence. Cases where it is deemed necessary to modify the standard driving controls of a vehicle before the issue of a special driver's licence to such person can, in terms of the requirements of the law be possible shall first be referred to the Municipal Manager for consideration.

7.2.1.7 The head of department who has the power to authorise an official or councillor to drive an official vehicle shall satisfy himself/herself that any incompetence or doubtful ability on the part of the official or councillor is not of such a nature as to expose the council to great risk. Where such official or councillor must of necessity drive official vehicles and it is considered necessary, he/she should be subjected to a retest by the authority concerned even though it has to be obtained at the Municipality's expense.

7.2.1.8 Drivers must exercise proper care in the use and handling of official vehicles. Any evidence of neglect through handling or reckless driving must be reported to the head of department.

7.2.1.9 Where an official or councillor, whilst on official duties, comes across an accident or breakdown he/she must not use the official vehicle to push or tow a privately-

owned vehicle involved in the accident or breakdown with a view to starting it or getting it back on the road or removing it from the road.

7.2.1.10 It is the responsibility of the driver of an official vehicle to report any accident or damage of whatever magnitude to the relevant supervisor and the SA police services immediately. All accidents, damages to vehicles must be reported to the Section Head Expenditure within a period of 24 hours for insurance purposes.

7.3 PUBLIC LIABILITY

The use of official vehicles, for unauthorised business may expose the driver to public liability in the event of any accident, particularly if the accident is found to be caused by the driver's negligence. If the use of a vehicle is not official or the driver stops *en route* or deviates from the direct route to conduct personal affairs while on official business, he or she may be found to have departed from the scope of employment. In such case, Council would disclaim liability, and the driver would be financially responsible.

7.4 TYPES OF MISUSE:

a) Trips to service stations or repair shops in connection with the servicing or repairing of any individuals' private car.
b) Side trips for meals that involves significant extra time distance to satisfy a personal preference when other reasonable and adequate eating places are more convenient to employees residence or direct route of travel, while on specific work assignments.
c) Local stops for personal shopping or other business, even if such stops are on a direct route of travel or official trip.

Drivers who knowingly misuse official vehicles are subject to disciplinary action which could lead to dismissal. In addition they may also be criminally prosecuted in a court of law.

7.5 SPECIFIC CONDITIONS: POLICY RESOLUTIONS

7.5.1 Official Transport for Employees Attending Funerals of Co-workers. (CR F2.11.2000)

7.5.1.1 A *municipal* vehicle will be made available to employees for purposes of attending a funeral of a co-worker, free of charge for distances not exceeding 500 km (within the borders of South Africa.

7.5.1.2 A licensed Driver will be designated as driver with full responsibility for the vehicle and who must submit a log-

sheet in respect of the specific trip, on the understanding that no remuneration, standby or overtime allowance will be payable to employees or driver attending the funeral.

7.5.1.3 Should a licensed council driver not be available, a licensed driver in the employ of council will be designated to transport the employees to the funeral on condition that the costs for remuneration and overtime then payable to the driver shall *not* be payable by Council.

7.5.1.4 The vehicle will be covered by Council's insurance if it is used with Council's approval, the employees will be covered on a 24 hour basis against death and permanent disability, temporary total disability, medical expenses, funeral expenses, relocation costs, mobility, passive war risks and disfigurement, if any accident should happen during such trips.

7.5.1.5 The authority to approve the use of a Council vehicle is delegated to the Technical Manager.

7.6 Compliance with rules

7.6.1 Failure to observe the rules contained in this Transport Control Policy and also any instructions issued by the head of a department or which appear on forms or in books used in connection with official travelling and transport will render the offending official or councillor liable to disciplinary action and in certain cases to making good any loss which the Municipality may suffer.

8. INSURANCE

8.1 Cover

8.1.1. All official vehicles are insured by the Municipality's Insurers. The Insurers carry the accident risks and accepts liability for any expenditure arising from third party claims, including claims by authorised official passengers against the official driver in respect of personal injuries or damage to the official vehicles or the loss or damage to municipal property. Officials or councillors driving official vehicles and their passengers are covered to the following extent:

8.1.2 An official or councillor who, whilst driving an official vehicle is involved in an accident and thereafter is charged with a criminal offence or against whom civil claims by third parties are referred may be defended

through the Municipality's lawyers at municipal expense in accordance with the provisions of Section 47A of Ordinance No. 17 of 1939 read with a Council Resolution taken by Council at a meeting held on 20 April 1972.

