MAFUBE LOCAL MUNICIPALITY
CREDIT CONTROL AND DEBT COLLECTION POLICY
2026-2027

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1. DEFINITIONS

"Accounting officer" The municipal manager is the accounting officer of the municipality for the purpose of Act No. 56 of 2003: Local Government: Municipal Finance Management Act, 2003. (MFMA).

"Council's Attorney" means a law firm, including all legal practitioners, correspondents and affiliates of such law firms appointed by the council from time to time through a transparent bidding process, to handle all or specifically nominated legal affairs of the council on request.

"*Councillor*" means a member of the municipal Council.
"***Days***" this will be calendar days unless specifically mentioned otherwise.

"***The Mayor***" the councillor elected as the mayor of the municipality in terms of Section 55 of Municipal Structures Act.

"*Head of department*" a senior official in charge of a specific service or vote of the Council.

"*Manager*" a senior manager as referred to in section 56 of the Municipal Systems Act.

"*Month*" one of the twelve months of the calendar year.

"*Municipality*" a municipal council referred to in section 157 (1) of the

Constitution of the RSA.

"*Municipal Finance Management Act*" Municipal Finance Management Act No. 56 of 2003.

"*Municipal Manager*" the person appointed in terms of section 82 of the Municipal Structures Act.

"*Municipal Structures Act*" the Local Government: Municipal Structures Act No. 117 of 1998, as amended.

"*Municipal Systems Act*" the Local Government: Municipal Systems Act No. 32 of 2000, as amended.

"Chief Financial Officer" / "Manager: Finance" Means a person designated in terms of section 80(2)(a) of the MFMA.

Any reference to the single will include the plural and vice versa.
Any reference to male gender will include female and vice versa.

2. PRE-AMBLE

The Municipal Finance Management Act (MFMA), Act 56 of 2003, aims to modernise budget and financial management practices in municipalities in order to maximise the capacity of a municipality to deliver services to all residents, customers and users. It also gives effect to the principle of transparency as required by sections 215 and 216 of the Constitution. The Council of the municipality, in adopting this policy on credit control and debt collection, recognises its constitutional obligations as set out in Chapter 7 of the Constitution and Chapter 9 of the Municipal Systems Act, Act No. 32 of 2000, to develop the local economy and to provide acceptable services to its residents. It simultaneously acknowledges that it cannot fulfil these constitutional obligations unless it exacts payment for the services which it provides and for the taxes which it legitimately levies in full from those residents who can afford to pay, and in accordance with its indigence relief measures for those who have registered as indigents in terms of the Council's approved indigence management policy.

3. APPLICATION

3.1 The Council of Mafube local Municipality reserves the right to differentiate between different categories of consumers, debtors, services or service standards when applying this Policy. The Council will, on application of this policy, avoid discrimination as forbidden by the Constitution unless it is established that the discrimination is fair as allowed by the Constitution.

3.2 This policy shall apply only in respect of money due and payable to Mafube Local Municipality for:

3.2.1 Property Rates and related taxes

3.2.2 Fees, surcharges on fees, charges and tariffs in respect of the provision of water, refuse removal, sewerage, electricity (herein after referred to collectively as "services"), in all instances where Mafube Local Municipality is responsible for the rendering of accounts in relation to any one or more of the services and for the recovery of amounts due and payable in respect thereof

3.2.3 Interest which has accrued in respect of any money due and payable to Mafube Local Municipality in regard to rates or services

3.2.4 Rental of facilities and properties and Collection charges

3.2.5 Services provided through pre-paid meters

4. VISION

The vision of this policy is:

- To ensure that municipal credit control officials are sufficiently trained and that they will be able
- To attend to all credit control related functions and enquiries.
- To ensure sufficient notification of outstanding debt to consumers in default.
- To provide consumers timeously with monthly statements in order to allow a fourteen (14) calendar day payment period before due date.
- To ensure that all consumers pay for the services that are supplied and consumed according to the approved tariff structure of the Mafube Local Municipality.
- To ensure that all consumer account related enquiries are attended to promptly and diligently.
- To attend to all the consumers' needs regarding credit control in such manner that it should not be necessary to have property or goods attached for a sale in execution unless under the most extreme circumstances.
- To ensure sufficient and effective interaction with defaulters and to allow for the conclusion of arrangements for the payment of arrears over agreed periods of time.
- To provide monthly, with the financial report, the payment default position to the Mayor.

