



Province of the
EASTERN CAPE
EDUCATION

Office of the Superintendent - General

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CIRCULAR NO 25 OF 2013

TO : OFFICE OF THE MEC
OFFICE OF THE HEAD: EDUCATION
ALL DDG'S
ALL CHIEF DIRECTORS
ALL DIRECTORS AT HEAD OFFICE AND DISTRICTS
ALL STAFF

FROM : SUPERINTENDENT GENERAL: EDUCATION

SUBJECT : IMPLEMENTATION OF AUSTERITY MEASURES FOR 2013/14 FINANCIAL YEAR

DATE : 27 NOVEMBER 2013

1. Reference is made to Circular number 8 of 2012 where the above subject matter was implemented in the 2012/13 financial year. The circular has never been repealed and remains in force in the 2013/14 financial year.
2. The purpose of this Circular is to inform all officials and encourage optimal fiscal discipline on public expenditure whilst not compromising the mission, vision and policy mandates and strategic goals of the department. The office of the MEC and Office of Accounting Officer, Chief Financial Officer, Deputy Director Generals, all Chief Directors, Directors(Head Office and Districts), and other officials responsible for the implementation of the budget are expected to strictly comply with the provisions of this circular.
3. The Department intends to upscale implementation of austerity measures for the 2013/14 financial year in order to prevent over expenditure. Therefore the following measures will apply forthwith. **Only conditional grant funding can be utilised in the remaining months of this financial year.**

The procurement of the following goods and services will be centralised at Head Office until further notice:-

- a) Office furniture, equipment and all assets related matters.
 - b) All office stationery.
 - c) Leased equipment, e.g. photocopier and faxes.
 - d) IT related equipment.
 - e) Telecommunication
 - f) Catering
4. To ensure the department budget carries us through the financial year and to ensure strict control on expenditure and revenue, the following will be effected immediately.
- 4.1 All Directors (Head Office and Districts) and Chief Directors must submit by Monday, 01 December 2013 a cost savings plan to Director Budget & Financial Planning so that this can be shared and implemented.
 - 4.2 All Directors (Head Office and Districts), Chief Directors and Cost centres must strictly adhere to monthly allocated funds.
 - 4.3 No procurement may be made without the prior approval of the Accounting Officer.
5. The following cost cutting measures are to be observed strictly and are hereby communicated to all staff:

5.1 Compensation of Employees

Subsidised vehicles: No new subsidised vehicles to be bought during 2013/14. No new applications will be considered for the 2014/15 financial year. Use must rather be made of government garage transport.

Overtime: Due to serious cash flow situation the overtime budget will not be exceeded. All Head office Directors and District Directors must submit requests for overtime to the acting DDG HR for consideration. The request must include projected costing and the purpose of the overtime with an indication of alternative measures to address the problem. No Sunday and public holidays will be worked as overtime.

The approval of overtime will be reserved for exceptional cases only.

No employee is allowed to work overtime for more than three (3) months in a financial year without the approval of Accounting Officer.

Time off will be given to officials as an alternative to remunerated overtime and when the budget is exhausted.

5.2 Communication

- a) All Departmental Cellular allocation must be reduced to a talk option to allow cellular holders to procure airtime if the monthly limit is exhausted. Request for additional cellular phones and 3G cards will not be considered.

- b) Land lines: No outgoing cellular and national calls for employees below level 14 (Chief Directors), unless in terms of the official's job requirement and also on emergency services.
- c) Land lines: Cellular and national calls are made only in Chief Directors office at Head Office and District Directors office and in the office Director of the three leadership institutes.
- d) Land lines: The Director Auxiliary services must explore using the option of cell routing as way of saving costs (estimated average 35% savings can be realized).

