**INKOSI LANGALIBALELE LOCAL MUNICIPALITY**



**APPROVED CUSTOMER CARE, CREDIT CONTROL AND DEBT COLLECTION POLICY**

PREAMBLE

*WHEREAS section 96 of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000) requires a municipality to adopt, maintain and implement a credit control ,debt collection and customer care policy;*

*AND WHEREAS section 97 of the Systems Act prescribes what such policy must provide for;*

*NOW THEREFORE the INKOSI LANGALIBALELE Municipality adopts the policy as set out in this document.*

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1. **Definitions**

In this policy, unless the context indicates otherwise, a word or expression, to which a meaning has been assigned in the Municipal Finance Management Act (MFMA) No. 56 of 2003, has the same meaning:

###### “Accounts” mean the municipal account for services rendered and for assessment rates levied by the Municipality.

###### “Agreement” means the arrangement made with customers with regards to arrears.

**“Authorized Representative”** The person or institution legally appointed by the Council to act or to fulfil a duty on its behalf.

###### “Arrears” mean any amount due, owing and payable in respect of municipal services not paid by due date.

**“Chief Financial Officer”** The person appointed by Council to administer its finances;

**“Council”** the Council of the municipality of INKOSI LANGALIBALELE

**“Customer”** any occupier and/or owner of any property to which the municipality has agreed to supply services or already supplies services to, or failing such an occupier, then the owner of the property.

###### “Credit control” means the limiting of further sales of services to debtors in arrears and the negotiation for payment in exchange for normalizing further service delivery.

**“Customer”** means any person liable to the Municipality for taxation or other charges.

**“Due date”** means the date indicated on an account statement by which time payment of the amount on the statement is required.

**“Defaulter”** a person who owes money to municipality after the due date has expired;

**“Equipment “** a building or other structure, pipe, pump, wire, cable, meter, engine or any accessories;

**“Indigent”** means a debtor whose whole household has been valued in terms of the Indigent policy and who is registered as being indigent.

**‘Interest”** a charge levied with the same legal priority as service fees and calculated at a rate determined by council from time to time on arrear monies;

**“Municipality**” for the purpose of this policy it means the **INKOSI LANGALIBALELE** Municipality referred to in section 155 (6) of the Constitution;

**“Municipal account”** an account rendered specifying charges for services provided by the municipality, or any authorized and contracted service provider, and/or assessment rate levies;

**“Municipal services”** for purposes of this policy mean services provided by the Municipality or its authorized agent, including refuse removal, electricity services and rates, or any one of the above

**“Municipal manager”** the person appointed as municipal manager in terms of section 82 of the local government: structures act, 1998, (act 117 of 1998) and include any person acting in that position or to whom authority was delegated;

**“municipal services”** those services provided by the municipality, such as, inter alia the supply of water and electricity, refuse removal, and for which services charges are levied;

**“Occupier”** any person who occupies any property or part thereof, without taking cognizance of the title in which he or she occupies the property,

**“Owner”-**

1. The person in whose name the property is legally vested;
2. In the case where the person in whose name the property is vested, is insolvent or deceased, or is disqualified in terms of any legal action, the person who is responsible for administration or control of the property as curator, trustee ,executor , administrator, legal manager, liquidator, or any other legal representative;
3. In the case where the council are unable to establish the identity of such person, the person who are entitled to derive benefit from the property or any buildings thereon;
4. In the case of a lease agreement in excess of 30 years was entered into then the lessee;
5. Regarding:
   1. A portion of land allotted on a sectional title plan and which is registered in terms of the Sectional title act, 1986 (act 95 van 1986),without limiting it to the developer or managing body to the communal property;
   2. A portion as defined in the sectional title act, the person in whose name that portion is registered in terms of a “sectional title, including the legally appointed representative of such person;
6. Any legal entity including but not limited to:
   1. A company registered in terms of the companies act, 1973 (act 61 of 1973), a trust inter vivos, trust mortis causa, a closed corporation registered in terms of the close corporation act, 1984 (act 69 of 1984), and any voluntary organization; any provincial or national government department or local authority; any council or management body established in terms of any legal framework applicable to the republic of south Africa; and
   2. Any embassy or other foreign entity.

**“property”** any portion of land, of which the boundaries are determined, within the jurisdiction of the municipality;

1. **Objectives**

The objectives of the policy are to:

* Provide a framework within which the municipal council can exercise its executive and legislative authority with regard to credit control and debt collection;
* Ensure that all monies due and payable to the Municipality are collected and used to deliver municipal services in the best interests of the community, residents and ratepayers and in a financially sustainable manner[[1]](#footnote-1)1;
* Set realistic targets for debt collection;
* Outline credit control and debt collection policy procedures and mechanisms; and
* Provide a framework to link the municipal budget to
* Indigent support; and
* Tariff policies.

1. **Principles**

* The administrative integrity of the Municipality must be maintained at all costs. The democratically elected officials (Councillors) are responsible for policy-making, while it is the responsibility of the Municipal Manager to execute these policies.
* Billing is to be accurate, timeous and understandable.
* The customer is entitled to reasonable access to paypoints and to a variety of reliable payment methods.
* The customer is entitled to an efficient, effective and reasonable response to appeals, and should suffer no disadvantage during the processing of a reasonable appeal.
* Enforcement of payment must be prompt, consistent and effective.
* Fraud/criminality; such as unauthorised consumption, illegal connection, the tempering with or theft of meters will lead to loss of rights and heavy penalties and/or public prosecution.
* Incentives and disincentives may be used in collection procedures.
* The collection process will be cost-effective.
* All customers must complete an official application form, formally requesting the municipality to connect them to service supply lines
* Collection “Best Practices” will be pursued.
* Results will be regularly and efficiently reported.
* Application forms will be used to categorise customers according to credit risk and to determine relevant levels of services and deposits required as well as whether the customer qualifies for indigent support.
* Although customer care and debt collection are inter-related issues, they should be performed by two separate divisions.
* There must be legal cause between the Municipality and its customer and customer debt must arise out of a legal framework and must be legally collectable.
* Indigent households will be identified and supported. Welfare is to be separated from tariff and credit control issues and will be supported by appropriate and affordable policies and practices. Indigent support will be introduced within Council’s financial ability.
* Targets for performance in both customer service and debt collection will be set and pursued and remedies implemented for non-performance.

