



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

2020-2021

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1. PURPOSE

- 1.1. Section 95 of the Local Government: Municipal Systems Act, no 32 of 2000 (“the Act”) requires the Municipality to:
 - 1.1.1. establish a sound customer management system;
 - 1.1.2. establish mechanisms for users of services and ratepayers to give feedback to the municipality regarding the quality of services;
 - 1.1.3. Take reasonable steps to ensure that users of services are informed of the costs of service provision, the reason for the payment of service fees, and the manner in which monies are utilised;
 - 1.1.4. Take reasonable steps to ensure the accurate measurement of consumption of services;
 - 1.1.5. Ensure the receipt by persons liable for payments of regular and accurate accounts that indicate the basis for calculating the amounts due;
 - 1.1.6. Provide accessible mechanisms for those persons to query or verify accounts and metered consumption, and appeal procedures which allow for prompt redress for inaccurate accounts;
 - 1.1.7. Provide accessible mechanisms for dealing with complaints, prompt replies and corrective action;
 - 1.1.8. Provide mechanisms to monitor response times to such complaints;
 - 1.1.9. Provide accessible pay points and other mechanisms for settling accounts or for making pre-payments for services.
- 1.2. Section 96 of the Act requires the Municipality to:
 - 1.2.1. Collect all money that is due and payable to it;
 - 1.2.2. For the abovementioned purpose, adopt, maintain and implement a credit control and debt collection policy.
- 1.3. Section 97 of the Act requires that such a policy must provide for:
 - 1.3.1. Credit control procedures and mechanisms;
 - 1.3.2. Debt collection procedures and mechanisms;

- 1.3.3. Indigent debtors;
- 1.3.4. Realistic targets;
- 1.3.5. Interest on arrears;
- 1.3.6. Extension of time for payment of accounts;
- 1.3.7. Termination of services or the restriction of the provision of services when payments are in arrears;
- 1.3.8. Matters relating to unauthorised consumption of services.

1.4. The purpose of this policy is to provide for the matters referred to in 1.1, 1.2 and 1.3.

2. DEFINITIONS

In this policy:

- 2.1. Unless the context clearly requires a different interpretation, any word or expression which has been defined in the By-law shall bear the same definition when used in this policy;
- 2.2. unless the context clearly requires a different interpretation:
 - 2.2.1. “The Act” shall mean the Local Government: Municipal Systems Act, 2000;
 - 2.2.2. “The By-law” shall mean the Municipality’s By-law which must be adopted to pursuant to Section 98 of the Act to give effect to this policy;
 - 2.2.3. “Customer care officials” shall mean the Customer Care Customer care officials establish in accordance with this policy;
 - 2.2.4. “Council” shall mean the Council of the Municipality;
 - 2.2.5. “Customer” shall mean any person to whom the Municipality supplies services.
 - 2.2.6. “The Executive Mayor” shall mean the Executive Mayor of the Municipality;
 - 2.2.7. “The Municipal Manager and or Delegated Manager” shall mean the Municipal Manager and or Chief Financial Officer of the Municipality.

3. SUPERVISORY AUTHORITY

- 3.1. As provided by section 99 of the Act, the Executive Mayor of the municipality is responsible for overseeing and monitoring :
 - 3.1.1. The implementation and enforcement of this policy and the by-law;
 - 3.1.2. The performance of the Municipal Manager and or Chief Financial Officer in implementing this policy and the by-law.
- 3.2. The Executive Mayor shall at least once a year cause an evaluation or review of this policy and the by-law to be performed, in order to improve the efficiency of the municipality's credit control and debt collection mechanisms, processes and procedures, as well as the implementation of this policy.
- 3.3. The Executive Mayor shall submit a report to Council regarding the implementation of this policy at such intervals as Council may determine.