5. <u>POLICY PRINCIPLES</u>

5.1 The principles of credit control management in the Municipality are

5.1.1 The administrative integrity of the Municipality must be maintained all the times.

5.1.2 Customers must be informed of the contents of the policy.

5.1.3 Customers must receive regular and accurate accounts that indicate the basic for calculating the amounts due, the customer is entitled to have the details of the account explained upon request.

5.1.4 Customers must pay their accounts regularly by the due date

5.1.5 Customers are entitled to reasonable access to pay and to a variety of reliable payment methods.

5.1.6 Customers are entitled to an efficient and reasonable response to appeal and should not suffer any disadvantage during the processing of a reasonable appeal

5.1.7 Debt collection will be instated promptly, consistently, and effectively without and with the intention of proceeding until the debt, including the cost of collection is recovered.

5.1.8 It shall be the duty of all customers to ensure that the correct information regarding all due amounts

5.1.9 Customers who will be found to have connected services without following proper or prescribed process (illegal connections) will be disconnected immediately and a criminal case will be opened against them in a court of Law.

5.1.10 Non-payment of their accounts by debtors has a direct negative impact on the municipality's ability to provide high quality service delivery to its clients

5.1.11 Current levies not paid by the indicated due date are in arrears and all debtors with arrears exceeding 90 days are subject to Credit Control and Debt Collection measures

5.1.12 The right of access to services, and consumption thereof, can only be exercised by residents who are not in arrears on their municipal services accounts or who have arranged to pay their arrears in terms of this Policy

5.1.13 Various methods of payment by debtors as well as sufficiently convenient payment points are available

5.1.14 Interest on debt in arrears is levied monthly at the rate specified in item of this policy, except if billing process was performed late no interest will be charged on accounts.

5.1.15 Interest is levied on all arrears of 30 days and older. Interest levied but not paid is included in the arrear amount of such a debtor.

5.1.16 Credit control measures are applied with pro-active reminders or warnings. Account statements are regarded as notification of the arrears status of the account as well as stating the intention to take credit control measures

5.1.17 Metered services consumed by an unknown consumer are billed to the owner of the property to which the service connection is registered

5.1.18 Only one account for all municipal levies and services charges relating to any property will be opened and submitted to the owner of such property, except in the case of those properties with multiple consumers, each such consumer being separately metered by the municipality for electricity and /or water consumption.

5.1.20 Consumers who rent properties with multiple consumers, each such consumer being separately metered by the municipality for electricity and /or water consumption, and are billed separately for such services, must enter into a services agreement to have access to these services. No service agreement shall be concluded without the written consent of the registered owner of the property and that consent should be in form of a letter from the owner together with the lease agreement between the owner and a tenant and such an owner shall have no right to discontinue the services or finalize the account of their tenants unless tenants account is owing and or the lease agreement expired.

5.1.21 Customers who make no further use of any services but still owe an amount are considered inactive debtors who are handed over for collection to a debt collector or the legal department appointed for this purpose

5.1.22 Debtors who are large consumers of services are managed by telephonic and personal contact with them on a higher management level, e.g. corporate business and government departments

5.1.23 Residential household debtors form a distinct group for whom the following special measures and exceptions apply:

a) Water supply to defaulting residential household debtors will not be completely discontinued, but rather be restricted due to hygienic reasons. Other types of debtors who are in default and whose water supply is involved will be completely deprived of the service

b) Any interest free arrangements for payment of arrears are intended to assist those debtors by making their current monthly accounts more affordable.

5.1.24 All notifications served to the place of residence must state the reason/s for actions taken as well as information as to how they can take corrective action to normalise the situation

6 SUPERVISORY AUTHORITY

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:

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

- 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
- 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.

