

**TOP-PRIORITY
PERSONAL ATTENTION**



No. FD.SO(GOODS)44-4/2011
GOVERNMENT OF THE PUNJAB
FINANCE DEPARTMENT

Dated: Lahore the 6th August, 2013.

(TO BE SUBSTITUTED BEARING SAME NUMBER AND DATE ON 28.08.2013)

To,

1. All Administrative Secretaries to Government of the Punjab
2. All Heads of Attached Departments in the Punjab
3. All Divisional Commissioners in the Punjab
4. All District Coordination Officers and District & Session Judges in the Punjab.
5. The Registrar, Lahore High Court, Lahore
6. The Secretary to Governor, Punjab, Lahore
7. The Military Secretary to Governor, Punjab, Lahore
8. The Secretary to Chief Minister, Punjab, Lahore
9. The Secretary, Punjab Public Service Commission, Lahore
10. The Secretary to Provincial Assembly, Punjab, Lahore
11. The Chief Pilot, VIP Flight, Lahore
12. The Provincial Director, Local Fund Audit, Punjab, Lahore
13. All Heads of Autonomous Bodies / Corporations in the Punjab

Subject:- **AUSTERITY/ECONOMY MEASURES FOR THE FINANCIAL YEAR 2013-14**

Sir,

I am directed to refer to the subject noted above and to state that the Provincial Government has decided to observe utmost austerity in usage of public money through prudent financial management, observance of financial discipline, judicious reduction of the expenditures without compromising the essential and core organizational functions/activities. Expenditures shall be required to be realigned with the organizational goals to make them target-based and cost-efficient. Wastage of resource and leakage of funds needs to be curbed strictly.

2. In order to ensure effective and economical use of public resources, the Provincial Government has decided to introduce the following economy measures during the financial year 2013-14, with immediate effect :-

- i) **Air Travel:** The Chief Minister, Punjab has been pleased to impose a ban on foreign visits of Ministers, MPAs, and Government Officers / Officials through Government funding. The visits shall only be allowed by the Competent Authority in extremely essential cases and will also be cleared by the Committee constituted for reduction of Current Expenditure, Austerity and Economy Measures for

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Financial Year 2013-14. The Provincial Ministers and Civil Servants while undertaking official tours shall travel in economy class on domestic flights. For International visits, the Ministers shall travel in class one level below the entitlement. The above instructions shall also be applicable to sponsored trips.

- ii) **Ban on Purchase of New Vehicles:** There shall be a complete ban on purchase of new and imported vehicles from current and development budgets. Purchase of imported vehicles shall be governed by the policy instructions issued by Federal Government from time to time. Under un-avoidable circumstances, the vehicles shall only be purchased with the prior concurrence of the Austerity Committee constituted for the purpose and subsequent approval of the Chief Minister, Punjab. The cases of replacement of vehicles shall only be placed before the Austerity Committee if the vehicles are declared unserviceable as per rules first.

However, the departments while submitting proposals for purchase of vehicles may provide the information on the prescribed proforma issued vide this department letter of even number dated 12.12.2012.

As regard the cases regarding purchase of Ambulances / Vehicles used as Ambulances, Busses / Coasters, and vehicles for educational purposes under schools, colleges, universities and technical institutions being utility vehicles may not be referred to the Austerity Committee. However, Administrative Departments are advised to seek approval of Chief Minister regarding purchase of above said vehicles.

- iii) **Minimization of Requests for Supplementary Grants:** Departments shall take all possible measures to remain within the budgetary allocations to minimize the incidence of supplementary grants. Further, the requests for supplementary grants, if unavoidable and exceeding Rs.3.000 million shall require approval of the Chief Minister through submission of a summary to the Chief Minister containing all necessary details.

- iv) **Special Plan to Save Un-necessary Expenditure on account of Utilities and POL Charges:** All Departments shall prepare special plan for energy conservation to save un-necessary expenditure on account of telephone, electricity and gas charges in view of existing energy crisis. The plan shall entail measures such as strict avoidance of use of Air Conditioners (A.Cs) between 0800 to 1100 hours. Similarly, to ensure reduction in expenditures on account of telephone facility prescribed limits of office / residential telephones shall be strictly adhered to. There shall be no unnecessary spending on repair and maintenance of vehicles including

luxury items. Judicious use of stationery especially paper shall be promoted. For curtailing POL related expenditures, the Departments shall ensure economical use of official vehicles within the ceilings fixed for the purpose.