4. IMPLEMENTING AUTHORITY

- 4.1. As contemplated in Section 100 of the Act, the Municipal Manager and or Delegated Manager:
 - 4.1.1. Is responsible for implementing and enforcing this policy and the by-law;
 - 4.1.2. Is accountable to the Executive Mayor for the enforcement of this policy and shall submit a report to the Executive Mayor regarding the implementation and enforcement of the policy at such intervals as may be determined by Council;
 - 4.1.3. Must establish effective administration mechanisms, processes and procedures to collect money that is due and payable to the municipality.
- 4.2. In addition, the Municipal Manager and or Chief Financial Officer shall:
 - 4.2.1. Where necessary, make recommendations to the Council with the aim of improving the efficiency of the credit control and debt collection mechanisms, processes and procedures;

- 4.2.2. Establish effective communication between the municipality and account holders with the aim of keeping account holders abreast of all decisions by Council that may affect account holders;
 - 4.2.3. Establish customer service customer care officials located in such communities as determined by the Municipal Manager and or Delegated Manager.
 - 4.3. The Municipal Manager and or Chief Financial Officer may, in writing, delegate any of the powers entrusted or delegated to him or her in terms of this policy or the by-law to the Chief Financial Officer.
 - 4.4. A delegation in terms of 4.3 :
 - 4.4.1. Is subject to any limitations or conditions that the Municipal Manager and or Chief Financial Officer may impose;
 - 4.4.2. May authorise the Chief Financial Officer to sub-delegate in writing duties and responsibilities to the Manager: Treasury Services.
 - 4.4.3. Does not divest the Municipal Manager and or Chief Financial Officer of the responsibility concerning the exercise of the delegated power.
 - 4.5. The Municipal Manager and or Chief Financial Officer shall report monthly to the executive mayor and quarterly to the council on the actions taken in terms of the by-law and on the payment levels for the periods concerned.
 - 4.6. Such reports shall indicate any administrative shortcomings, the measures taken or recommended to address such shortcomings, and any actions by councillors who could reasonably be interpreted as constituting interference in the application of the by-law.
 - 4.7. It is incumbent on all the officials of the municipality to promote and support both this policy and the application of the by-law. The responsibilities of all officials include reporting to the Municipal Manager and or Chief Financial Officer any evident breaches of the by-law, whether by members of the community, other officials or councillors of the municipality.

5. CUSTOMER CARE AND MANAGEMENT

Customer care and management shall be carried out in accordance with the provisions of 6 to 12.

6. CUSTOMER/ CLIENT/ CREDIT CONTROL CARE OFFICIALS

6.1. The Municipality shall establish a Customer/ Client/ Credit Care officials whose general function shall be to create a positive and reciprocal relationship between the persons liable for payments and the municipality ,e.g. TV's.

6.2. In particular, these officials shall:

6.2.1. Serve as the conduit for receiving feedback regarding the quality of services, and to this end, shall receive, process, analyse and report to the Municipal Manager and or Chief Financial Officer on such feedback;

6.2.2. Provide information to customers on the costs involved in service provision, the reasons for the payment of service fees, and the manner in which monies raised from services are utilised;

6.2.3. Serve as the point at which queries regarding accounts may be submitted and shall deal with such queries;

6.2.4. Serve as the point at which complaints may be submitted, and shall respond to such complaints.

6.3. The Municipality shall ensure that the officials are adequately staffed and funded, and that appropriate provision is made for it in the Municipality's budget and staff establishment.

6.4. The officials shall be housed in an appropriate location in each municipal town and shall be properly equipped to deal with the matters referred to in 5.2 telephonically, by mail, e-mail and directly with the public.

6.5. BUILDINGS

6.5.1 Any buildings improvement submit municipal account. Municipal account must be settle before approved of buildings improvement.

7. COMMUNICATIONS

The Municipality shall promote communications and feedback channels as follows:

- 7.1. This policy or relevant extracts thereof will be available in any two of the official languages;
- 7.2. Copies of this policy may be obtained from the Municipality at a cost determined by the Council from time to time and will be made available by general publication and on specific request, and will also be available for perusal at Council's offices and the official web site.
- 7.3. The municipality will endeavour to distribute a regular newsletter, which will give prominence to customer care and debt collection issues.
- 7.4. Ward councillors will be required to hold regular ward meetings, at which customer care and debt collection issues will be given prominence.
- 7.5. The press will be encouraged to give prominence to Council's customer care and debt collection issues, and will be invited to Council or Committee meetings where these are discussed.
- 7.6. In particular, the mechanisms referred to in 7.3, 7.4 and 7.5 shall be used to convey to customers information relating to the costs involved in service provision, and how funds received for the payment of services are utilised, and may where necessary employ the services of local media to convey such information.