1. **Role, Duties and Functions of Council**
   1. Role

Section 99 of the Municipal Systems Act 2000 places the important legal responsibility on the Mayor or Executive committee, as the case may be, of monitoring and supervising the application of the present policy and the attendant by-laws, and of reporting to the Council on the extent and success of credit control actions.

The present policy further recommends that the Municipality’s ward committees be actively involved in implementing the credit control and debt collection programme, and should therefore receive monthly reports on the status of the Municipal Manager’s credit control actions. The ward committees must also actively promote the present policy, and ensure at the same time that the Municipality’s customer relations are of a standard acceptable to the community.

In order to maintain the credibility of the Municipality in the implementation of the present policy and the attendant by-laws, it is essential that Councillors should lead by example, Councillors, by adopting this policy, therefore pledge, not only their unqualified support for the policy, but their commitment to ensuring that their own accounts will at no stage fall into arrears.

* 1. Duties and functions
* To approve a budget consistent with the needs of communities, ratepayers and residents.
* To impose rates and taxes and any penalties to finance the budget.
* To provide sufficient funds to give access to basic services for the poor.[[2]](#footnote-2)1
* To provide for a bad debt provision, in line with the payment record of the community, ratepayers and residents, as reflected in the financial statements of the Municipality.[[3]](#footnote-3)2
* To set an improvement target for debt collection, in line with acceptable accounting ratios and the ability of the Municipal Manager.[[4]](#footnote-4)3
* To approve a reporting framework for credit control and debt collection.[[5]](#footnote-5)4
* To consider and approve by-laws to give effect to the Council's policy.
* To monitor the performance of the Executive Committee and Municipal Manager regarding credit control and debt collection.
* To revise the budget should Council's targets for credit control and debt collection not be met.
* To take disciplinary action against Councillors, officials and agents who do not execute Council policies and by-laws.[[6]](#footnote-6)5
* To approve a list of attorneys that will act for Council in all legal matters relating to debt collection.
* To delegate the required authorities to monitor and execute the credit control and debt collection policy to the Executive Committee and Municipal Manager respectively.
* To provide sufficient capacity in the Treasury department to execute customer care, credit control and debt collection or alternatively appoint service providers, or debt collection agents to assist the Municipal Manager in the execution of his duties, if required.
* To provide funds for the training of staff
  1. Duties and functions of Executive Committee
* To ensure that Council’s budget, cash flow and targets for the debt collection are met and executed in terms of the policy and relevant by-laws[[7]](#footnote-7).
* To monitor the performance of the Municipal Manager in implementing the policy and by-laws[[8]](#footnote-8).
* To review and evaluate the policy and by-laws in order to improve the efficiency of Council's credit control and debt collection procedures, mechanisms and processes[[9]](#footnote-9).
* To report to Council[[10]](#footnote-10).
  1. Duties and functions of the Municipal Manager
* To implement good customer care management.
* To implement Council's credit control and debt collection policy.
* To install and maintain an appropriate accounting system.
* To bill customers.
* To demand payment on due dates.
* To raise penalties for defaults.
* To appropriate payments received.
* To collect outstanding debt.
* To implement “Best Practices”.
* To provide different payment methods.
* To determine credit control measures.
* To determine work procedures for public relations, arrangements, summons, attachments of assets, sales in execution, write-off of debts, sundry debtors and legal processes.
* To appoint firm/s of attorneys to complete the legal process (i.e. attachment and sale in execution of assets, emolument attachment orders etc.).
* To set performance targets for staff.
* To appoint staff to execute Council's policy and by-laws in accordance with Council's staff policy.
* To delegate certain functions to heads of departments.
* To determine control procedures.
* To report to the Executive Committee.
  1. Duties and functions of Communities, ratepayers and residents
* To fulfil certain responsibilities, as brought about by the privilege and or right to use and enjoy public facilities and municipal services.
* To pay rates on property and other taxes, levies and duties imposed by the Municipality.
* To observe the mechanisms and processes of the Municipality in exercising their rights.
* To allow municipal officials reasonable access to their property to execute municipal functions.
* To comply with the by-laws and other legislation of the Municipality.
* To refrain from tampering with municipal services and property.
  1. Duties and functions of Ward Councillors and Political parties
* To hold regular ward meetings.
* To adhere to and convey Council policies to residents and ratepayers.
* To adhere to Council’s code of conduct for Councillors.

1. **Customer Care and Management**

**OBJECTIVES**

The objectives of the customer care section are to:

* Focus on the customer’s needs in a responsible and pro-active way to create a positive and cooperative relationship between customers responsible for payment of services received, and the municipality and where applicable, any service provider.
* To facilitate financial assistance and basic services for the community’s poor.

# Communication, Feedback and Handling of Complaints

* + 1. The Municipality will, within its financial and administrative capacity, conduct an annual process of compiling its budget which will include:

1. A first budget meeting, during the budget process, wherein Council will consider budget priorities, principles and a budget framework.
2. Public meetings will then be called, to invite at least the following: political parties; ratepayers and civic organisations; chambers of business and organised labour; the general public and other interested parties, at which the budget priorities, principles and framework will be outlined and debated.
3. Need identification workshops will be conducted in all wards as part of the IDP Review process, the objects of which will be:
4. To identify all the needs of the wards that is legitimately in the area of responsibility of the Council.
5. To involve the community in prioritising these needs.
6. To involve the community in Council’s planning, and to provide the community with much basic information as to what Council does and what other levels of government do.
7. To inform the community of the levels of payment and non-payment in that ward, and to devise strategies in that regard.
8. A technical workshop, which will agree the results of the first budget meeting, the public meetings, and the need identification workshops with Council’s Integrated Development Plan.
9. Thereafter Council’s draft Capital and Operating budgets, informed by the above processes, will be tabled by the Mayor in no later than 31 March of every year.
10. Thereafter a final budget will be considered by Council for approval before or on 31 May of every year.
    * 1. Council’s Customer Care and Management, and Debt Collection Policy, will be made available by general publication and on specific request, and will also be available at Council’s cash collection points.
      2. Council will endeavour to distribute a regular newsletter, which will give prominence to customer care and debt issues.
      3. Ward Councillors will be required to hold regular ward meetings, at which customer care and debt issues will be given prominence.
      4. The press will be encouraged to give prominence to Council’s Customer Care and Debt issues, and will be invited to Council meetings where these are discussed.
      5. Council aims to establish:
11. A central complaints/feedback office;
12. A centralized complaints database to enhance co-ordination of complaints, their speedy resolution and effective communication with customers;
13. Appropriate training for officials dealing with the public to enhance communications and service delivery; and
14. A communication mechanism to give Council feedback on service, debt and other issues of concern.

