**NATIONAL ASSEMBLY**

**QUESTION FOR WRITTEN REPLY QUESTION NUMBER: 3591 [NW4398E]**

**DATE OF PUBLICATION: 4 NOVEMBER 2022**

**3591. Inkosi R N Cebekhulu (IFP) to ask the Minister of Finance: [*Interdepartmentally transferred from Public Service and Administration with effect Friday, 4 November 2022]***

With reference to the revelation that was made earlier in the year where Cabinet had apparently blown more than R20 million in public funds on buying fuel and brand new luxury cars, what are the relevant details of the proactive accountability systems and measures of his department to ensure that the spending of Cabinet Ministers is within the confines of the budget given to them to spend on cars and fuel, particularly one that would flag and address the wasteful expenditure sooner as opposed to at the end of the year?

NW4398E

**REPLY**

The Honourable Member should note that Cabinet does not have any spending authority as an entity and its activities are funded under the vote of the Presidency, so it is incorrect to suggest that Cabinet as an entity has “blown” any public funds. Any spending to support a Cabinet Minister is done under the vote of the relevant department that a Cabinet Minister is responsible for, so any spending on official vehicles or fuel for any Cabinet Minister is done through their departmental vote, and not by Cabinet.

With regard to how spending on official vehicles is regulated by the National Treasury, it should be noted that Treasury issued an instruction no 6 of 2019-2020, revising the threshold for the procurement of official vehicles for members of the executive from R700 000 to R800 000.

The National Treasury also facilitates a transversal term contract (RT57) for the outright purchase of vehicles. Participation on the contract is voluntary as provided for by Treasury Regulation 16A6.5 and purchases of vehicles on the contract takes place at an organ of state level through the RT57 transversal term contract. Organs of state are compelled by the instruction issued to adhere to the limit that was set by the National Treasury when purchasing vehicles for the members of executive, regardless of whether a department chooses to use the transversal contract.

Adherence to the instruction is monitored on an annual basis through the audit process, and non-compliance leads to an audit finding that the relevant accounting office should account for with the Auditor-General and Parliament. Given that accounting officers have discretion on the procurement approach, there is no practical arrangement in place to monitor each transaction that participating organs of state undertake at the time when each transaction takes place.

Individual departments are responsible to make decisions on replacing the Executive Member vehicle on reaching the set mileage of 120000 kilometers or 5 years or when the vehicle experiencing mechanical problems as per the provisions of the Guide.

Any additional maintenance, such as tyres, fuel, oil, toll fees and repairs should be done through a transversal contract administered by the Department of Transport for this purpose. Therefore, the Department of Transport is best positioned to answer whether systems are in place to monitor in-year compliance to the limits set in the transversal contract relating to spending on fuel.