8. METERING

- 8.1. Where meters are provided for the measuring of the consumption of services, the Municipality will endeavour to ensure that they are read monthly, and as close to the same date as is practical in each month.
- 8.2. The municipality shall ensure that meters accurately record consumption.
- 8.3. If a meter is not read in any month, the municipality will estimate the consumption for the month in question, and to that end, where possible, it will base its estimate on the average consumption for the three preceding months. The next account based on an actual reading shall reflect any adjustments that need to be made to provide for any excess amount or shortfall in the estimated account.
- 8.4. Customers may request verification of meter readings.

9. ACCOUNTS AND BILLING

- 9.1. Customers will receive accounts on a monthly basis for services supplied and for rates.
- 9.2. If all the services are supplied to, and the rates are payable by, a single person at the premises, then the account may be consolidated for all such services.
- 9.3. All accounts shall reflect how the amount thereof is made up and calculated, and shall include, where applicable, an indication of the units consumed.
- 9.4. Accounts shall be understandable and accurate.
- 9.5. The due date for payment shall be indicated on each account.
- 9.6. Accounts shall be sent to the address of the consumer last recorded with the Municipality.

10.7 Municipal services - from 1 July 2016 no service charges services account can be opened by a lessee. All will be for the account of the owner. Notwithstanding the above, the municipality can still enter into service contracts with tenants at its own discretion.

Applications will be considered on merit

10. QUERIES AND APPEALS

- 10.1. A customer who believes that any account incorrectly reflects the amount owed by him or her may lodge a query regarding such account with the customer/ client/ credit control officials in the Treasury Department or with the Manager Treasury.
- 10.2. Such query must be in writing and must specify the nature of the query and the manner in and extent to which the customer believes the amount stated in the account differs from that actually owed, and the basis for such belief.
- 10.3. The administration shall endeavour to resolve the query within 10 working days.
- 10.4. Pending resolution of the query, the customer shall nonetheless be liable to pay, on or before the due date for payment of the account in question, an amount equal to average of the amounts payable in respect of the three months preceding the month of the account in question. Any excess payment or shortfall made in terms hereof shall be adjusted and provided for in the next account.
- 10.5. For purposes of resolving the query, the customer care officials must diligently make all necessary inquiries with the relevant departments, and in accordance with the information obtained in the course of such inquiries, shall determine the amount actually payable and shall either:

- 10.5.1. Confirm the amount stated in the account; or
 - 10.5.2. Accede to the customer's query and adjust the account according to the amount claimed by the customer; or
 - 10.5.3. Partially accede to the customer's query and adjust the account by a different amount.
- 10.6. Should the customer not be satisfied with the determination of the delegated officials and or manager, he or she may appeal to the Municipal Manager and or Chief Financial Officer against such determination.
- 10.7. Such appeal must be made in writing and lodged with the municipality within 21 (twenty-one) days after the notification of the administration's determination, and must:
- 10.7.1. Set out the reasons for the appeal.
 - 10.7.2. Be accompanied by any security determined for the testing of a measuring device, if applicable.
- 10.8. Upon receipt of the appeal, the Municipal Manager and or Chief Financial Officer shall make such inquiries as he or she considers necessary and endeavour to determine the amount actually owed within 10 days of the appeal being made.
- 10.9. In accordance with such determination the Municipal Manager and or Chief Financial Officer shall:
- 10.10. Confirm the amount stated in the account; or
- 10.10.1. Accede to the customer's appeal and adjust the account according to the amount claimed by the customer; or
 - 10.10.2. Partially accede to the customer's appeal and adjust the account by a different amount.
- 10.11. The determination of the Municipal Manager and or Chief Financial Officer shall be final and binding, subject, however, to the outcome of any court proceedings instituted by or against the customer in respect of the disputed amount.

10.12. The customer shall be notified in writing of any determination of the customer care officials or the Municipal Manager and or Delegated Manager.

11. SERVICE COMPLAINTS

11.1. Should a customer have any complaint about any service rendered by the Municipality, he or she may lodge such complaint in writing, setting out full particulars of the complaint with the Customer/ Client/ Credit control officials.