# Accounts and Billings

* + 1. Customers will receive an understandable and accurate bill from the Municipality, for rates and taxes and/or any service costs for that property.
    2. Accounts will be rendered monthly in cycles of approximately 30 days at the address last recorded with the Municipality or its authorised agent.
    3. It is the customer’s responsibility to ensure timeous payment in the event of accounts not received.
    4. It is the customer’s responsibility to ensure that postal addresses and other contact details are correct.
    5. Settlement or due date is the last working day of each month in respect of rates accounts.
    6. Where an account is not settled in full, any lesser amount tendered and accepted shall not be deemed to be in final settlement of such an account.
    7. Where any payment made to the Municipality or its authorised agent by negotiable instrument is later dishonoured by the bank, the Municipality or its authorised agent:

(a) May recover the average bank charges incurred relating to dishonoured negotiable instruments against the account of the customer.

(b) Shall regard such an event as default on payment.

* + 1. The Municipality or its authorised agent must, if administratively possible, issue a duplicate account to a customer on request.

# Metering

* + 1. Within practical and financial limits the municipality will endeavor to provide meters for every consumable service.
    2. All meters will be read monthly, on the same date, if possible
    3. If it not possible to read all meters monthly the consumption will be estimated
    4. Customers are entitled to request verification of meter readings and accuracy within reason, but may be held liable for the cost thereof.
    5. Customers will be informed of meter replacements.
    6. If a service is metered but it cannot be read due to constraints or circumstances out of the control of the municipality or its authorized agent, and the customer is charged for an estimated consumption, the account following the reading of the metered consumption must articulate the difference between the actual consumption and the average consumption, and the resulting credit or debit adjustments

# Payment facilities and methods

* + 1. The Municipality will operate and maintain suitable banking and cash facilities which facilities will be accessible to all users.
    2. The Municipality will at its discretion allocate payments between service debts and debtors may not specify that payments are for specific portions of the account.
    3. The Municipality may in terms of section 103 of the Systems Act, with the consent of a customer, approach an employer to secure a debit or stop order arrangement.
    4. The municipality may provide special incentives as contemplated in section 103 of the Systems Act.
    5. The customer will acknowledge, in the customer agreement, if he or she uses agents to transmit payments to the municipality and that she/he will be responsible for late and non-payments

## Enquiries, appeals and service complaints

* + 1. If a customer is convinced that his or her account is inaccurate, he or she can lodge an appeal with the Municipality for recalculation of this account[[11]](#footnote-11).
    2. In the interim the debtor must pay the average of the last three months account where history of the account is available. Where no such history is available the debtor is to pay an estimate provided by the Municipality before payment due date until the matter is resolved.
    3. The relevant department will investigate in terms of section 6 (27) and inform the debtor within the period specified in the policy targets.
    4. Failure to make such agreed interim payment or payments will make the customer liable for penalties as well as credit control and debt collection procedures.
    5. A customer may appeal against the finding of the Municipality or its authorised agent in terms of 6.(29)
    6. An appeal and request in terms of 4.4.5 must be made and lodged with the Municipality within 21 (twenty-one) days after the customer became aware of the finding referred to in 4.4.2 and must:

1. Set out the reasons for the appeal.
2. Be accompanied by any security determined for the testing of a measuring device, if applicable

**5.6 Customer Categories**

Customers will be categorized according to specific classifications based on *inter alia* the type of entity and applicable tariffs and risk levels.

Processes for credit control, debt collection and customer care may differ from category to category, as deemed appropriate from time to time by the municipal manager.

***Priority Customer Management***

1. Certain customers will be classified as priority customers based on criteria determined by the municipal manager.
2. A priority customer liaison officer may be appointed to take care of priority customers.
3. The envisaged priority customer liaison officer will be responsible for the ongoing management of the customers so classified and will perform tasks such as the review of monthly accounts to ensure accuracy, the monitoring of prompt settlement of accounts and response to queries

## Business who tender to the Municipality

* + 1. The Procurement Policy and Tender Conditions include the following:

1. When inviting tenders for the provision of services or delivery of goods, potential contractors may submit tenders subject to a condition that consideration and evaluation thereof will necessitate that the tenderer obtain from the Municipality a certificate stating that all relevant municipal accounts owing by the tenderer or its directors, owners or partners have been paid or that suitable arrangements (which include the right to set off in the event of non-compliance) have been made for payment of any arrears.
2. No tender shall be allocated to a person / contractor until suitable arrangement for the repayment of arrears, has been made. The tenderer must maintain arrangements and pay current installments as provided for in any contract with the Municipality.
3. A municipal account to mean any municipal service charge, tax or other fees, fines and penalties, due in terms of a contract or approved tariff or rate, which is outstanding after the due date normally appearing on the consolidated account or overdue in terms of the contract or any other due date that has passed.
4. Tender conditions contain a condition allowing the Municipality to deduct moneys owing to the Municipality from contract payments in terms of a reasonable arrangement with the debtor.

## Customer assistance programmes

* + 1. Rate rebates

Categories of property or categories of owners may qualify for exemptions, rebates, and reductions of rates as determined in the municipality’s property rates policy.

* + 1. Arrangements for settlements

Customer which consumption arrears must agree to the conversion to a prepaid meter.

When a repayment meter is installed due to defaults on payments, the cost of the meter and all arrears can be paid off;

* Monthly over an agreed period; and
* At the discretion of the Municipal Manager, by adding the debt as a surcharge to the prepaid electricity cost and be paid with each purchase of electricity until the debt is liquidated.

The municipality reserves the right to raise the deposit requirements of debtor who seek arrangements

Where an arrangement is made outside of the conditions of payment as set out in Annexure “A”, such payments will be accepted, subject to the normal credit control and debt collection procedures.

