



Reference: T11/2/3 (2012/13)

## TREASURY CIRCULAR NO. 21/2012

THE PREMIER

THE MINISTER OF AGRICULTURE AND RURAL DEVELOPMENT  
THE MINISTER OF COMMUNITY SAFETY  
THE MINISTER OF CULTURAL AFFAIRS AND SPORT  
THE MINISTER OF EDUCATION  
THE MINISTER OF FINANCE, ECONOMIC DEVELOPMENT AND TOURISM  
THE MINISTER OF HEALTH  
THE MINISTER OF HUMAN SETTLEMENTS  
THE MINISTER OF LOCAL GOVERNMENT, ENVIRONMENTAL AFFAIRS AND DEVELOPMENT PLANNING  
THE MINISTER OF SOCIAL DEVELOPMENT  
THE MINISTER OF TRANSPORT AND PUBLIC WORKS

THE SPEAKER: PROVINCIAL PARLIAMENT  
THE DEPUTY SPEAKER: PROVINCIAL PARLIAMENT

THE ACCOUNTING OFFICER: VOTE 1: PREMIER (ADV B GERBER)  
THE ACCOUNTING OFFICER: VOTE 2: PROVINCIAL PARLIAMENT (MR R HINDLEY)  
THE ACCOUNTING OFFICER: VOTE 3: PROVINCIAL TREASURY (DR JC STEGMANN)  
THE ACCOUNTING OFFICER: VOTE 4: COMMUNITY SAFETY (DR GA LAWRENCE)  
THE ACCOUNTING OFFICER: VOTE 5: EDUCATION (MS P VINJEVOLD)  
THE ACCOUNTING OFFICER: VOTE 6: HEALTH (PROF KC HOUSEHAM)  
THE ACCOUNTING OFFICER: VOTE 7: SOCIAL DEVELOPMENT (MR M RICHARDSON)  
THE ACCOUNTING OFFICER: VOTE 8: HUMAN SETTLEMENTS (MR M TSHANGANA)  
THE ACCOUNTING OFFICER: VOTE 9: ENVIRONMENTAL AFFAIRS AND DEVELOPMENT PLANNING (MR P VAN ZYL)  
THE ACCOUNTING OFFICER: VOTE 10: TRANSPORT AND PUBLIC WORKS (MR J FOURIE)  
THE ACCOUNTING OFFICER: VOTE 11: AGRICULTURE (MS J ISAACS)  
THE ACCOUNTING OFFICER: VOTE 12: ECONOMIC DEVELOPMENT AND TOURISM (MR S FOURIE)  
THE ACCOUNTING OFFICER: VOTE 13: CULTURAL AFFAIRS AND SPORT (MR B WALTERS)  
THE ACCOUNTING OFFICER: VOTE 14: LOCAL GOVERNMENT (DR H FAST)

} For information

THE CHIEF FINANCIAL OFFICER: VOTE 1: PREMIER (MR D BASSON)  
THE CHIEF FINANCIAL OFFICER: VOTE 2: PROVINCIAL PARLIAMENT (MS N PETERSEN)  
THE CHIEF FINANCIAL OFFICER: VOTE 3: PROVINCIAL TREASURY (MR A GILDENHUYS)  
THE CHIEF FINANCIAL OFFICER: VOTE 4: COMMUNITY SAFETY (MR M FRIZLAR)  
THE CHIEF FINANCIAL OFFICER: VOTE 5: EDUCATION (MR L ELY)  
THE CHIEF FINANCIAL OFFICER: VOTE 6: HEALTH (MR A VAN NIEKERK)  
THE CHIEF FINANCIAL OFFICER: VOTE 7: SOCIAL DEVELOPMENT (MR JO SMITH)  
THE CHIEF FINANCIAL OFFICER: VOTE 8: HUMAN SETTLEMENTS (MR F DE WET)  
THE CHIEF FINANCIAL OFFICER: VOTE 9: ENVIRONMENTAL AFFAIRS AND DEVELOPMENT PLANNING (MR AA GAFFOOR)  
THE CHIEF FINANCIAL OFFICER: VOTE 10: TRANSPORT AND PUBLIC WORKS (MR CR ISMAY)  
THE CHIEF FINANCIAL OFFICER: VOTE 11: AGRICULTURE (MR F HUYSAMER)  
THE CHIEF FINANCIAL OFFICER: VOTE 12: ECONOMIC DEVELOPMENT AND TOURISM (MS M ABRAHAMS)  
THE CHIEF FINANCIAL OFFICER: VOTE 13: CULTURAL AFFAIRS AND SPORT (MS BG RUTGERS)  
THE CHIEF FINANCIAL OFFICER: VOTE 14: LOCAL GOVERNMENT (MS B SEWLALL-SINGH)