- v) **Official Functions Not to be Held in Hotels:** No official function shall be arranged in a Hotel. However, for "State Delegations", where it is essential, a function may be held in a hotel with the prior approval of the Chief Minister. For all official meetings tea with biscuits only, shall be served.
- vi) **No Contingent Appointment:** No contingent paid staff shall be appointed without obtaining prior approval of Finance Department to keep the expenditures strictly within the budgetary allocation. The ban, however, shall not affect Contingent Paid Staff to be appointed for execution of Development Schemes. The Departments may ensure that the budget is met out of the relevant budget meant for the purpose.
- vii) **Purchase of Durable Goods, Machinery & Equipments, Furniture & Fixture, etc.**
Refurbishment/interior decoration of offices, establishment of offices, purchase of Furniture & Fixtures, procurement of items of Machinery and Equipments including I.T. equipments, Software(s), Printers, Fax machine, Photocopier, Generators, Air Conditioners and Luxury items, etc. shall not be allowed except with the prior concurrence of the Austerity Committee constituted for the purpose. However, it is clarified that Medical Equipment and Medical Machinery required to be purchased by Health Department and its allied institutions are not covered under the ban. The expenditures, however, shall be strictly limited to the funds provided for the purpose.
- viii) **Minimization of Publicity / Advertisement Expenditure:** Expenditure on Publicity and Advertisement by the Administrative Department shall be minimized. This shall be achieved by avoiding unnecessary advertisement and rationalization of the size and frequency of the essential advertisements.
- ix) **Regularization of Monthly PFC Releases to Local Govts:** Monthly PFC releases to the Local Governments shall be regulated on the basis of actual receipts of the Provincial Government. Amounts released earlier shall be accordingly adjusted to allow for any shortfall in receipts of Provincial Consolidated Fund.

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x) **Economy Cut of 15% on Non-Salary Budget:**

Expenditure on Non-Salary budget has been reduced 15% during the current Financial Year 2013-2014.

xi) **Ban on Fresh Recruitment / Up-gradation of posts:**

There shall be a ban on fresh recruitment in all the Departments except Education, Health, Police and Judiciary. There shall also be no up-gradation in all the Departments.

xii) **Ban on furnishing of houses and discretionary grants to the Provincial Ministers;**

All the furnishing grants allowed to the Provincial Ministers for furnishing of their houses, as well as, discretionary grants have been withdrawn.

3. These instructions shall also apply on the purchases as prescribed in Para 2 (ii) & (vii) above for the projects funded by the Federal Government and Foreign Donors.

4. The ban imposed during the financial year 2013-14 shall not affect the procurements of the following nature:-

- a) Indispensable expenditures towards salaries, pension, debt servicing, purchase of medicines, necessary M&R, flood protection, epidemic diseases, and relief measures (machinery, equipments and articles required in connection with flood relief measures) shall not be affected by the overall austerity drive; yet, such expenditures shall also require rationalization so as the same are kept to the minimum.
- b) Purchases made by the Special Education Department or by District Governments relating to Special Education in view of blanket exemption granted by the Chief Minister.
- c) Procurement of machinery & equipments and articles required in connection with Water Supply, Sewerage, Solid Waste Management, Fire Fighting, Street Lights, De-watering Sets, and Fog Machines.
- d) Procurement of one school furniture in the Districts through respective School Councils up to the value of Rs.0.500 million.
- e) Purchases up to the value of Rs.0.050 million.

5. Strict compliance of the aforesaid austerity measures shall be ensured by all concerned.

6. The above instructions / guide lines supersede the ones earlier issued on this subject vide this Department's letter No.FD.SO(GOODS)44-4/2011 dated 07.07.2012.


SECTION OFFICER (GOODS)
FINANCE DEPARTMENT

NO. & DATE EVEN

A copy is forwarded for information & necessary action to:-

1. The Accountant General, Punjab Lahore
2. All District Accounts Officers in the Punjab/TO, Lahore.
3. All Officers in the Finance Department.


SECTION OFFICER (GOODS)
FINANCE DEPARTMENT