* + - 1. If a customer cannot pay his/her account with the Municipality then the Municipality may enter into an extended term of payment with the customer. He/she must:

1. Sign an acknowledgement of debt;
2. Sign a consent to judgement;
3. Provide a garnishee order/emolument order/stop order (if he or she is in employment);
4. Acknowledge that interest will be charged at the prescribed rate;
5. Pay the current portion of the account in cash; and
6. Sign an acknowledgement that, if the arrangements are being negotiated later defaulted on, that no further arrangements will be possible, and that disconnection of electricity will follow immediately as will legal proceedings.
7. Acknowledge liability of all costs incurred.
   * 1. Rates by instalments
        1. Customers may elect to pay their property rates account monthly at no interest cost on the condition that there are no rates outstanding in respect of a previous period and that the rates are paid in full prior to the next rates cycle.
        2. Any arrangement for monthly rate instalments will be cancelled and all rates will become payable in full with immediate effect should any three instalments become overdue.
        3. A customer may pay annually on or before 31 August of every year.
     2. Indigent subsidy

Customers may apply for an indigent subsidy on the conditions as stipulated in the municipality’s Indigent Policy.

* + 1. Free Basic Services

Council may provide, free of charge to a customer, certain basic levels of services, as determined from time to time

1. **Debt Collection**

**OBJECTIVES**

The objective of debt collection section are to:

Provide procedures and mechanisms to collect all the monies due and payable to the municipality arising out of supply of services and annual levies, in order to ensure financial sustainability and delivery of municipal services in the interest of the community. To ensure that debtors disclosed in the annual financial statements are stated at the amounts that are deemed to be collectable.

## Enforcement Mechanisms

* + 1. Interest and penalties
       1. Interest will be raised as a charge on all accounts not paid by the due date in accordance with applicable legislation.[[12]](#footnote-12)
    2. Personal contact
       1. Telephonic contact
       2. Agents calling on clients
          1. Council will endeavour, within the constraints of affordability, to make personal or telephonic contact with all arrear debtors to encourage their payment, and to inform them of their arrears state, and their rights (if any) to conclude arrangements or to indigent subsidies, and other related matters, and will provide information on how and where to access such arrangements or subsidies.
          2. The Municipality shall maintain a schedule of debtors with large amounts outstanding.
    3. **Legal Process/Use of attorneys/Use of credit bureaus**
       1. Council may, when a debtor is in arrears, commence legal process against that debtor, which process could involve final demands, summonses, court trials, judgements, garnishee orders and/or sales in execution of property.
       2. Council will exercise strict control over this process, to ensure accuracy and legality within it, and will require regular reports on progress from outside parties, be they attorneys or any other collection agents appointed by Council.
       3. Council will establish procedures and codes of conduct with these outside parties.
       4. Garnishee orders, in the case of employed debtors, are preferred to sales in execution, but both are part of Council’s system of debt collection procedures.
       5. All steps in the credit control procedure will be recorded for Council’s records and for the information of the debtor.
       6. All costs associated with credit control and debt collection including interest, penalties, service discontinuation costs and legal costs are for the account of the debtor and should reflect at least the cost of a particular action.
       7. Individual debtor accounts are protected and are not the subject of public information. However Council may release debtor information to credit bureaus. This release will be in writing and this situation will be included in Council’s agreement with its customers.
       8. Council may consider the cost effectiveness of this process, and will receive reports on relevant matters, including cost effectiveness.
       9. Council may consider the use of agents, and innovative debt collection methods and products. Cost effectiveness, the willingness of agents to work under appropriate codes of conduct and the success of such agents and products will be part of the agreement Council might conclude with such agents or product vendors; and will be closely monitored by Council
       10. Customers will be informed of the powers and duties of such agents and their responsibilities including their responsibility to observe agreed codes of conduct.
       11. Any agreement concluded with an agent or product vendor shall include a clause whereby breaches of the code of conduct by the agent or vendor will see the contract terminated.

## Abandonment of Claims

* + 1. The Municipal Manager must ensure that all avenues are utilised to collect the Municipality’s debt.
    2. There are some circumstances that allow for the valid termination of debt collection procedures:

1. The insolvency of the debtor, whose estate has insufficient funds.
2. A balance being too small to recover, for economic reasons considering the cost of recovery.
   * 1. The Municipality will maintain audit trials in such an instance, and document the reasons for the abandonment of the debt.

## Rates clearance

* + 1. On the sale of any property in the municipal jurisdiction, Council will withhold the transfer until all rates and service charges are paid by withholding a rates clearance certificate[[13]](#footnote-13)1.
  1. **The Pre-payment System**

1. The municipality may use its pre-payment system to recover arrears in respect of accrued municipal taxes and other municipal levies, tariffs and duties in respect of services such as refuse removal.
2. A customer with arrears, incurred after June 1999 who applies for a pre-payment system, will be required to repay all arrears in full before a pre-payment electricity is installed or, if the amount outstanding is large and/or the customer’s ability to pay is limited the arrears can be repaid by allocating 50% of all purchases before any electricity credit is given.
3. **Performance Evaluation**

The municipal Council will create a mechanism wherein the following targets can be assessed, evaluated and whereby remedial steps can be taken.

* 1. **Income Collection Targets**

Council to create targets that include:

1. Reduction in present monthly increase in debtors in line with performance agreements determined by Council.
   1. **Customer Service Targets**

Council to create targets that would include:

1. Response time to customer queries.
2. Date of first account delivery to new customers.
3. Reconnection time lapse.
4. Meter reading cycle
   1. **Administrative Performance**

Council to create targets that will include:

1. Cost efficiency of debt collection.
2. Enforcement mechanism ratios.
3. Query and appeal periods.
4. Council will create a mechanism wherein these targets are assessed; Council’s performance is evaluated and remedial steps taken.
   1. **Impairment of Debtors**
   2. Consumer debtors, and other debtors are stated at cost less a provision for bad debts. The provision is made on an individual basis, or based on expected cash flows.
   3. Individual classes of receivables are assessed for impairment using the following methodologies:
      1. **Consumer Debtors**

Consumer Debtors are evaluated at each reporting date and impaired as per the factor generated by the Municipal Accounting system. Obtain the report extract for Audit purposes and raising of provision for doubtful debts.

Depending on the Individual Customer Status the average provision factor will range from 1.75 to 8.75.

* + 1. **Sundry Debtors**

Sundry debtors are assessed individually for impairment to ensure that no objective evidence exists that these debtors are irrecoverable.

1. **Reporting to Council**
   1. The Chief Financial Officer shall report monthly to the Municipal Manager in a suitable format to enable the Municipal Manager to report to the Executive Mayor as supervisory authority in terms of section 99 of the act, read in conjunction with section 100 c) .