THE HEAD OFFICIAL: PROVINCIAL TREASURY (DR JC STEGMANN)  
THE HEAD: BRANCH FISCAL AND ECONOMIC SERVICES (MR H MALILA)  
THE HEAD: BRANCH GOVERNANCE AND ASSET MANAGEMENT (VACANT)  
THE HEAD: PUBLIC POLICY SERVICES (MR A PHILLIPS)  
THE HEAD: PUBLIC FINANCE (MR H MALILA) (PRO TEM)  
THE HEAD: LOCAL GOVERNMENT FINANCE (MR TC ARENDSE)  
THE HEAD: FINANCIAL GOVERNANCE (MR A HARDIEN)  
THE HEAD: ASSET MANAGEMENT (MS N EBRAHIM) (ACTING)  
THE CHIEF FINANCIAL OFFICER (MR A GILDENHUYS)

THE SENIOR MANAGER: ACCOUNTING SERVICES: PROVINCIAL GOVERNMENT (MR A REDDY)  
THE SENIOR MANAGER: ACCOUNTING SERVICES: LOCAL GOVERNMENT (MS L NGXONONO)  
THE SENIOR MANAGER: CORPORATE GOVERNANCE (MR B VINK)  
THE SENIOR MANAGER: BUDGET MANAGEMENT: PROVINCIAL GOVERNMENT (MS M SHERATON-KORSTEN)  
THE SENIOR MANAGER: BUDGET MANAGEMENT: LOCAL GOVERNMENT (MR ML BOOYSEN)  
THE SENIOR MANAGER: PROVINCIAL GOVERNMENT FINANCE (MS A PICK)  
THE SENIOR MANAGER: LOCAL GOVERNMENT FINANCE (GROUP ONE) (MR F SABBAT)  
THE SENIOR MANAGER: LOCAL GOVERNMENT FINANCE (GROUP TWO) (MR M SIGABI)

THE SENIOR MANAGER: PUBLIC FINANCE POLICY RESEARCH AND MODELLING (MS C HORTON)  
THE SENIOR MANAGER: IMMOVEABLE ASSET MANAGEMENT (MR NB LANGENHOVEN)  
THE SENIOR MANAGER: MOVEABLE ASSET MANAGEMENT (MS N EBRAHIM)  
THE SENIOR MANAGER: SUPPORTING AND INTERLINKED FINANCIAL SYSTEMS (MR A BASTIAANSE)  
THE SENIOR MANAGER: STRATEGIC AND OPERATIONAL MANAGEMENT SUPPORT (MS A SMIT)  
THE HEAD: OFFICE OF THE FINANCE MINISTRY (MS T EVANS)

THE PROVINCIAL AUDITOR  
MASTER RECORDS OFFICIAL: FINANCIAL MANAGEMENT

## **STANDARD CELL PHONE POLICY**

### **PREAMBLE**

1. The Western Cape Government (WCG) continuously endeavours to employ best-practice policies and procedures for managing the administration and operations of expenditure relating to cell phone usage.
2. To enable and enhance the productivity and financial management of departments, it is of critical importance to make use of the latest communication technology and the most effective cell phone packages available. Consequently employees need to have access to cell phones in a controlled manner for official business purposes, primarily for receiving and making official business calls when they are not physically at the office, or for cell phone based technologies, such as the Smart Pen.