8.1.3 An official or councillor who is injured whilst using an official vehicle on official duties either as a driver or as a passenger will be regarded as having been injured on duty and the matter will be dealt with in accordance with the arrangements applicable to injury on duty.

8.2 Forfeiture of cover by driver

8.2.1 The cover and arrangements mentioned in paragraph 8.1.1.will not apply as far as the driver of an official vehicle is concerned in a case where:

8.2.1.1 he/she is found guilty by a criminal court of having driven a vehicle or of having occupied the driver's seat of a motor vehicle the engine of which was running while he/she was under the influence of intoxicating liquor or a drug having a narcotic effect or the concentration of alcohol in his/her blood was not less than prescribed in the Road Traffic Act.

8.2.1.2 He/she makes an admission of liability to third parties before the Municipality's lawyers are consulted in the matter provided that such admission by the driver shall not exclude him/her from the benefit of the arrangements applicable to injuries on duty.

8.2.1.3 The vehicle is or was used without authority for other than strictly official purposes.

8.2.1.4 The driver is not in possession of an appropriate driver's licence,

8.2.1.5 He/she drives or has driven a vehicle without having been properly authorised thereto or

8.2.1.6 He/she allows or has allowed the vehicle to be driven by a person not authorised thereto;

Provided further that if in a case mentioned in sub-paragraphs 7.1.1.1. the Municipality's lawyers undertakes the defence of the official or councillor concerned in the interest of the reservation of the Municipality's right to recover from the official or councillor

concerned all costs arising out of such defence and the amount of any third-party claim paid, and in this connection the official or councillor will be required to give the written undertaking contained in ***Annexure "A"*** to this Policy, which must accompany any documents relative to the matter when they are forwarded to the Municipality's lawyers.

9. ACCIDENTS

9.1 Procedure

The following procedure shall be followed in the event of an official vehicle being involved in an accident no matter how trivial and irrespective of whether or not any person or animal or property or other vehicles is involved:

9.1.1 Call a police or traffic officer if possible or if such officer is not available report the accident to a police station or a police or traffic officer as soon as possible and furnish full details thereof.

9.1.2 If requested to do so, supply the name and address of the driver of the official vehicle and the registration number of the vehicle to any other person having reasonable grounds for requesting the information.

9.1.3 In no circumstances shall liability be admitted or unguarded statements made to any person at all or at any time or payment offered or made to a third-party.

9.1.4 Should any third-party involved admit liability, endeavours should be made to obtain a statement in writing from him/her to this effect.

9.1.5 Should a driver of a vehicle be suspected of being under the influence of intoxicating liquor or narcotic drugs, this fact should be brought to the notice of the police or traffic officer called to the scene of the accident with the least possible delay and every assistance should be rendered to such police or traffic officer in ensuring that the suspected person be examined by a doctor as soon as possible.

9.1.6 Obtain as soon as possible, preferably at the scene of the accident, at least the following particulars which are required for completing the accident report form:

9.1.6.1 Registration number, make and type of the other vehicle(s).

9.1.6.2 Name and address of driver(s) and of owner(s) of the other vehicle(s).

9.1.6.3 Licence disc number and expiry date of other vehicle(s).

9.1.6.4 Whether the other driver acted in his/her own interests or in the interests of the owner of the vehicle.

9.1.6.5 Nature and extent of damages sustained by the other vehicle(s) in the particular accident only.

9.1.6.6 Name, address, sex and estimated age of any pedestrian(s) involved in the accident and of any person(s) killed or injured as well as the nature and extent of injuries.

9.1.6.7 Description of animals and fixed objects involved. In the case of animals the name and estimated age of any herdsman (men) who tended or drove the animals, as well as the nature and extent of injuries and damages.

9.1.6.8 Name and address of each witness, including the occupants of the other vehicle(s) involved.

9.1.6.9 Measurements for the preparation of a sketch of the scene of the accident.

9.1.6.10 Whether or not the road was fenced in on both or one side only.

9.2 Reporting of the accident (other than to the police)

9.2.1 The driver of the official vehicle shall make a suitable endorsement in the logbook of the vehicle and shall without delay complete the accident report form and forward it together with statements by witnesses and other relevant supporting documents all in triplicate to the responsible Officer.