7 IMPLEMENTATION AUTHORITY

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

- implement and enforce the municipality's credit control and debt collection policies and by-laws enacted in terms of the foregoing requirements;
- 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
- at such intervals as may be determined by the council, report the prescribed particulars to a meeting of the supervisory authority referred to previously.

8. KEY CREDIT CONTROL AND DEBT COLLECTION PROCESS

8.1 Application for new connection

8.1.1 A customer who requires the provision of municipal services must apply for the services from the Municipality

1.1.1 The application for the provision of municipal services must be made by the registered owner of an immovable property or a tenant with written consent of the property owner, accompanied by positive identification of the property owner and the tenant.

1.1.2 Approved Indigent Customers for the purposes of registering and allocating the applicable subsidy to qualified indigent customers whom will be allowed to open an account in the name of the lessee of the property.

1.1.3 The application for the provision of municipal services must be made in writing on the prescribed application form that is provided by the Municipality.

1.1.4 By completing the prescribed application form for the provision of municipal services the consumer of services enters into an agreement with the Municipality. Such agreement does not constitute a credit facility envisaged in terms of section 8(3) of the National Credit Act (NCA) but shall be incidental credit as envisaged in terms of section 4(6)(b) of the NCA, to which the NCA will only apply to the extent as stipulated in section 5 of the NCA.

1.1.5 The agreement with the Municipality makes provision for the following:

a) An undertaking by the occupier that he or she will be liable for collection costs including administration fees, interest, disconnection and reconnection costs, and any other legal costs occasioned by his or her failure to settle accounts by the due date on an attorney/ client basis.

b) An acknowledgement by the occupier that accounts will become due and payable by the due date notwithstanding the fact that the owner did not receive the account.

c) That the onus will be on the occupier to ensure that he or she is in possession of an account before the due date and

d) An undertaking by the Municipality that it shall do everything in its power to deliver accounts timeously.

1.2 Customer Deposits

1.2.1 On application for the provision of municipal services the customer deposit prescribed by Council shall be paid.

1.2.2 No interest will be paid on any deposit held by Council.

1.2.3 With respect to indigent customers, accounts will be opened for these customers without requiring any deposit.

1.2.4 Existing customers moving to a new address are required to pay the prescribed customer deposit on application for the provision of municipal services at the new address.

1.3 On termination of the supply of services the amount of the deposit less any payment due to the Municipality will be refunded to an account holder, provided that payments due are less than the deposit paid, and that the account holder has provided a forwarding address

1.3.1 The refund of the said deposit shall be processed once the water meter(s) has been transferred to the new owner.

1.3.2 If the Chief Financial Officer intends increasing the minimum deposit payable by the owner, then he or she shall, in the aforesaid notice, state full reasons for the increase, and allow the owner an opportunity to make written representations in this regard.

1.3.3 Consumers will receive monthly statement/s with an indicated payment due date. Consumers with disputes on their account/s must pay other services and an average of the disputed service/s. Ratepayers/consumers who have not received an account for a specific month, are advised to pay an average of the previous two months' accounts and to notify the Manager Revenue in order to ensure that correct postal details are on the system.

1.3.4 The non-receipt of an account does not exempt one from the liability of payment.

1.4 Estimated Consumption:

1.4.1 The municipality may levy an estimate of the consumption of water or electricity for any relevant period if:

a) no meter reading could be obtained in respect of the period concerned; or

b) The customer concerned is liable for payment of the fee in terms of the municipality's approved tariffs for service delivery in respect of such estimated consumption

1.5 The municipality may, in accordance with the provision of section 102 of Systems Act –

1.5.1 consolidate any separate accounts of a customer liable for payments in terms of the By-laws of the municipality;

1.5.2 Hold any amount paid by a customer, which is in excess of an existing debt, in credit for the customer in anticipation of future rates and fees for municipal services owing.

1.5.3 Submit only one account for all municipal levies and services to the owner of such a property and to distinguish between various individual debtors or debtor types in this regard.