This report contemplated on 8 (1) shall report on:

1. Cash flow information for the capital and operating accounts, and combined situation, showing Council’s actual performance against its cash flow budgets.
2. Cash collection statistics, showing high-level debt recovery information (numbers of customers; enquires; default arrangements; growth or reduction of arrear debtors; ideally divided into wards, business (commerce and industry) domestic, state, institutional and other such divisions.
3. Performance of all areas against targets agreed to in item 6 of this policy document.
4. Council’s ongoing income and expenditure statements, comparing both billed income and cash receipt income, against ongoing expenditure in both the capital and operating accounts.
5. The total debt analysis and balances as at month-end, number of new indigent customers, cash received versus debits raised, attorney’s balances, final demands, electricity cuts vs reconnections and summons.
   1. If in the opinion of the Chief Financial Officer, Council will not achieve cash receipt income equivalent of the income projected in the annual budget as approved by Council, the Chief Financial Officer will report this with motivation to the Municipal Manager who will, if he agrees with the Chief Financial Officer, immediately move for a revision of the budget according to realistically realisable income levels.
6. **Structures of Treasury**
   1. Council shall quarterly receive a report from the Chief Financial Officer, if necessary after consultation with suitable consultants, on the manpower and systems requirements of treasury which requirements take into account Council’s agreed targets of customer care and management, and debt collection, and, after considering this report, Council will within reason vote such resources as are necessary to ensure that treasury has the staffing and structures to meet Council’s targets in this regard or to outsource the service.
7. **Indigency Management**

In regard to the payments expected from registered indigents, and the credit control and debt collection actions contemplated in respect of such residents, this policy must be read in conjunction with the Municipality’s approved policy on indigency management.

1. **Credit Control**

**Objectives**

The objectives of the credit control section are to-

* Implement procedures that will ensure the prevention of escalation in arrear debt.
* Limited risk by employing effective management tools.

**Service application and agreements**

1. All customers of services will be required to sign an agreement governing the supply and cost of municipal services.
   1. Owners may allow tenants to sign separate agreements with the municipality, which the municipality may at its own discretion accept or reject.
   2. On default by a tenant, the owner will be the debtor of last resort.
2. Prior to signing these agreements, customers will be entitled to receive the policy document of the municipality on request at a cost determined by council.
3. On the signing of the agreement, customers will receive a copy of the agreement for their records.
4. Customers are responsible for costs of collection, interest and penalties in the event of delayed and/or non-payment.
5. Existing customers of services will be required to sign new agreements as determined by the municipal manager from time to time.

**Customer screening and securities**

1. All participants for municipal services will be checked for credit-worthiness including checking information from banks, credit bureau, other local authorities, trade creditors and employers.
   * On application consumers will be grouped into high, medium or low risk consumers.
   * A consumer will be granted a low risk status if he/she/it has not defaulted on payment to the municipality, medium risk for defaults on payments and high risk if any legal action and judgements were taken.
2. Based on the risks assessment deposits either in cash or any other security acceptable to the municipality will be charged for any new connection or any default on existing payment arrangement.
3. Deposits can be increased at the discretion of the municipality to a maximum of three months average consumption.
4. Deposits can vary according to the credit-worthiness or category of the applicant subject to paragraph 7. (7)- (12).
5. The municipality will not pay any interest on deposits.
6. On the termination of the agreement the amount of the deposit, less any outstanding amount due to the municipality, will be refunded to the consumer.

**Right of access to premises**

1. The owner and or occupier of property must allow an unauthorized representative of the municipality access at reasonable hours to the property in order to read, inspect, install or repair any meter or service connection for reticulation, or to disconnect, stop or restrict, or reconnect, the provision of any service.
2. The owner is responsible for the cost of relocating a meter if satisfactory access is not possible.
3. If a person fails to comply with 7.(13) the municipality or its authorized representative may:-

* By written notice require such person to restore access at his/her own expense within a specified period; and
* As a matter of urgency, without prior notice restore access and recover the cost from such person.

**Personal contact**

1. Within the constraints of affordability council will endeavor to notify customers of their arrears situation by telephonic contact or by delivering a final demand notices.
2. During the contact customers will be informed of their rights and obligations in terms of the customer care, credit control and debt collection policy including making arrangements and applying for indigent support.
3. Such contact is not a right and disconnection of services and other collection proceedings may continue in the absence of such contact.

**Interruption of services**

1. Customers who are in arrears with their municipal account and who have not made arrangements with the municipality will have their supply of electricity and water, and other municipal services, suspended or disconnected.
2. The disconnection of services may happen when the municipal account is 1 (one) day overdue.
3. Council reserves the right to deny or restrict the sale of electricity to customers who are in arrears with their rates and municipal charges.
4. Upon the liquidation of arrears, or the conclusion of acceptable arrangements, the service will be reconnected as soon as conveniently possible.
5. All costs related to notices, the restrictions or dis- and reconnections, will be determined by tariffs approved by the municipal Council, and will be payable by the customer.
6. The deposit of any defaulter will be adjusted and brought into line with the policy and tariff structure of the municipality.

**Incentives for prompt payment**

1. To encourage prompt payment and/or to reward regular payers the municipality may consider incentives for prompt payment of accounts or payment by debit or stop orders.
2. To meet customers who are in debt with municipality, it may introduce an incentive provided a certain portion of debt is paid in-advance and further arrangement on another portion and write off on the remainder.
3. If introduced such an incentive scheme will be reflected in the operating budgets as an additional expenditure.

**Theft and Fraud**

Any natural or juristic person found to:

1. Be illegally connected to municipal services;
2. Has tampered with meters, the reticulation network or any other supply equipment
3. Has committed any unauthorised act associated with the supply of municipal services, and
4. Be involved in theft of and fraudulent activity will be prosecuted and/ or held liable for penalties as determined from time to time.

* Council will immediately terminate the supply of services to a customer should such conduct as outlined in 7 (31), be detected.
* The total bill owing, including penalties, assessment of unauthorised consumption and discontinuation and reconnection fees, and increased deposits as determined by Council if applicable, will be due and payable before any reconnection can be sanctioned.
* The municipality will maintain monitoring systems in order to identify customers who are undertaking illegal actions.
* The municipality reserves the right to lay criminal charges and/or to take any other legal actions against both vandals and thieves.
* Any person failing to provide information or providing false information to the municipality may face immediate disconnection and/or legal actions.