11.2. The officials shall investigate the matter and if it finds that the complaint is justified, shall propose such remedial action as in the circumstances is reasonable and practical to apply.

11.3. Such remedial action shall, however, be ratified by the Chief Financial Officer and or Manager Treasury before it is implemented.

11.4. The response time and efficiency in dealing with any complaint shall be monitored by the Manager Treasury.

11.5. Every effort must be made to resolve any complaint in the shortest possible time.

11.6. The customer shall be notified in writing of the outcome of any investigation and any remedial action ratified by the Municipal Manager and or Chief Financial Officer and or Treasury manager.

12. PAYMENT FACILITIES

12.1. The Municipality shall establish accessible pay points and other mechanisms for settling accounts.

12.2. Such pay points and mechanisms may include:

- 12.2.1. Cashier desks at the Municipality's offices;
- 12.2.2. Postal payment facilities;
- 12.2.3. On-line payment facilities;
- 12.2.4. Direct deposit facilities;
- 12.2.5. Third - party payment facilities.

12.3. The municipality may in terms of section 103 of Act:

- 12.3.1. with the consent of a customer approach an employer to secure a debit or stop order arrangement to deduct any amount owed from that persons salary; and
- 12.3.2. Provide for special incentives as contemplated in section 103 of the Systems Act.

13. TARGETS

The municipality shall endeavour to achieve the targets set out in Appendix A hereto.

14. INDIGENT DEBTORS

- 14.1. This policy must be read in conjunction with the municipality's approved indigent policy, which is deemed to be incorporated in and form part of this policy.
- 14.2. Any debt owing by an indigent debtor, after deduction of the indigent support subsidy, shall be recovered from him or her, in accordance with this policy.

15. APPLICATIONS FOR SERVICES AND AGREEMENTS: ALL DEBTORS / CLIENTS

- 15.1. All applications for the provision of municipal services in respect of any immovable property shall, as from the coming into force of this policy, be made by the owner of the aforesaid property, or by the occupier of the

property with the consent of the owner, in writing, and in the prescribed form.

- 15.2. Such form shall contain the terms and conditions for the provision of such services to the customer, and upon such application being accepted by the municipality, such terms and conditions shall become binding as an agreement between the municipality and such applicant.
- 15.3. Prior to signing such form, the applicant shall be entitled to inspect a copy of this policy or to purchase a copy at a price determined according to the Municipality's tariff for copying.
- 15.4. Applications for services shall be processed by the Treasury Department of the Municipality.
- 15.5. Prior to accepting such application, the Municipality shall cause all such investigations into the creditworthiness of the applicant as it deems necessary. The application form referred to above shall provide for the authorisation by the applicant of the Municipality to do so. Only if, after carrying out such investigations, the Municipality is satisfied as to the creditworthiness of the applicant shall it accept such application.
- 15.6. The Municipal Manager and or Delegated Manager, in consultation with the Chief Financial Officer of the Municipality, shall for the purposes of determining the creditworthiness of applicants, establish norms setting out levels of risk which the municipality is prepared to accept in order to be satisfied as to creditworthiness. Such norms may distinguish between different categories of person.
- 15.7. If any application is accepted by the Municipality, the relevant form shall be signed on behalf of the Municipality by the Municipal Manager and or Chief Financial Officer or a member of staff to whom the Municipal Manager and or Chief Financial Officer has delegated the authority to sign.

- 15.8. If any municipal services have been provided prior to the commencement of this policy to any customer other than in terms of a written agreement, then the municipality and the customer must enter into a written agreement for the continued provision of such services by no later than six months after this policy coming into force.

16. DEPOSITS

- 16.1. An applicant for the provision of municipal services shall be required to pay, before municipal services will be provided, a deposit in an amount as provided in the Municipality's tariff of charges. Such tariff may distinguish between different categories of person and may provide different deposits for different categories.
- 16.2. Such deposit may be increased at any time during the period of the provision of the service at the discretion of the Municipality up to a maximum as provided for in the Municipalities' tariff structure for the applicable financial year.
- 16.3. No interest will be payable by the Municipality on any deposits.
- 16.4. If the customer fails to pay any amount due to the Municipality by due date, the Municipality shall be entitled to deduct such amount from the deposit, in which event the Municipality may require the customer to reinstate the deposit to its full amount.
- 16.5. 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.