1.5.4 No interest will be payable on any deposit held or any credit amount

1.6 Credit Control Measures

1.6.1 Reminder/Demand for payment

~~a)~~ A warning notice that the account has not been paid on the due date is generated after the due date and delivered to the debtor's physical address. This warning notice clearly states that a period of 7 days is allowed for payment or arrangement for payment, in the absence of which, services to the client will be restricted and or disconnected. The account of the debtor is debited with the cost of such a warning notice at the approved tariff of the municipality. Accounts owing for 90 days and above will be subjected to cut off and other credit control measures.

b) Electricity disconnection and Water restriction. In the absence of reaction on the 14-day reminder, the electricity supply to the debtor is discontinued together with the notice for the reason of the discontinuance. The account of the debtor is debited with the cost of the level 1 cut-off at the approved tariff of the municipality.

1.6.2 Illegal reconnection/ tampering of water

~~a)~~ The water disconnection/restriction is monitored and followed up in cases of absence of reaction by the debtor to ensure that an illegal reconnection has not occurred.

b) Discovery of tampering with a restriction device or service connection will lead to the prosecution of the offending debtor. Reinstatement of Municipality Services

a) The municipality must reinstate full levels of provision of any electricity or water service terminated or restricted after –
   i) the full amount of arrears has been paid, or
   ii) an agreement for payment of the arrears contemplated has been entered into in terms of this Policy, or
   iii) the full amount of arrears in respect of any agreement entered into, and any increased deposit, have been paid.
   iv) any other condition of the Policy that the municipality may consider appropriate has been complied with.

1.6.3 Reconnection of services

a) Where services are disconnected as a result of the application of this Policy, these services can only be reconnected under the following circumstances
   ~~i)~~ Water supply restricted for non-payment by clients, can only be normalized after either receipt of the amount in arrears or conclusion of a settlement arrangement for payment of the arrears in terms of this Policy.
   ii) Electricity supply discontinued due to non-payment can only be reconnected after receipt of the amount in arrears or the conclusion of a settlement arrangement for payment of the arrears in terms of this Policy.
   iii) Any services which are discontinued as a result of tampering with the Municipality's distribution networks and/or mechanisms can only be legally reconnected if a Court orders so.
   iv) Reconnection or reinstatement of services will be done within 24 – 72 hours after the receipt of payment

1.6.4 Termination of Service Agreements

~~a)~~ A customer must terminate an agreement with the municipality for the provision of any municipal service by notice in writing (completing the relevant service discontinuation and account closure forms of the municipality) not less than seven working days before the time.

1.6.5 Illegal Connections and Meter Tampering

a) The municipality can also opt to close the consumer's account in such instances and levy all municipal charges related to the property on the owner's account. The full outstanding balance is immediately payable before services will be restored. be moved outside and the costs will be borne by the customer/s or a pre-paid meter must be installed at the owner's expense.

1.6.6 Free Basic Services

a) The municipality will provide free basic services to domestic debtors, on a monthly basis on quantities as determined from time to time in line with the National Framework for Municipal Indigent Policies and the Municipality's Indigent Policy.
b) The six kiloliters (6kl) free basic water will be provided per meter connection per unit or households (only indigents).

1.6.7 Indigent Assistance Scheme: An account holder may apply to the municipality, in the prescribed manner, to be declared indigent. Indigent customers are not excluded from this Policy.

1.6.8 Estates Accounts Collection

a) Estates with legal status

i) The accounts of debtors who are declared as insolvent, under administration or deceased are dealt with according to normal legal practices by the collection staff of the municipality.

ii) Unsuccessful claims are written off and submitted to the Council for cognisance.

b) Estates without formalized legal status

i) In many cases the head of a household has died without leaving a will/final testament indicating to whom ownership of the family residence is to be transferred upon the event of his/her death OR the owner of the property has abandoned his/her family to fend for themselves. These scenarios are not provided for in the normal legal practice, which necessitates the following process in Mafube Local Municipality:

ii) The remaining family must report the situation to the municipality's collection office, who will require the relevant documentation to be obtained by the family, i.e. a death certificate and an order of the local Magistrate allocating right of ownership to someone of the surviving family in the case of a deceased estate