1. **Uncollectable Arrears**
   1. The effective implementation of the present policy also implies a realistic review of the Municipality’s debtors’ book at the conclusion of each financial year. The Municipal Manager shall as soon as possible after 30 June each year present to the Council a report indicating the amount of the arrears which it is believed is uncollectable, together with the reasons for this conclusion.
   2. The Council shall then approve the write off of such arrears, if it is satisfied with the reasons provided.
2. **Arrears Which Have Arisen Prior To The Adoption Of The Present Policy**

The Council shall separately consider arrears which arose prior to the adoption of the present policy, and shall advise accountholders of their respective obligations in regard to such arrears. In determining such obligations, the Council shall have regard to the quantum of such arrears, to the period over which the default occurred, and to whether the accountholder concerned has registered as an indigent in terms of the Municipality’s policy on indigency management. The Council shall further consider an incentive scheme which will appropriately encourage accountholders to settle all or a stated percentage of these arrears.

1. **Compliance and Enforcement**

a) Violation of or non-compliance with this policy will give a just cause of disciplinary steps to be taken.

b) It will be the responsibility of chief financial officer to enforce compliance with this policy.

1. **Effective Date**

The policy shall come to effect upon approval by Council.

1. **Policy Adoption**

This policy has been considered and approved by the COUNCIL OF THE INKOSI LANGALIBALELE MUNICIPALITY as follows:

Resolution No: ………………………….

Approval Date: ......................................

**ANNEXURE I**

LEGAL REQUIREMENT

1. It is essential for the protection of the municipality’s interests that the provisions of particularly the Municipal Systems Act 2000 and the Property Rates Act 2004, in so far as they provide additional debt collection mechanisms for municipalities, be diligently enforced. At the same time, both the council and the administration must note the obligations, which the municipality has towards the community in respect of customer care and relations.

2. For ease of reference a paraphrase of the relevant extracts from the Municipal Systems Act, specifically Sections 95 to 103 and Section 118, are therefore appended to this policy, as are Sections 28 and 29 of the Property Rates Act. The immediately relevant extracts from the Water Services Act 1997 and the Municipal Finance Management Act are also included in the annexure.

SECTION I: LOCAL GOVERNMENT: MUNICIPAL SYSTEMS ACT NO. 32 OF 2000

SECTION 95: CUSTOMER CARE AND MANAGEMENT

1. A municipality must, in relation to the levying of rates and other taxes, and the charging of fees for municipal services, within its financial and administrative capacity, do the following:

(a) establish a sound customer management system which aims to create a positive and reciprocal relationship between persons liable for these payments and the municipality itself or (where applicable) a service provider;

(b) establish mechanisms for users of services and ratepayers to give feedback to the municipality or other service provider with regard to the quality of the services and the performance of the service provider;

(c) take reasonable steps to ensure that users of services are informed of the costs involved in service provision, the reasons for the payment of service fees, and the manner in which moneys raised from the service are utilised;

(d) where the consumption of services is measured, take reasonable steps to ensure that the consumption by individual consumers of services is measured through accurate and verifiable metering services;

(e) ensure that persons liable for payments receive regular and accurate accounts which indicate the basis for calculating the amounts due;

(f) provide accessible mechanisms for those persons to query or verify accounts and metered consumption, as well as appeal procedures which allow such persons to receive prompt redress for inaccurate accounts;

(g) provide accessible mechanisms for dealing with complaints from such persons, together with prompt replies and corrective action by the municipality;

(h) provide mechanisms to monitor the response time and efficiency in complying with the aforementioned requirements; and

(i) provide accessible pay points and other mechanisms for settling accounts or for making prepayments for services.

SECTION 96: DEBT COLLECTION RESPONSIBILITY OF MUNICIPALITIES

1. A municipality must collect all moneys that are due and payable to it, subject to the requirements of the present Act and any other applicable legislation. For this purpose, the municipality must adopt, maintain and implement a credit control and debt collection policy which is consistent with its rates and tariff policies and which complies with the provisions of the present Act.

SECTION 97: CONTENTS OF POLICY

1. The municipality’s credit control and debt collection policy must provide for all of the following:

(a) credit control procedures and mechanisms;

(b) debt collection procedures and mechanisms;

(c) provision for indigent debtors in a manner consistent with its rates and tariff policies and any national policy on indigents;

(d) realistic targets consistent with generally recognized accounting practices and collection ratios, and the estimates of income set in the budget less an acceptable provision for bad debts;

(e) interest on arrears (where appropriate);

(f) extensions of time for payment of accounts;

(g) termination of services or the restriction of the provision of services when payments are in arrears;

(h) matters relating to unauthorized consumption of services, theft and damages; and

(i) any other matters that may be prescribed by regulation in terms of the present Act.

2. The municipality, within its discretionary powers, may differentiate in its credit control and debt collection policy between different categories of ratepayers, users of services, debtors, taxes, services, service standards and other matters, and, if so, must ensure that such differentiation does not amount to unfair discrimination.

SECTION 98: BY-LAWS TO GIVE EFFECT TO POLICY

1. The council of the municipality must adopt by-laws to give effect to the municipality’s credit control and debt collection policy, its implementation and enforcement.

2. Such by-laws may differentiate between different categories of ratepayers, users of services, debtors, taxes, services, service standards and other matters, and, if so, must ensure that such differentiation does not amount to unfair discrimination.

SECTION 99: SUPERVISORY AUTHORITY

1. A municipality’s executive mayor or executive committee, as the case may be, or – if the municipality does not have an executive committee or executive mayor – the council of the municipality itself, or a committee appointed by the council as the supervisory authority, must do all of the following:

(a) oversee and monitor the implementation and enforcement of the municipality’s credit control and debt collection policies and any by-laws enacted in terms of the foregoing requirements, and the performance of the municipal manager in implementing the policies and by-laws;

(b) where necessary, evaluate or review the policies and by-laws, and the implementation of such policies and by-laws, in order to improve the efficiency of its credit control and debt collection mechanisms, processes and procedures; and

(c) at such intervals as may be determined by the council, report to a meeting of the council, except when the council itself performs the duties of the supervisory authority.

SECTION 100: IMPLEMENTING AUTHORITY

1. The municipal manager, or – where applicable – the service provider must:

(a) implement and enforce the municipality’s credit control and debt collection policies and by-laws enacted in terms of the foregoing requirements;

(b) in accordance with the credit control and debt policies and any by-laws, establish effective administrative mechanisms, processes and procedures to collect moneys due and payable to the municipality; and

(c) at such intervals as may be determined by the council, report the prescribed particulars to a meeting of the supervisory authority referred to previously.

