



higher education & training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

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To: All Branch Heads of the Department

TREASURY INSTRUCTION ON COST CONTAINMENT MEASURES

I hereby bring to your attention that National Treasury, after approval by the Minister of Finance and Cabinet, issued prescribed cost containment measures for all departments. The instructions are indicated below and will be circulated through News Flash to all staff members in the Department. You should, however, ensure that all the staff under your supervision is made aware of the instructions and that your Branch adheres to it.

The following measures came into effect on 1 January 2014 and must, therefore, be implemented with immediate effect:

Engagement of Consultants

Consultants may only be appointed after a gap analysis has confirmed that the Department does not have the requisite skills or resources in its full time employ to perform the assignment in question. The appointment of any consultancy service must be based on a business case and must be approved by the Director-General, after the Director: Supply Chain Management and the Chief Financial Officer have signed-off on the process.

Consultants may only be remunerated at the rates specified by the Department of Public Service and Administration and, where applicable, the guideline for fees determined by the South African Institute of Chartered Accountants or as prescribed by the body regulating the profession of the consultant.

Hotel accommodation and related costs in respect of consultants may not exceed the amounts specified below for Government employees, air travel must be restricted to economy class and kilometer claims may not exceed the rates approved by the Automobile Association of South Africa.

All contracts must include penalty clauses for poor performance and must be invoked where necessary.

A consultancy reduction plan must be developed by 31 March of each year for the following financial year. The first plan must be developed before 31 March 2014 for the 2014/15 financial year. Further information in this regard will be communicated to Branches by the Supply Chain Management Unit

through the Chief Financial Officer, when procurement requirements/information for 2014/15 is requested.

Travel and Subsistence

For air travel, only economy class tickets may be purchased for travel time up to five hours. For flights that exceed five hours, business class tickets may only be purchased for the Director-General, Deputy Directors-General and persons appointed in terms of Section 12A of the Public Service Act. The only deviation to the above is in the case of employees with disabilities or special needs, if approved by the Director-General.

Domestic hotel accommodation may not exceed R1 300 per night including dinner, breakfast and parking.

Car hire is limited to that of category group B. Any deviation for a specific terrain or special need may only be hired with the prior approval of the Director-General.

Except for the Director-General and Deputy Directors-General, a maximum of three employees are allowed to travel to Parliament or other centres (such as provincial offices) on official duty.


Catering and Events

No catering expenses are allowed for any internal meetings. Entertainment allowances may not exceed R2 000 per qualifying person per financial year. No alcoholic beverages may be purchased from state funds, unless it is for the hosting of foreign dignitaries. Team building exercises, social functions and year-end functions may not be funded from Departmental budgets, any suppliers or sponsors.

Debit and Credit Cards

Any debit or credit cards are subject to the provisions of Government Gazette 37042 dated 15 November 2013.

Your careful management of the above and adherence thereto is appreciated.



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Director-General

Date: 06/01/2014