



PROVINCIAL TREASURY CIRCULAR NO. 51 OF 2024

TO:

DIRECTOR-GENERAL: OFFICE OF THE PREMIER OF MPUMALANGA

**HEADS OF DEPARTMENTS
CEOs OF THE PUBLIC ENTITIES
CFOs OF DEPARTMENTS AND PUBLIC ENTITIES**

**THE CHIEF DIRECTORATE: SUSTAINABLE RESOURCE MANAGEMENT
THE CHIEF DIRECTORATE: ASSETS AND LIABILITIES MANAGEMENT
THE CHIEF DIRECTORATE: FINANCIAL GOVERNANCE**

HIRING OF VIP VEHICLES

1. OBJECTIVE

The objective of this circular is to caution departments against the unnecessary hiring of VIP vehicles at departmental cost.

2. BACKGROUND

It came to the attention of the Provincial Treasury that VIP vehicles are hired in instances where it is not permitted according to the Guide for Members of the Executive and where rentals are not always in line with Chapter 5 par 38(1)(b) of the PFMA which states that the accounting officer is responsible for the effective, efficient, economical and transparent use of resources in the department.

3. DISCUSSION

As per the Guide for Members of the Executive, Chapter 4 paragraph 2.2 "Provincial Members shall be provided with one vehicle for official use." Paragraph 2.3 states that "Members, on assumption of office, must make use of the official vehicles already purchased by the Department, unless such vehicle is to be replaced in terms of paragraph 2.9 of this Chapter.

According to Chapter 4 paragraph 2.9 of the Guide, "Departments may purchase official vehicles only when the currently provided official vehicle has reached 120 000 km or 5 years, whichever comes first."

Use of hired vehicles

Chapter 4, paragraph 4.1 of the Guide for Members of the Executive states "Where the official vehicle **is not available**, Members may make use of hired vehicles of a similar make and model as may be purchased by a department."

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4. RECOMMENDATION

1. Departments are to avoid unnecessary cars rentals that are not effective, efficient, economical and transparent
2. Members of the executive to abide by the GUIDE FOR MEMBERS OF THE EXECUTIVE

For ease of reference, please refer to Guide for members of the executive as approved by the President on the 13th of April 2022

For any clarity required kindly contact Ms. C Ruthven on (013 766 8714), alternatively on email choon@mpg.gov.za.

Kind regards,



MS GUGU MASHITENG
HEAD: PROVINCIAL TREASURY
DATE: 11/07/2024