SECTION 101: MUNICIPALITY’S RIGHT OF ACCESS TO PREMISES

1. The occupier of premises in a municipality must give an authorized representative of the municipality or of a service provider access at all reasonable times to the premises in order to read, inspect, install or repair any meter or service connexion for reticulation, or to disconnect, stop or restrict the provision of any service.

SECTION 102: ACCOUNTS

1. Except where there is a dispute between the municipality and the person from whom the municipality has claimed any specific amount, a municipality may:

(a) consolidate any separate account of such person;

(b) credit a payment by such person against any account of that person; and

(c) implement any of the debt collection and credit control measures provided for in the present Act in relation to any arrears on any of the accounts of such person.

SECTION 103: AGREEMENTS WITH EMPLOYEES

1. A municipality may, within its discretionary powers, but with the consent of any person liable to the municipality for the payment of rates or other taxes or fees for municipal services, enter into an agreement with such person’s employer to deduct from the salary or wages of such person any outstanding amounts due by such person to the municipality or such regular monthly amounts as may be agreed to.

2. The municipality may further, within its discretionary powers, provide special incentives for employers to enter into such agreements and for employees to consent to such agreements.

SECTION 118: RESTRAINT ON TRANSFER OF PROPERTY

1. The registrar of deeds or any other registration officer of immovable property may not register the transfer of any property other than on the production to such registration officer of a prescribed certificate issued by the municipality in which such property is situated, and which certificate certifies that all amounts due in connection with such property for municipal service fees, surcharges on fees, property rates and other municipal taxes, levies and duties during the two years preceding the date of application for the certificate have been fully paid.

2. A municipality may recover, as far as is practicable, all amounts due to it for municipal service fees, surcharges on fees, property rates and other municipal taxes, levies and duties, in preference to any mortgage bonds registered against any property which is to be transferred.

CODE OF CONDUCT FOR MUNICIPAL STAFF MEMBERS

1. Paragraph 10 of this Code of Conduct stipulates that if any staff member of a municipality is in arrears to the municipality for rates and service charges for a period longer than 3 months, the municipality may deduct any outstanding amounts from such staff member’s salary after this period.

CODE OF CONDUCT FOR COUNCILLORS

1. Section 6A of this code requires councillors to pay all rates, tariffs, rents and other moneys due to the municipality promptly and diligently.

2. The municipal manager is further required to notify the speaker of the council and the MEC for Local Government, in writing, whenever a councillor has been in arrears with any of these payments for a period exceeding 30 days.

SECTION II: LOCAL GOVERNMENT: MUNICIPAL FINANCE MANAGEMENT ACT NO. 56 OF 2003

SECTION 64: REVENUE MANAGEMENT

1. The accounting officer of the municipality is responsible for the management of the municipality’s revenues, and must, for this purpose, take all reasonable steps to ensure:

(a) that the municipality has effective revenue collection systems consistent with Section 95 of the Municipal Systems Act 2000 and the municipality’s credit control and debt collection policies;

(b) that revenues due to the municipality are calculated on a monthly basis;

(c) that accounts for municipal taxes and charges for municipal services are prepared on a monthly basis, or less often as may be prescribed where monthly accounts are uneconomical;

(d) that all moneys received are promptly deposited in accordance with the requirements of the present Act, into the municipality’s primary and other bank accounts;

(e) that the municipality has and maintains a management, accounting and information system which recognizes revenues when they are due, accounts for debtors, and accounts for receipts of revenues;

(f) that the municipality has and maintains a system of internal control in respect of debtors and revenues, as may be prescribed;

(g) that the municipality charges interest on arrears, accept where the council has granted exemptions in accordance with its budget related policies and within a prescribed framework; and

(h) that all revenues received by the municipality, including revenues received by any collecting agent on its behalf, is reconciled at least on a weekly basis.

2. The accounting officer must immediately inform the national treasury of any payments due by an organ of state to the municipality in respect of municipal taxes or for municipal services, if such payments are regularly in arrears for periods of more than 30 days.

NOTE: SECTION 164: FORBIDDEN ACTIVITIES

1. Section 164(1)(c) lists as a forbidden activity the making by a municipality of loans to councillors or officials of a municipality, directors or officials of any municipal entity, and members of the public. It has been assumed for purposes of compiling the credit control and debt collection policy that allowing any party to pay off arrears of rates and municipal service charges is not tantamount to the making of a loan in terms of Section 164.)

SECTION III: LOCAL GOVERNMENT: MUNICIPAL PROPERTY RATES ACT NO. 6 OF 2004

SECTION 28: RECOVERY OF RATES IN ARREARS FROM TENANTS AND OCCUPIERS

1. If the rates owed by a property owner are unpaid by due date, the municipality may recover such rates, either in whole or in part, from any tenant or occupier of the property concerned.

2. However, the tenant or occupier of the property must first be given written notice of the municipality’s intentions, and the amount which the municipality may recover is limited to the amount of rent and other moneys due and unpaid by the tenant or occupier to the property owner concerned.

SECTION 29: RECOVERY OF RATES FROM AGENTS

1. If it is more convenient for the municipality to do so, it may recover the rates due on a property, either in whole or in part, from the agent of the property owner concerned.

1. However, the agent must first be given written notice of the municipality’s intention, and the amount the municipality may recover is limited to the amount of any rent and other moneys received by the agent on behalf of such property owner, less any commission due to the agent.

**CATEGORIES OF DEBTORS**

**DOMESTIC CUSTOMERS**

|  |  |
| --- | --- |
| **DEBT** | **PAYMENT OF ARREARS** |
| R 1,00 to R 5000 | **10%** of outstanding debt including interest plus the cost of the credit control actions. The balance over maximum 6 months |
| R 5001,00 to R 10 000,00 | **15%** of the amount owed. The balance of the outstanding amount over a maximum of 12 months. |
| R 10 001,00 and more | **20%** of the amount owed. The balance of the outstanding amount over a maximum of 18 months |

In all cases deposit to be increased to 3 times the average monthly consumption or a minimum as determined annually and published in the tariff list. Each case to be treated on its merit.