~~iii)~~ OR an order of the local Magistrate allocating right of ownership to someone in the abandoned family~~.~~

iv) This will prevent any further service restrictions/cut offs or collection actions at the residence whilst the family is in process of legalizing ownership of the property.

v) As soon as ownership has been officially allocated by the Magistrate, the documentation must be presented to the municipality's collection office, who will then change the name of the account to that of the new owner. They will also encourage the new owner to make an arrangement for the payment of the arrears to prevent credit control and collection actions from being taken by the Municipality.

vi) if the family qualifies to be registered for assistance in terms of the municipality's Indigent Policy, they can apply to be registered and after registration to enjoy the benefits offered in terms of that Policy regarding the arrears.

vii) Amounts claimed and not successfully collected are submitted to the Council for approval to be written off against the reserve for bad debt.

1.7 Revenue Recovery Methods

~~1.7.1~~ Where the letter of final demand and the termination of services yield no response and the account is outstanding for ninety (90) days and more may be handed over to external debt collectors and/or attorneys for collection.

1.8 In-house Collections

1.8.1 This unit will deal with all outstanding debts. This unit will also deal with all government accounts.

1.8.2 Summons for each outstanding account will be issued and submitted to the Sheriff for further action to be taken, where required.

~~1.8.3~~ A tariff in terms of the municipality's current Rates and Tariff Policy will be payable where such an action is taken.

1.8.4 Where there is no response, the accounts will be handed over to external debt collectors and/or attorneys. It should be noted that the issuing of summons internally will depend on the capacity of the municipality in terms of personnel.

1.9 External Debt Collection with the assistance of an Attorney

1.9.1 Any amount outstanding over 90 days and above may be handed over to Mafube Local Municipality's official Debt Collection Agency for collection.

1.10 Payment Terms and Interest Charged on Outstanding Accounts

~~1.10.1~~ Normal Terms: All categories of consumers are required to effect payment of their rates and services accounts on or before the due date advised on account statements.

1.11 Payment/s or amount/s received will be allocated at the discretion of the Municipality against any amount owed to the Municipality.

1.12 Exceptional cases may be referred to the Manager: Credit Control for consideration.

1.13 The salary advice as well as proof of the initial down payment must be attached to all arrangement, including identity document which have been concluded, in order for the agreed arrangement to be implemented.

1.14 The debtor agrees to honour in full the current account while simultaneously reducing the arrears.

1.15 The municipality may allow a period of payment in excess of 6 months for the payment of arrears, but not exceeding a period of 12 months.

1.16 Acknowledgement of debt and arrangement agreement forms must be completed fully and signed by the customer himself/herself and all documents required must be submitted before the arrangement can be approved.

1.17 The total arrear amount which is subject to the agreed arrangement will cease to attract interest if the arrangement is honoured. If, however, the arrangement is dishonoured, interest will be levied and the whole outstanding amount becomes due and payable.

1.18 Special arrangements on arrears are treated as a once-off opportunity to account holders who have fallen into arrears. Individuals who did not honour a previous agreement will therefore not be considered for a new agreement, unless exceptional circumstances are found to have existed.

1.19 Agreements may not be concluded with customers who respond only after being handed over to attorneys for collection.

1.20 An acknowledgement of debt and arrangement agreement must be concluded per property.

~~1.21~~ Businesses placed under provisional or actual liquidation, will only be allowed to purchase services on a pre-payment basis. Prepaid meters will not be installed if there is an outstanding balance on the account/s, unless an arrangement is made to settle the arrears. Customers who are indebted to the municipality for rates and services and wish to submit building plans for approval will first have to make an arrangement to pay off their arrears before such plans can be approved.