9.2.2 Referral of accident report form

The Corporate Services Manager will attend to the investigation and the responsible Officer will liaise with the responsible person in the Finance Department for the repair of the vehicle.

9.3 Legal proceedings

Should the driver of an official vehicle be required to appear at an inquest or inquiry or should criminal or civil proceedings be instituted against him/her, he/she shall immediately submit the summons, subpoena or notice to appear served upon him/her or a copy thereof to the Corporate Services Manager in order that the Municipality's lawyers may be consulted in the matter.

9.4 Third-party claims received

9.4.1 Third-party claims received shall immediately be submitted to the Corporate Services Manager in the case of an official vehicle having been involved in an accident.

9.4.2 If receipt of the claim is acknowledged, it shall be clearly stated in the letter of acknowledgement that it is being done without prejudice and that the claim is receiving attention. The letter must contain no statement or admission, which could possibly prejudice the Municipality's case.

9.5 Accident repairs

The carrying out of repairs to official vehicles arising out of accidents will be arranged by the responsible Officer in liaison with the responsible person in the Finance Department.

9.6 Emergency Breakdowns

9.6.1 In the case of a breakdown which requires immediate repairs whilst the Driver is travelling outside the normal working area, the Driver must report the breakdown to the responsible Officer, by telephone and confirm the details in writing as soon as possible, to enable the responsible Officer to make emergency arrangements regarding the following:

9.6.1.1 Authorisation and payment of the repairs,

9.6.1.2 Costs for accommodation and meals for the Driver necessitated by the period required for the repairs,

9.6.1.3 Tow-away services, if required,

9.6.1.4 Safe-keeping of the vehicle, if required,

9.6.1.5 Transport of the Driver back to his workplace, if required.

9.6.1.6 Organise a replacement vehicle or rental vehicle equivalent to the staff member's car allowance, to enable him/her to attend delegations and official functions. (according to the equivalent of the staff members car allowance)

10 DAMAGE, LOSSES, DEFICIENCIES AND THEFTS

Damage, losses, deficiencies and thefts (other than damage, losses and deficiencies arising out of accidents) are dealt with under this paragraph.

10.1 Checking

10.1.1 An official or councillor who takes over an official vehicle must ensure that any damage or deficiency is immediately brought in writing to the notice of the responsible Officer Administrative Officer and reflected on the vehicle request form.

10.1.2 The official or councillor who accepts an official vehicle and fails to comply with paragraph 9.2.1 will be deemed to have received the vehicle in good order.

10.2 Damage losses, deficiencies and thefts to be reported

10.2.1 When damage, losses, deficiencies or thefts occur the official or councillor operating the official vehicle shall immediately report the matter to the Administrative Officer who shall in turn immediately advise the police and the Chief Financial Officer.

10.2.2 When damage, losses, deficiency or thefts occur whilst a vehicle is in use the officer or employee concerned shall immediately report the matter to the nearest police station and on his/her return to the responsible Officer who shall then advise the Chief Financial Officer.

11 SERVICING OF OFFICIAL VEHICLES

All official vehicles shall be serviced in accordance with the policy and specifications laid down by the relative manufacturers. Administrative Officers and officials or councillors in charge of official vehicles shall be responsible for ensuring that the arrangements set out below are strictly observed.

11.1 At appointed garages

At a centre where there is an appointed garage, the servicing of official vehicles shall be entrusted to the appointed garage or local agent.

11.2 At other centres

In the case of an official vehicle requiring servicing whilst in use it shall be taken for attention to the local agent for the make of vehicle concerned or in the absence of a local agent to a reliable commercial garage, provided that prior arrangements for such service had been made by the responsible Officer.

11.3 All servicing subject to payment

The Municipality is required to pay for all servicing and the official or councillor taking the official vehicle for servicing, should deliver the official order to the service provider or ensure that the official order is forwarded to the service provider before any work is done.