**BUSINESS**

|  |  |
| --- | --- |
|  | **PAYMENT OF ARREARS** |
| 1st default in any twelve month cycle: | **25%** of outstanding amount. Balance over a maximum of 3 months.  Deposit adjusted to 3 months consumption. |
| 2nd default in any twelve month cycle: | Full outstanding plus current account.  Arrangements can only be considered by the Revenue Management and Debts Steering Committee.  Deposit adjusted to 3 months consumption. |
| 3rd default in any twelve month cycle: | Weekly cash payments based on consumption. Any deviation from this can only be approved by the Revenue Management and Debt Steering Committee. |

**GOVERNMENT DEPARTMENTS**

**SCHOOLS/HOSPITALS ETC.**

|  |  |
| --- | --- |
|  | **PAYMENT OF ARREARS** |
| 1st default in any twelve month cycle: | 3 weeks’ notice. No arrangements.  Deposit to be adjusted based on consumption by the Revenue Management and Debt Steering Committee. |
| 2nd default in any twelve month cycle: | 2 weeks’ notice. No arrangements.  Deposit adjusted to 2 months consumption. |
| 3rd default in any twelve month cycle | 48 hour notice. Deposit adjusted to 2 months consumption. |

|  |  |
| --- | --- |
| **SPORT CLUBS** | Cash payments in advance based on consumption |

**OLD AGE & DISABILITY PENSIONERS( IF NOT INDIGENT)**

|  |  |
| --- | --- |
| **DEBT** | **PAYMENT OF ARREARS** |
| R1,00 to R 5000,00 | **10%** of outstanding debt including interest plus the cost of the credit control actions. The balance over maximum 6 months |
| R 5001,00 to R 10 000,00 | **15%** of the amount owed. The balance of the outstanding amount over a maximum of 12 months. |
| R 10 001,00 and more | **20%** of the amount owed. The balance of the outstanding amount over a maximum of 18 months |

Arrangements for this category of debtor will be free of interest, should the payment arrangement be maintained regularly.

**ADMINISTRATIONS**

Where a person has been placed under administration of the following procedures will be as follows:

1. The debt as at the date of the administration court order will be placed on hold, and collected in terms of the court order by the administrator’s dividend.
2. The administrator is to open a new account on behalf of the debtor, with a new deposit-No account is to be opened/operated in the debtor’s name as the debtor is not entitled to accumulate debt (refer section 74S of the Magistrates Courts Act 32 of 1994).
3. Until such time as this new account is opened, the debtor is to be placed on limited services levels. The consumer will be compelled to install a prepaid electricity meter, should one not already be in place. The municipality will be entitled to recover the cost of the basic services by means of purchases made on the prepaid meter.
4. Should there be any default on the current account-the supply of services is to be limited or terminated, and the administrator handed over for the collection of his debt.

**INDIGENT**

All customers qualifying as indigent and having remaining arrear debt after any relief has been granted will be written off after Council resolution.

“ANNEXURE B”

**INKOSI LANGALIBALELE MUNICIPALITY**

**INCOME COLLECTION TARGETS**

1. Payment level on current accounts

* Increased level by 10% every 3 months to 98% payment level of all customers who can afford to pay;

1. Recovery of arrears

* To collect all arrears over a maximum period of 18 months.
* To achieve this goal the level of recovery should be:

Within - 6 months -33%

12 months -33%

18 months- 33%

**CUSTOMER SERVICE TARGETS**

1. Response time to customer queries:

* Initial response within 10 working days.

1. Resolution of queries:

* 45 working days to resolve queries and appeals.

1. Date of first account delivery of new customers:

* By second billing cycle after date of application or occupation which even is the latest.

1. Reconnection time:

* Within 24 hours after appropriate payment/ arrangement.

1. Meter reading cycle:

* 95% of meters being read on monthly basis on a similar date with a maximum of 3 consecutive months estimated.

1. Equity application:

* Within 2nd billing cycle response for approval of disapproval, as well as provision of subsidy.

**ADMINISTRATIVE PERFORMANCE TARGETS**

1. Cost efficiency of debt collection:

* Cost of collection not to exceed the capital debt amount;
* All reasonable steps to be taken to limit cost to Council or the customer;
* Cost of collection is to be recovered from the defaulting customers;
* Total cost of collection to be recovered by means of applicable credit control tariffs.

1. Enforcement mechanism ratios:

* 95% of total number of arrear customers being successfully notified/ disconnected;

1. 1 Section 96(a) of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000) provides that a municipality must collect all money that is due and payable to it subject to this Act and any other applicable legislation. [↑](#footnote-ref-1)
2. 1Preferably, the total equitable share should be set aside for this purpose. If this amount is not enough, an additional sustainable provision must be made, according to the municipality's financial ability.

   2 The bad debt provision should at least reflect the increase in debtors during the previous financial year. The amount provided for can only be reduced by the amount provided for working capital. [↑](#footnote-ref-2)
3. 3 A realistic target would be to improve on the previous year’s result by 5% - 10%. The target should be reviewed every year until the turnover rate of debtors is between 45-56 days.

   4 See Section 3.4. [↑](#footnote-ref-3)
4. 5 Including credit control and debt collection [↑](#footnote-ref-4)
5. [↑](#footnote-ref-5)
6. [↑](#footnote-ref-6)
7. Section 99 of the Local Government: Municipal Systems Act, 2000 provides that the executive committee must –

   (a) Oversee and monitor -

   (i) The implementation and enforcement of the municipality’s credit control and debt collection policy and any by-laws enacted in terms of section 98; and [↑](#footnote-ref-7)
8. (ii) The performance of the municipal manager in implementing the policy and any by-laws. [↑](#footnote-ref-8)
9. (b) When necessary, evaluate or review the policy and any by-law, or the implementation of the policy or such by-laws, in order to improve efficiency of it’s credit control and debt collection mechanisms, processes and procedures; and [↑](#footnote-ref-9)
10. (c) At such intervals as may be determined by the Council report to a meeting of the Council, except when the Council itself performs the duties mentioned in paragraph (a) and (b). [↑](#footnote-ref-10)
11. Section 95 (f) of the Local Government: Municipal Systems Act, 2000 provides that a municipality must provide accessible mechanisms for those persons to query of verify accounts and metered consumption, and appeal procedures which allow such persons to receive prompt redress for inaccurate accounts. [↑](#footnote-ref-11)
12. Section 97 (e) of the Local Government: Municipal Systems Act, 2000 provides that a credit control and debt collection policy must provide for interest on arrears, where appropriate. [↑](#footnote-ref-12)
13. 1 Section 118 of the Local Government: Municipal Systems Act, 2000 provides that a registrar of deeds or other registration officer of immovable property, may not register the transfer of property, except on production of a certificate by the municipality that all amounts due to the municipality during the two years preceding have been fully paid. [↑](#footnote-ref-13)