



# higher education & training

Department:  
Higher Education and Training  
REPUBLIC OF SOUTH AFRICA

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TO: ALL STAFF MEMBERS

FINANCIAL CIRCULAR 1 OF 2015

## **COST CUTTING MEASURES: HIGHER EDUCATION AND TRAINING**

At the start of 2015, I wish to thank all staff for the efforts to ensure the successful functioning of the Department to date. Many challenges still remain, but with hard work we can achieve our goals. The current economic climate is placing some limitations on work being performed. This is experienced throughout Government and our personal lives and we all need to cooperate to ensure that the best possible solutions are found to function effectively within the financial constraints.

The Department is also experiencing a major constraint in terms of the financial resources to our disposal to perform our work. This is having an impact on the funding of our institutions, students and normal operations. Various cost cutting measures have been introduced, but further measures are required in addition to the previous measures announced by Cabinet to ensure that we do not overspend our 2014/15 budget allocation and that we utilise our resources for key priorities during the years to come. These measures must be implemented with immediate effect and include the following:

1. The procurement of goods and services must be limited to absolutely essential items. No goods and or services may be procured without the approval of the relevant Branch Head including a confirmation of the availability of funds with the relevant codes against which the expenditure must be allocated. These include requests for petty cash purchases. Any items above R30 000 must also be approved by the Director: Finance or the Chief Financial Officer before an order is issued.
2. Travel and subsistence and the number of delegates attending meetings must be limited. All travel must be approved by the relevant Branch Head. Staff must ensure that

alternative means of communication, technology innovation and limited cost receive priority before travelling is considered. Car rental should as far as possible be limited to Class A vehicles. The Rennies after hour service may not be utilised without the consent of the Branch Head as a service fee is charged for these calls and every amendment to a booking.

3. Water and electricity must be used in an economic manner. Staff must ensure that all lights, air conditioners and non-essential electronic equipment are switched off at the end of each working day, before offices are vacated.
4. When claims for kilometers traveled are approved, it must be ensured that all trips were duly authorised.
5. The costs of cellular phones will be reviewed. Until this is completed, the following limits will apply with effect from January 2015 for all claims without any exception, unless approved by the Director-General. Any excess to the tariffs below will be for each official's own account. All existing deviations must be reviewed by 31 January 2015 or the levels below will be implemented:
  - Level 15 – R1 250
  - Level 14 – R1 000
  - Level 13 – R800
  - Below level 13 – R500
  - 3G – R300
6. Working hours must be utilised effectively and productively to limit the use of overtime. Alternative incentives for required overtime should be considered.
7. Staff may only be appointed in acting positions from Level 14 (Chief Director). No other acting positions will be allowed and existing acting appointments may not be extended.
8. No catering except for tea and coffee are allowed. Managers must provide their own tea/coffee/refreshments for offices and these costs may not be reimbursed.

9. The use of printing paper must be limited as far as possible. Meeting documents circulated electronically should not be reprinted for circulation at meetings. In addition, the lease of photocopy and printing machines will be reviewed each time a lease expires.

In addition to the above, all Branch Heads are required to implement additional measures that may be required to ensure that each Branch save as much as possible. Savings are required to address urgent priority areas such as Examination Services.

These measures will remain in place until it is officially lifted. The cooperation of all staff to ensure that we remain within these measures will be appreciated.



GF Qonde

Director-General

Date: 20/01/2015