17. PAYMENTS

- 17.1. Every account rendered by the municipality shall be payable on or before the due date appearing on that account.
- 17.2. Failure on the part of any customer to receive an account shall not absolve that person from the responsibility to pay any account by due date, and every customer shall be responsible, by means of inquiry directed to the Municipality, to ascertain his her liability in any month.
- 17.3. Any amount which remains due and payable after the due date shall attract interest.
- 17.4. Payments may be made at established pay points or by any other established mechanism.
- 17.5. A payment shall be deemed to be late, unless it is received by the due date:
 - 17.5.1. at a municipal pay point by 15.00; or
 - 17.5.2. in the Municipality's bank account by 16.00 if payment is made by some other mechanism.
- 17.6. Electronic payments or payments made via duly authorised agents must:
 - 17.6.1. Clearly indicate the details of the customer on behalf of whom the payment is made; and.
 - 17.6.2. Must be accompanied by the relevant account numbers.

18. ARRANGEMENTS TO PAY

- 18.1. Upon good cause shown, the Municipal Manager and or Chief Financial Officer and or delegated officials may enter into an arrangement with a debtor other than an indigent debtor for:
 - 18.1.1. an extension of time for the payment of an outstanding account,
or
 - 18.1.2. Payment of an account by way of instalments.
 - 18.1.3. Official-3 months

- 18.2. A maximum of 12 months or at the discretion of the Chief Financial Officer may be allowed for an extension of time to pay.
- 18.3. An arrangement to pay by way of instalments shall provide for payment according to applicable schedules, according to the category of customer and the amount of the debt and according to the discretion of the Chief Financial Officer.
- 18.4. In addition, every such arrangement must provide for the following:
- 18.4.1. an acknowledgement of debt by the customer;
 - 18.4.2. a consent to judgement by the customer;
 - 18.4.3. The payment of interest by the customer;
 - 18.4.4. an acknowledgement by the customer that, if the arrangements are later defaulted on, no further arrangements will be possible and that disconnection of water and electricity will follow immediately, as will legal proceedings;
 - 18.4.5. An undertaking by the customer to pay all legal costs.
- 18.5. The terms of any such arrangement shall otherwise be as approved by the Municipal Manager and or Chief Financial Officer.
- 18.6. Every such arrangement shall be recorded as a written agreement, and shall be signed on behalf of the Municipality by the Municipal Manager and or Chief Financial Officer or a person to whom the authority to sign has been delegated by the Municipal Manager.
- 18.7. Any debtor who enters into a *bona fide* arrangement with the municipality for the settlement of arrears and who fails to honour the terms of such arrangement shall not be allowed to enter into any further arrangements with the municipality unless any amount (including all interest and other charges) owing under the first-mentioned arrangement has been fully paid, or if, in the opinion of the Municipal Manager and or Delegated Manager, special circumstances exist which justify the entering into of such further arrangements .

- 18.8. No such arrangement shall be entered into with any National or Provincial Government Department, as these are expected to pay their accounts in full without delay.
- 18.9. The municipality may require as a condition of any agreement contemplated above that a prepaid system be installed in place of a metering system on the property in question. Not just overdue clients but also clients on indigents.

19. RESTRICTION OR TERMINATION OF SERVICES

- 19.1. The municipality may restrict, discontinue or disconnect the supply of water or any other service to any premises, whenever a customer, in respect of a particular service fails to make full payment on the due date, or fails to make an acceptable arrangement for the repayment of any amount for such particular service;
- 19.2. The Municipal Manager and or Chief Financial Officer shall, where an account has not been paid by the due date, issue a written notice to the account holder stating that unless the arrears relating to such account is paid in full within seven days of the date of such notice, the services concerned may be restricted or discontinued. Such notice may be delivered by hand or post or by any other means to the address of the account holder as indicated in the Municipality's records.
- 19.3. If the debtor fails to pay the outstanding account within the aforementioned period of seven days then the municipality may restrict or discontinue the supply of the service to the Municipality.
- 19.4. Nothing contained in this section shall be construed so as to detract from the requirements of section 4(3) of the Water Services Act, 1997.