### **BACKGROUND**

3. The high cost incurred by the use of cell phones necessitates the introduction of a more cost effective policy applicable to all the WCG's departments (inclusive of trading entities).
4. This policy gives effect to a Provincial Top Management (PTM) resolution of 19 May 2010, to formulate a Standard Cell Phone Policy for all departments of the WCG.

### **PURPOSE**

5. To standardise the official usage of cell phones in the WCG.

## **LEGAL FRAMEWORK**

6. The guiding principles used in developing this policy were sourced from the following legislation and policies:
  - (a) Public Finance Management Act, 1999 (Act 1 of 1999 as amended);
  - (b) National Credit Act, 2005 (Act 34 of 2005);
  - (c) Treasury Regulations, 2005;
  - (d) WC Provincial Treasury Instructions, 2009;
  - (e) DPSA Cell Phone Guidelines for Public Service (E1/2/1 of 28 June 2002), and
  - (f) Income Tax Act, 1962 (Act 58 of 1962).

## **SCOPE OF APPLICATION**

7. This policy applies to all employees of the WCG whose service-delivery requirements necessitate the use of a cell phone handset.
8. This policy does not apply to any:
  - 8.1 Specialised data services such as cellular data modems or telephones routers.
  - 8.2 Employee who occasionally uses his/her personal cell phone for business purposes.
9. Where an employee occasionally uses his /her personal cell phone for official purposes, the department may reimburse the actual expenditure incurred in this regard on presentation of a claim supported by a detailed bill from the service provider.

## **ACQUISITION OF CELL PHONE**

10. A cell phone may only be acquired through a prior approved application. The mandates and conditions for the approval and acquisition of official cell phones are explained below under "Conditions for Approval (paragraph 21 – 24).

11. Once an application is approved, the eligible user-employee must acquire his/her own cell phone through a contract with a cell phone service provider.
12. The contract may include all-inclusive packages generally referred to as business chat, talk packages or airtime bundles.
13. The contract must be registered in the name of the user-employee
14. The user-employee will be responsible for monthly payments to the service provider.
15. The user-employee may be reimbursed for all-inclusive actual costs in accordance with limits contained in the Table below, taking into account that only the lesser of the actual cost or limit may be claimed.

<b>MAXIMUM LIMITS FOR CELL PHONE PACKAGES</b>	
Head of Department	R1 500,00
Superintendent-General (When not head of a department)	R1200.00
Deputy Director-General (when not head of a department)	R1 000,00
Chief Director	R800,00
Director	R750,00
Deputy Director or applicable OSD level	R400,00
Other levels	R350,00

16. Notwithstanding the limitations in the Table above, the relevant Accounting Officers may approve a higher maximum limit where the maximum limit is proven to be insufficient. Such approvals are subject to appropriate written motivation that must be appropriately filed, and the authority to grant approval for these exceptions may not be delegated.
17. The above limits are maximum recommended limits and can be decreased by the head of the department, in which case the lower threshold will be applicable to the specific employment level in that specific department.
18. Re-imbusement of costs:
  - 18.1 Re-imbusement is subject to submission of a monthly claim by an employee to her/his department through an itemised bill from the service provider.

- 18.2 The submission of an itemised bill is not required unless the user exceeds the applicable predetermined limit. In such a case the itemised bill is aimed at proving that the excess was a result of official calls and to substantiate the motivation for a claim higher than the predetermined limit.
19. Subsequent to paragraph 18.1 above, in exceptional cases and upon submission of an appropriate motivation, Accounting Officers may approve an amount in excess of the predetermined allocation for key positions that warrant such exceptions.
20. Where necessary, departments may acquire departmental cell phones in the following instances:
- (a) For use by the VIP bodyguards, and
  - (b) For essential services to be decided upon and approved by the Accounting Officer.
21. Cell phone users who wish to utilise their cell phones to access WCG corporate e-mail should ensure that their handsets are Microsoft ActiveSync compliant.

