KAROO HOOGLAND MUNICIPALITY

Customer Care, Credit Control and Debt Collection Policies

2023/2024

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ROADMAP TO CREDIT CONTROL

BYLAW

To be published to empower the Council to implement and enforce the policy

CUSTOMER CARE; CREDIT CONTROL AND DEBT COLLECTION POLICY

Public document outlining the rights and obligations of all parties concerned

CUSTOMER CARE POLICY OBJECTIVES

To focus on the client's need in a responsible and pro-active way, to enhance the payment for services and to create a positive and cooperative relation-ship between the persons responsible for the pay-ment for services received, and the municipality, and where applicable, any service provider.

CREDIT CONTROL OBJECTIVES

To implement procedures which ensure the collection of debt, meeting of service targets and the prevention of escalation in arrear debt. To facilitate financial assistance and basic services for the community's poor and pro-vide incentives for prompt payment as well as ensuring limited risk levels by means of effective management tools.

DEBT COLLECTION POLICY OBJECTIVES

To provide procedures and mechanisms to collect all the monies due and payable to Council arising out of the supply of services and annual levies, in order to ensure financial sus-tainnability and delivery of municipal services in the interest of the com-munity.

CUSTOMER CARE PROCEDURAL WORKBOOK

CREDIT CONTROL PROCEDURAL WORKBOOK

DEBT COLLECTION PROCEDURAL WORKBOOK

Guidelines for official use and practises for implementation of the 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 Municipal Council of the Municipality of Karoo Hoogland adopts the policies as set out in this document.

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CUSTOMER CARE, CREDIT CONTROL AND DEBT COLLECTION POLICIES

DEFINITIONS

For the purpose of this policy, the wording or any expression has the same meaning as contained in the Act, except where clearly indicated otherwise and means the following:

"Act" The Local Government: Municipal Systems Act, 2000 (Act No 32 of 2000) as amended from time to time;

"Authorized Representative"
the person or institution legally appointed by the Council to act or to full fill a duty on its behalf;

"Chief Financial Officer"
the person appointed by Council to administer its finances;

"Council" the municipal council of the Municipality of Karoo Hoogland;

"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;

"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;

"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" the institution that is responsible for the collection of funds and the provision of services to the customers of Karoo Hoogland;

"municipal account"

an account rendered specifying charges for services provided by the municipality, or any authorised and contracted service provider, and/or assessment rates levies;

"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, sewerage treatment, and for which services charges are levied;

"occupier" any person who occupies any property or part thereof, without taking cognisance of the title in which he or she occupies the property,

"owner" –

(a) the person in whose name the property is legally vested;
(b) 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;
(c) 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;
(d) in the case of a lease agreement in excess of 30 years was entered into, then the lessee;
(e) regarding:

(i) 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;

(ii) 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;

(f) any legal entity including but not limited to :

(i) 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 organisation;

(ii) any provincial or national government department or local authority;

(iii) any council or management body established in terms of any legal framework applicable to the Republic of South Africa; and

(iv) any embassy or other foreign entity.

"property" any portion of land, of which the boundaries are determined, within the jurisdiction of the municipality;

1 PRINCIPLES

1.1 The administrative integrity of the municipality must be maintained at all costs. The democratically elected councillors are responsible for policy-making, while it is the responsibility of the Municipal Manager to ensure the execution of these policies.

1.2 All new owners will be opened a new Owners account by the Municipality in the Debtors Department and a Deposit of R1000.00 will be raised on all new owner's accounts. No new Tenants accounts are being opened at the Municipality

1.3 No application form is being completed as the Municipality have a lot of problems with new owners that does not live in the Municipal area. Contact details of new owners are obtained from the Transferring Attorneys on Registration of the Property at the Deeds office.

1.4 Billing is to be accurate, timeous and understandable.

1.5 The customer is entitled to reasonable access to pay points and to a variety of reliable payment methods.

1.6 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.

1.7 Enforcement of payment must be prompt, consistent and effective.

1.8 Unauthorised consumption, connection and reconnection, the tampering with or theft of meters, service supply equipment and the reticulation network and any fraudulent activity in connection with the provision of municipal services will lead to disconnections, penalties, loss of rights and criminal prosecutions.

1.9 Incentives and disincentives may be used in collection procedures.

1.10 The collection process must be cost-effective.

1.11 Performance results, will be regularly and efficiently reported by the Mayor to Council.

1.12 System Generated Lists will be used to, *inter alia*, categorise customers according to credit risk and to determine relevant levels of services and deposits required.

1.13 Targets for performance in both customer service and debt collection will be set and pursued and remedies implemented for non-performance.

1.14 Where practically possible the debt collection and customer care policies would be handled independently of each other and the organisational structure will reflect the separate functions.

1.15 The principle of providing services in lieu of payment for arrear accounts is supported.

2. DUTIES AND FUNCTIONS

2.1 *Duties and Functions of Council*

To approve a budget consistent with the needs of communities, ratepayers and residents.

To impose rates and taxes and to determine service charges, fees and penalties to finance the budget.

To facilitate sufficient funds to give access to basic services for the poor.

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.

To set an improvement target for debt collection, in line with acceptable accounting ratios and the ability of the Implementing Authority.

To approve a reporting framework for customer care, credit control and debt collection.

To consider and approve by-laws to give effect to the Council's policy.

To monitor the performance of the Municipal Manager *via* the Mayor (Supervising Authority) regarding customer care, credit control and debt collection.

To revise the budget should Council's targets for customer care, credit control and debt collection not be met.

To take disciplinary and/or legal action against councillors, officials and agents who do not execute council policies and by-laws, or act improperly in terms of such policies.

To delegate the required authorities to monitor and execute the customer care, credit control and debt collection policy to the Mayor and Municipal Manager and Service Provider respectively.

To provide sufficient capacity in the Municipality's Financial Directorate for customer care, credit control and debt collection. Alternatively to appoint a Service Provider, or debt collection agent.

To assist the Municipal Manager in the execution of his duties, if and when required.

To provide funds for the training of staff.