11.4 Warranty

Official vehicles in most cases carry a warranty for the first 15 000, 20 000 or more kilometers. Should any defect(s) occur before reaching this distance reading the responsible Officer shall, without delay, report such defects to the supplying agent for attention.

11.5 Servicing intervals

The Administrative Officer shall ensure that the vehicles are serviced as detailed in the relative servicing coupon booklet supplied with the vehicles. Under adverse conditions it may be necessary for some of the specified services to be undertaken more frequently than prescribed. In such cases the guidance of the

appointed garage should be sought. In exceptional circumstances due to weather, road or other abnormal conditions servicing may at times also have to be undertaken at more frequent intervals than those normally required. The responsible Officer should use his/her discretion in this instance.

11.6 Timeous arrangements

When a vehicle requires to be serviced the Administrative Officer in charge of the vehicle shall always endeavour to arrange timeously with whoever is to do the servicing for the vehicle to be delivered at a particular time and day, in order to avoid delays in having the work carried out.

11.7 Fuel and oil additives

Fuel and oil additives shall not be purchased without the prior authority of the Administrative Officer.

11.8 Complaints against local agents.

Where an official or councillor in charge of an official vehicle or the Administrative Officer has any complaint in regard to services or quality of work against the local agent for the make of vehicle concerned, it does not give him/her the right to take or to send the vehicle at any time without authority to another commercial garage for attention but he/she shall report the matter with full details without delay, in writing to the Corporate Services Manager who will deal with it further.

11.9 Use of services of competent officials

Where a department employs an employee who possesses sufficient mechanical knowledge and the nature of his/her duties is such that it would not be unreasonable to call upon him/her to undertake the partial servicing of official vehicles there will be no objection to such an arrangement provided the necessary tools and equipment are available and the vehicles are periodically checked at a commercial garage or agent for the particular vehicle or other reliable commercial garage, as the case may be.

11.10 Washing and polishing

Washing of a vehicle is considered desirable at least once a week and polishing once every six months. Under adverse operating conditions these may be undertaken more frequently but only when absolutely necessary. Where arrangements exist in the department that vehicles used by the department may be cleaned, washed and polished by available employees for the purpose of which cleaning materials are provided or obtained at the cost of the department concerned, use shall be made of such arrangements.

12 REPAIRS AND REPLACEMENT OF SPARE PARTS AND ACCESSORIES

12.1 Responsibility

The Administrative Officer shall be responsible that repairs and replacements required are carried out timeously.

12.2 At official garages and departmental workshops.

In the case of an official vehicle requiring attention at a centre where there is an appointed garage, the required repairs shall be done at the appointed garage.

12.3 At other centres

12.3.1 Repairs other than accident repairs

In the case of an official vehicle stationed at a centre where there is no appointed garage, the official or councillor in charge of the vehicle shall with prior reference to the Administrative Officer, entrust repairs arising out of fair wear and tear to the local agent for the particular make of vehicle or in the absence to a reliable local commercial garage. Repairs arising from causes other than fair wear and tear shall be similarly arranged but with the prior approval of the Administrative Officer.

12.3.2 Spare parts and accessories

All spare parts and accessories essential for the roadworthiness, operation and maintenance of an official vehicle shall be obtained from the local agent for the particular make of vehicle, or in the absence of such agent from a reliable local commercial garage. Where the spare parts or accessories are

not available, the local agent, if any, shall be requested to obtain them without delay or if this will take too long the Administrative Officer or the official or councillor in charge of the vehicle will in the case of official vehicles refer the matter in writing under normal circumstances and telephonically only in cases of urgency to the nearest commercial garage.

Duration:

This policy shall come into effect on the date of adoption by the municipality and shall remain in force until repealed or amended by council resolution.

Annexures: ///////

ANNEXURE "A":

I----------, pay number ---------- the undersigned, hereby apply for defence through the Municipality's lawyers of the action of _---------- against myself. I hereby undertake to pay on demand to the Municipality's lawyers, the defence costs of the action should the Municipal Manager after the conclusion of the case decide that this is to be done and I further undertake to refund to the Municipality the amount of any third-party claim paid should I be called upon to do so because it may be found that I am not covered by the indemnity given by the Municipality to officers and employees operating official vehicles.

DATE **SIGNATURE OF OFFICIAL**

WITNESS **WITNESS**