19.5. The chief financial officer may, in respect of an owner or occupier of a property where the water and or electricity connection has been disconnected at least twice during the preceding period of 12 (twelve) months, give notice of his or her intention to review the amount of the deposit required from that owner or occupier, which reviewed deposit shall not be less than three times the average monthly account calculated over the three immediately preceding months;

19.6. Block of prepaid meters

19.6.1. Debtors, clients with prepaid meters with accounts in arrears more than 60 days may be blocked by the relevant officials in the Treasury Department. The list to be cut/ blocked must be approved by the relevant Manager Treasury or the Chief Financial Officer.

19.7. Alternatively the accounts in arrears may be put on 60/40 principle after approval of the list by the relevant Manager Treasury or the Chief Financial Officer.

20. RECONNECTION OF SERVICES

The Municipal Manager and or Chief Financial Officer shall authorise the reconnection of services or the reinstatement of service delivery, after satisfactory payment, or an arrangement for payment (including the payment of any reconnection charges), has been made by a debtor.

21. THEFT AND FRAUD

21.1. Any person who consumes any services without proper authorisation or who tampers with meters or any reticulation network or any other supply equipment or who without proper authorisation connects or reconnects to municipal services, or commits any unauthorised act associated with the supply of municipal services, as well as theft of and damage to Council property, will be prosecuted.

21.2. The Municipality will immediately terminate the supply of services to a customer who commits any such act, and shall not reconnect such supply unless it is satisfied that the customer concerned shall not continue such conduct and until it is compensated for all loss or damage arising from such conduct. The Municipality may in such circumstances increase any deposit payable by such customer.

22. INSTITUTION OF LEGAL AND OTHER PROCEEDINGS

22.1. If a debtor has failed to pay by due date any amount owing to the municipality, whether in respect of water or any other services or any other cause, including the interest raised on such account, or has not made an acceptable arrangement with the Municipal Manager and or Chief Financial Officer for the payment of the arrear account, including the interest raised on such account, then proceedings for the recovery of the amounts owing shall be instituted unless the cost of such collection and the prospects of recovery in relation to the amount of the arrears concerned would render such action non-cost-effective.

22.2. Such proceedings may include but need not be limited to:

22.2.1. the making of a written demand;

22.2.2. the handing over of any claim to collection or debt recovery agents;

22.2.3. the institution of proceedings out of the appropriate court, and

22.2.4. if necessary, pursuant to proceedings contemplated above, the sale in execution of property to recover arrear any amount owing (if the accountholder is also the owner of the property).

22.3. The Municipal Manager and or Chief Financial Officer shall determine the nature and extent of proceedings to be instituted in any particular case, subject to the requirements that all action as may necessary to recover the amount outstanding must be taken, provided that such action is cost – effective.

- 22.4. Such proceedings must, subject to the requirements of any law, be commenced as soon as possible.
- 22.5. All legal expenses incurred by the municipality shall be for the account of the defaulting debtor.
- 22.6. If attorneys are to be instructed to institute proceedings on behalf of the Municipality, the Municipal Manager and or Chief Financial Officer a person authorised thereto by the Municipal Manager and or Chief Financial Officer may instruct such attorneys to do so.
- 22.7. If the Municipal Manager and or Chief Financial Officer is of the opinion that the institution or continuation of proceedings for the recovery of any amount shall be fruitless or not cost -effective, the Municipal Manager and or Chief Financial Officer may recommend to the Council that such action be not commenced, or be discontinued or terminated.
- 22.8. The institution of any proceedings shall be subject to the provisions of the National Credit Act, 2005.

23. ALLOCATION OF PART- PAYMENTS

If a debtor pays only part of any municipal account due, the Municipal Manager and or Chief Financial Officer shall, notwithstanding any instructions to the contrary given by the debtor, allocate such payment as follows:

- 23.1. first, to any unpaid charges levied by the municipality in respect of unacceptable cheques, notices, legal expenses and reconnections or reinstatements of services in respect of the account or property concerned ;
- 23.2. second, to any unpaid interest raised on the account;
- 23.3. third, to rates and
- 23.4. Fourth, to outstanding/ arrears services.