1.22 The arrangement for the following categories of consumers may be allowed for a period in excess of 12 months and not exceeding 24 months, current accounts to be paid in full

- Under debt review, administrations and late estate

1.23 The incentive scheme will be considered and a once-off discount will be given to the account holders settling their accounts which are older than 90 days as follows:

1.24 The incentive scheme offers a discount on the outstanding balance andt the payment arrangement in relation to the scheme should not exceed a not exceed a period of six months to settle the balance excluding the current account.

9. DISPUTES

9.1 In this policy “disputes” refers to the instance when a debtor questions the correctness of any account given by the Municipality through the office of the Municipal Manager as per the process in sub-item (9.2) below.

9.2 In order for a dispute to be registered with the Municipality, the following procedure must be followed:

9.2.1 By the Debtor

a) The dispute must be in writing as no dispute will be registered verbally or telephonically.

b) The debtor must furnish full particulars including ALL accounts held with the Municipality, including, Municipal Account numbers, ERF numbers, Property Address, Identification of Owner and or Tenant and contact details of All parties involved in the dispute. The Municipality reserves the right to request and any further particulars deemed necessary.

c) The full nature and extent of the dispute must be described in the correspondence referred to above.

d) The onus is on the debtor or Account Holder to ensure that he/she receives a written acknowledgement from the Municipality of the dispute being received by the Municipality.

e) Notwithstanding the dispute, the debtor will be liable for the outstanding amount due in terms of this policy, excluding the disputed amount.

9.2.2 By the Municipality

a) On receipt of the dispute the following action(s) must be taken:
b) A written acknowledgement of the receipt of the dispute must be provided to the debtor.
c) Inform the debtor to continue paying the account excluding the disputed amount.
d) The dispute must be registered in a dispute register.
e) Inform the debtors department of the dispute.
f) The dispute must be resolved within 3 (THREE) months.
g) Ensure that all relevant information is received and rectified accordingly on the system.

9.2.3 The following provisions apply to the consideration of disputes:

a) All disputes must be concluded by the Municipal Manager or delegated official.
b) The Municipal Manager or delegated official decision is final and will result in the immediate implementation of any debt collection and credit control measures provided for in this policy after the debtor is provided with the outcome of the appeal.
c) The same dispute will not be classified as a dispute and will not be reconsidered.
d) Should the debtor not be satisfied with the outcome of the dispute, a debtor may lodge an appeal in terms of section 62 of the Systems Act.

e) The Municipality reserves the right to declare a dispute on any account as may be deemed necessary.

f) The municipality shall strive to install prepaid meters for water and electricity to reduce disputes and thereby giving the consumer power to manage their account.

10. IRRECOVERABLE DEBT

10.1 Criteria for Irrecoverable Debt

10.1.1 Debt will only be considered irrecoverable if it complies with the following criteria:

a) All possible avenues and processes must be followed to recover any debt to the Municipality
b) The cost to recover the debt does not warrant further action
c) A deceased debtor has no liquid assets to cover the outstanding amount following the final distribution of the estate
d) All debtors who are registered as indigent
e) A court of law has made a ruling in the matter
f) The outstanding debt is due to administrative errors by the Municipality

10.2 Authorization

10.2.1 As rates and taxes are deemed to be recoverable in all instances, all requests to write-off debt in respect of rates & taxes must be presented as individual items to the Municipal Council for authorization of such debt to be written off. This excludes debt by Indigents.

10.2.2 In respect of other debt, a schedule indicating the debtor account number, the debtors name, amount owing, age of the debt, as well as the reason for write-off, must be compiled.

10.2.3 Notwithstanding the above, Council will be under no obligation to write-off any particular debt and will always retain sole discretion to do so.

11. CREDIT CONTROL AND DEBT COLLECTION OF EMPLOYEE ACCOUNTS

~~11.1~~ As per the Municipal Systems Act (No 32 of 2 000), Schedule 2 S10, municipal employees may not be in arrears with their municipal accounts for greater than three months

11.2 Payment of arrear amounts by staff may be extended to a maximum of 42 months in exceptional circumstances in order to deal with previous accumulated arrears and within the prescripts of the Basic Conditions of Employment Act.