5.3 Travelling Expenditure

- a. Air Travel: Economy class only for all and must have the endorsement from the relevant Program Manager and approval by the Accounting Officer.
- b. Air Travel: To be cut by 50% of remaining available budget.
- c. Travel agency: Auxiliary Services to implement centralised bookings at Head Office. A separate circular to be issued once the system has been set up. Advance planning is essential in order that the department make full use of appropriate discounts offered by carriers.
- d. Embargo on international travel, subject to prior written approval of the MEC and Premier.
- e. All travel arrangements by Districts must be with the prior approval of the Accounting Officer.
- f. The Director IT, Director: Communication together with the Director Auxiliary Services must urgently undertake feasibility study on the use of Video and Tele Conference facilities as a way of limiting travelling costs.
- g. Workshops held within a radius of 100 km from the workstation must staff explore driving together when they attend the same workshop just in order for the department to save on travelling, which already represent 10 % of the budget.
- h. Field workers must also explore other cost saving measures and must plan all trips in advance and co-ordinate trips with colleagues so as to combine transport arrangements. Directors whose officials are affected must monitor this arrangement.

5.4 Transport

- a) Car rentals: Limited to Group A (standard) rental for all, and should be limited to free kilometres. Shuttle Services should be used as an alternative when travelling in a group.
- b) If a car is rented for 5 days it must be rented the Sunday and returned the Friday and only the employee, who have approval for the car, must drive it.
- c) Fleet vehicles to be properly monitored: ad-hoc hiring should be minimized (Cut by 50% of remaining budget), with rental vehicle limited to free kilometres; proper approval at least by Program Manager.
- d) No senior or middle manager is allowed to use Government transport.

5.5 Hotel Accommodation & Conferences

- 1. Limit hotels stays: Accommodation for the night before meetings to be stopped. Limit hotels to 3 stars.
- 2. Explore option of alternative accommodation (preference to bed & breakfast stay and hostels in the event of large number of staff rather than the current practice of hotels). Use must be made of the option between hotel and B&B's.

3. Rental of conference facilities: existing government building should be used - no hotels & private sector conference facilities. Meetings to be held in the Department's venues only.
4. To save on accommodation Corporate services deputy directors are only allowed 10 % of monthly working hours to attend meetings/workshops where they are required to claim hotel accommodation and S & T in order to save costs
5. No employee within a radius of 100 km from the venue is allowed to use hotel/bed and breakfast accommodation
6. Officials to travel together unless unavoidable for essential trips only to control kilometres, including for officials who have structured their pay packages to include travel allowances.
7. Staff must minimize the use of service providers for printing and must print their own booklets etc.

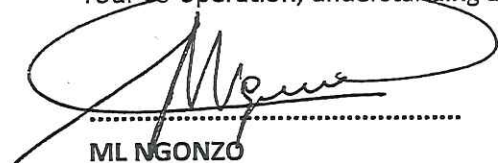
5.6 Entertainment & Media Expenditure

- a) There shall be no budget allocated for departmental entertainment.
- b) Tea and biscuits is allowed for Meetings outside the offices, only where there are outside visitors and with the expressed approval of the Accounting Officer.
- c) Clothing: No corporate clothing & branding e.g. T-shirts, tracksuits, caps etc must be purchased.
- d) Advertisements in papers (events, promotions, etc) / buying of media space should be aggressively minimized.

5.7 Administrative Expenditure

- a) Administrative costs: stationery, etc should be cut aggressively. All offices to keep a stock register to be monitored by the relevant manager through checking and stock taking (Inventory controllers to be appointed for all offices immediately).
- b) No staff member is allowed to make private photocopies and in the event of private photocopies being made the rates are as follows
 - 50 cent per page (PA and Secretaries to only allow the employees to make copies on receipt of a receipt from Revenue). A photocopying register has been put in place and must be monitored by Directors.
- c) All orders/commitments placed must be in line with the procurement plan. Any deviation should be approved by the Accounting Officer.
- d) All training courses must be convened locally to reduce expenditure on accommodation, car hire and flights.
- e) GG vehicles control measures is still intact in accordance with the memorandum dated 14 November 2011. Programmes and Projects must be prioritised and approved by the Accounting Officer for the utilisation of GG vehicles.
- f) All requests must be submitted through the CFO's office for recommendation.

Your co-operation, understanding and support are always appreciated.



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SUPERINTENDENT GENERAL: EDUCATION

2013/11/30
DATE