24. DISHONOURED CHEQUES

If an accountholder tenders a cheque which is subsequently dishonoured by or is found to be unacceptable to the accountholder's bankers, the Municipal Manager and or Chief Financial Officer shall, in addition to taking the steps contemplated in this policy against defaulting accountholders, charge such accountholder the penalty charge for unacceptable cheques, as determined by the council from time to time, and such charge shall rank equally with the costs and expenses incurred by the municipality for purposes of determining the sequence of allocations and appropriations contemplated above.

25. UNCOLLECTABLE ARREARS

- 25.1. It is recognised that it may be impractical or impossible to recover certain debts.
- 25.2. The Municipal Manager and or Chief Financial Officer shall as soon as possible after each quarter 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.
- 25.3. The council shall then approve the write off of such arrears, on an annual basis if it is satisfied with the reasons provided. The write off of arrears will be according to the Write off Policy of council.

26. INTEREST ON OUTSTANDING DEBTS

- 26.1. All outstanding accounts of a debtor that are not paid by due date shall attract interest at a rate to be determined by resolution of the council.
- 26.2. Interest shall be calculated on a monthly basis.
- 26.3. For purposes of determining arrear amounts, all amounts unpaid including interest previously raised and penalty charges shall be taken into account.

27. REVIEW OF TARIFFS, ETC

In considering each annual budget the council shall review the adequacy of its interest charges, and shall determine the following for the financial year concerned

- 27.1. charges for disconnection or restriction of services;
- 27.2. charges for reconnection or reinstatement of services;
- 27.3. charges for notices of default;
- 27.4. penalty charges for dishonoured cheques;
- 27.5. service deposits;
- 27.6. Any other applicable charges such as tampering fees;
- 27.7. Rate of interest.

28. TENDERS

28.1. The Municipality may require any person tendering for the supply of goods or services to the Municipality to produce a certificate issued by the Chief Financial Officer of the Municipality stating that the said person maintains regular payments on all his or her accounts.

28.2. Where a person fails to provide such certificate, the municipality may recover any outstanding amounts owed for service charges, by way of deductions from all monies due and owing to such person and arising from a tender awarded to or contract concluded with the said person.

28.3. In the application of this section, the municipality shall interpret the provisions hereof so as to be consistent with the principles and contents of its supply chain management policy.

29. POWER OF ENTRY AND INSPECTION

29.1. For any purpose related to the implementation or enforcement of this policy, and at all reasonable times, or in an emergency, a duly authorised representative of the municipality may enter premises, request information and carry out such inspection or examination, as he or she may deem necessary:

29.1.1. with regard to the installation or repair of any meter or service connection or reticulation; or

29.1.2. so as to limit, discontinue, disconnect or reconnect the provision of any service.

29.2. If the municipality considers it necessary that work be performed to enable the authorised representative to perform a function as aforesaid properly and effectively, then it may –

29.2.1. 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

29.2.2. 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.

30. PROCEDURES AND FORMS

The Municipal Manager and or Chief Financial Officer may prescribe:

30.1. Procedures, which shall not be inconsistent with this policy, for the purpose of implementing this policy;

30.2. Forms which are required of the purpose of any application made in terms of this policy or which are otherwise required for implementing this policy.

31. NATIONAL CREDIT ACT

This policy must be interpreted and applied in accordance with and subject to the requirements of the National Credit Act, 2005.

32. COMMENCEMENT

This policy shall come into force on 1st of July 2018.

Appendix A

CUSTOMER SERVICE TARGETS

- | | | |
|-------|--|---|
| (i) | Response time to customer queries: | - Initial response within 10 working days. |
| (ii) | Resolution of Queries: | - 10 working days to resolve queries and appeals. |
| (iii) | Date of first account delivery of new customers: | - By second billing cycle after date of application or occupation which even is the latest. |
| (iv) | Reconnection time: | - within 24 hours after appropriate payment / arrangement. |
| (v) | Meter reading cycle: | - 95% of meters being read on monthly basis on a similar date with a maximum of 3 consecutive months estimated. |

ADMINISTRATIVE PERFORMANCE TARGETS

- | | | |
|-----|--------------------------------------|--|
| (i) | 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.

(ii) Enforcement mechanism ratios :

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