11.3 Thereafter no further arrears may be accumulated.

11.4 In order to ensure timeous, assured payment of employee accounts, all employees residing within the Mafube Local Municipality shall be subject to an automatic deduction instituted against their salaries.

12. CREDIT CONTROL AND DEBT COLLECTION OF COUNCILLOR ACCOUNTS

12.1 The Local Government Laws, s12A of Schedule 1 of MSA, states that Municipal Councilors may not be in arrears to the municipality for rates and services for a period longer than 3 months.

12.2 In addition, in terms of the Municipal Finance Management Act (No 56 of 2003), S124 (b). "The notes to the annual financial statements of a municipality must include particulars of ……. any arrears owed by individual councilors to the municipality …. for rates or services and which at any time during the relevant financial year were outstanding for more than 90 days, including the names of those councilors….."

12.3 In order to ensure timeous, assured payment of councilor accounts, all councilors shall be subject to an automatic deduction instituted against their councilor allowance payments on a monthly basis.

13. ENQUIRIES AND APPEALS.

13.1 Any aggrieved person may address a grievance or query regarding charges for municipal services to the Chief Financial Officer in writing or may visit any customer care office provided by the Municipality.

13.2 Every customer has the right to ask and to be provided with a clear explanation as to the services being charged and a breakdown of all amounts shown on their account.

13.3 The aggrieved person shall clearly state the basis of his or her dissatisfaction and the desired resolution.

13.4 The lodging of an inquiry shall not relieve the aggrieved person of the responsibility to settle his or her account.

13.5 And interim payment similar to an average account must be paid by the due date pending finalization of the enquiries.

13.6 The Municipality will respond to all enquiries from customers within 30 days from the lodging of the enquiry.

14. COMMUNICATION WITH COMMUNITIES AND OTHER STAKEHOLDERS

14.1 On approval of the new policy, a comprehensive communication plan will be implemented through the Marketing and Communication Directorate, in conjunction with the relevant Directorates, in order to advise ratepayers and consumers regarding incentives, payment terms and arrangements in the following languages: English and at least one other official language. This will be done in conjunction with the ward committees.

15. CLEARANCE CERTIFICATES

15.1 Before any property can be transferred from one owner to another, all arrears are payable, where after the Chief Financial Officer issues a certificate to that effect. No transfer can take place without such a certificate.

15.2 Before any clearance certificate is issued the responsible official must ensure that actual readings are captured on the financial system

16. CLIENT CARE

16.1 Clients may lodge appeals on the accuracy of accounts at the Debtor Client services Section.

16.2 Whilst such an appeal is not solved, no credit control measures are taken for that amount.

16.3 Other levies on the account, which do not form part of such an appeal, are however still payable and are not included in the extension for payment.

16.4 The municipality shall not be held liable for leaks inside properties of the consumer and no credit will be passed on the consumer account for such leaks.

16.5 PENSIONER'S REBATE - Pensioner's rebates will be dealt with in terms of the Rate policy.

17. REPORTING ON PERFOMANCE MANAGEMENT

17.1 The Chief Financial Officer shall report monthly to the Municipal Manager in suitable format to enable the Municipal Manager to report to the Executive Mayor as Supervisory Authority in terms of section 99 of the Systems Act.

17.2 The Executive Mayor as Supervisory Authority shall, at intervals of three months, report to council as contemplated in section 99 of the Systems Act.

17.3 This report shall contain particulars cash collection statistics, showing high-level debt recovery information including amongst others numbers of customers, enquiries, arrangements, default arrangements, growth or reduction of arrear debt. Where possible, the statistics should ideally be divided into wards, business (commerce and industry) domestic, state, institutional and other such division.

17.4 If in the opinion of the Chief Financial Officer, the Municipality will not achieve cash receipt income equivalent of the revenue 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 in agreement with the Chief Financial Officer, immediately move for a revision of the budget according to realistically realizable income levels.