#### **CONDITIONS FOR APPROVAL**

22. Members of the Senior Management Service (SMS) automatically qualify as cell phone users. The approval of a cell phone application is linked to a position and not to the occupant of the post.
23. Employees with a rank lower than SMS must obtain approval before negotiating and entering into contractual agreements with a service provider.
24. Authority to approve applications to acquire a cell phone for official purpose may be delegated by the Accounting Officer to an official with a salary level 14 - Chief Director.
25. Conditions for approval of an application include the following:
- (a) The employee frequently needs to be in immediate contact with political office bearers and/or SMS members.

- (b) The employee continuously has to perform tasks of a critical or urgent nature and therefore has to be available during and after official hours to receive/make business calls.
- (c) The employee cannot be reached on a regular basis by means of available or cheaper means of communication or he/she cannot reach any other relevant officers.
- (d) The employee's operational efficiency is improved.

### **OBLIGATIONS OF USER-EMPLOYEES**

- 26. A user-employee will be responsible for concluding a cell phone contract and all cell phone accessories, as well as maintenance, repairs, and or replacement of handset as and when required.
- 27. When a user-employee resigns, or leaves the employ of the relevant department, or his / her duties change to such an extent that he she no longer meets the eligibility criteria, the obligation in terms of the cell phone contract goes with the contract holder and all other obligations in terms of this policy cease.
- 28. Departments will not be held responsible for migration costs, should a user-employee choose to migrate between service providers.
- 29. Where a departmental cell phone contract is due to end and that contract is transferred to a employee in his private capacity, the transfer cost charged by the service provider will be paid by the department
- 30. If a departmental contract is transferred to an employee as a private contract and he / she decides to reduce the contract package, he / she will be personally responsible for the migration cost.

### **POOL CELL PHONES**

- 31. Where the need exists departments may acquire pool cell phones for use by employees in the following circumstance:
  - (a) Performing stand-by duties;

- (b) If an official who has not entered into a cell phone contract, as provided for in this policy, is away from his/her office and needs to be contactable.
  - (c) If an employee is not able to secure a contract with a service provider due to the provisions of the National Credit Act, subject to submission of evidence by the user-employee that the contract was denied by the service provider indicating the reasons for the decline. This deviation must be approved by the Accounting Officer or his or her delegate at lowest level 14.
32. The number of pool cell phones must be limited to the need.
33. The pool cell phones may be acquired through: -
- (a) Entering into a cell phone service contract with a service provider, and or
  - (b) Procurement of handsets with prepaid facilities.
34. Standard operating procedures must be in place to manage the usage of pool cell phones.
35. Repairs and disposals must be treated in accordance with the departments supply chain management and asset management prescripts and the cell phone contract.
36. In instances where the department suffers a loss the prescribed departmental loss procedures must be followed.

## **CONVERSION**

37. User-employees who were issued with cell phones in terms of an existing cell phone policy and a cell phone service provider agreement will continue on that basis until the relevant contract(s) expire.
38. Cell phones handsets that become available after expiry of the agreement(s) contemplated in paragraph 31 must be returned to the service provider in accordance with a standard operating procedure.

## **MONITORING AND REVIEW**

39. This policy will be reviewed by the Provincial Treasury as and when the need arises, in consultation with the Provincial Top Management (PTM).

## **DEPARTMENTAL CELL PHONE POLICIES**

40. An Accounting Officer may compile a departmental cell phone policy, which takes into account the department's unique context, as long as it is not in conflict with this policy.

## **DATE OF IMPLEMENTATION**

41. This policy takes effect on the first of the month following the date on which it was signed.



H Malila

**HEAD: BRANCH FISCAL AND ECONOMIC SERVICES**

**DATE:** 23-4-2012