18. PROPERTY MANAGEMENT LEASES.

18.1 The procedure for the recovery of arrears on leases will be accordance with the conditions contained in the relevant lease contract and this policy will be applied if deemed appropriate by the Chief Financial Officer.

19. POWER OF ENTRY AND INSPECTION.

19.1 For any purpose related to the implementation or enforcement of this policy, and at all reasonable times, or in an emergency, a duly authorized representative of the Municipality may enter premises, request information and carry out such inspection or examination, as he or she may deem necessary. With regard to the installation or repair of any meter or service connection or reticulation so as limit, discontinue, disconnect or reconnect the provision of any service. To take readings for consumption of water and electricity.

19.2 If the Municipality considers it necessary that work be performed to enable the afore stated authorized representative to perform a function referred to in subsection (1) property and effectively, then it may, by written notice require the owner or occupier of the premises, at his or her own expense, to do specific work within a specified period, or. If in its reasonable opinion, the situation is a matter of urgency, then the Municipality may do such work, or cause it to be done, at the expense of the owner or occupier, and without written notice.

19.3 If the work referred to in subsection (2) above is carried out for the sole purpose of establishing whether a contravention of this policy has been committed, and no such contravention has taken place, then the Municipality shall bear the expense connected therewith, together with the expense of restoring the premises to its former condition.

20. NOTICES

20.1 A notice or document issued by the Municipality in terms of this policy shall be deemed to be duly issued if signed by a duly authorized representative of the Municipality.

20.2 If a notice is to be served on a person in terms of this policy then such services shall be effected by:

20.2.1 Delivery the notice to him or her personally/by post , or to his or her duly authorized agent;

20.2.2 Delivering the notice at his or her residence or place of employment, to a person apparently not less than 16 years of age, and apparently residing or employed there;

20.2.3 If he or she has nominated an address for legal purposes, delivering the notice to such an address. Registered or certified post, addressed to his or her last known address,

20.2.4 In the case of a body corporate, delivering it to the registered office or the business premises of such a body corporate; or If the service cannot be effected in terms of the afore going subsections, by affixing it to the principal door of entry to the premises or displaying it in a conspicuous place on the property to which it relates.

21. <u>DUTIES AND FUNCTIONS OF WARD COUNCILORS</u>

- To hold regular meetings wherein the credit control and debt collection policy and procedures of Council are addressed.
- To adhere to and convey Council policies to residents and ratepayers and in particular the credit control and debt collection policy and procedure.
- To adhere to the code of conduct for Councilors
- To act in terms of roles and functions as approved by Council and assist in the dissemination and distribution of information

22. BY-LAWS TO BE ADOPTED.

22.1 By-laws shall be adopted to give effect to the council's credit control and debt collection policy.

22.2 These by-laws deal severely with defaulters, and their application requires a considerable degree of commitment from the municipal manager and his or her administration, as well as from the municipality's political structures.

22.3 For these by-laws to ensure the avoidance of financial misfortunes for the municipality, and to lead to sustained financial stability, their application will have to receive the constant attention of all the municipality's key role players and decision makers. If these by-laws are not constantly and consistently applied, from month to month and from year to year, the municipality's political and administrative credibility will be severely impaired, and it may not be able to avert financial collapse in the long run.

23. REPEAL OF POLICY.

23.1 Any policy relating to credit control and debt collection adopted by the Municipal or any erstwhile municipal council now comprising an administrative unit of the Municipality shall be repealed from the date of promulgation of this policy.

24. PUBLICATION OF POLICY

24.1 The Municipal Manager shall, within 14 days from the date of adoption of this Policy by the Council, by public note draw the attention of the public to its broad contents and method of application.

25. **IMPLIMENTATION AND REVIEW OF THIS POLICY**.

25.1 This policy shall be implemented once approved by Council. All future credit control actions must be made in accordance with this policy. In terms of section 17(1) of the MFMA this policy must be annual basis and the reviewed policy tabled to Council for approval as part of the budget process.

26. APPROVAL OF POLICY

Signed by the Municipal Manager**:**

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MUNICIPAL MANAGER **DATE**