



HARRY GWALA DEVELOPMENT AGENCY (PTY) LTD
[REG. No: 2011/001221/07]

POLICY: CREDIT CONTROL

Administrative Responsibility:	Chief Executive Officer
Implementing Department / Departmental Unit	Budget and Treasury Office

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“MFMA” shall mean the Municipal Finance Management Act 56 of 2003, as may be amended from time to time

“MSA” shall mean the Municipal Systems Act 32 of 2000, as amended from time to time

“NON-EXECUTIVE DIRECTOR” shall mean a non-executive director of the Agency appointed in terms of section 93E of the Municipal Systems Act, 32 of 2000, and

“SHAREHOLDER” shall mean the Harry Gwala District Municipality.

“ACCOUNTING OFFICER” The Chief Executive Officer is the accounting officer of the municipality entity for the purpose of Act No. 56 of 2003: Local Government: Municipal Finance Management Act, 2003. (MFMA).

“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 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.

The responsibility remains with the consumer to see to it that all payments reach the municipal entity on or before the last date of payment (called the due date).

6 MONTHLY ACCOUNTS

Distribution of Accounts

All accounts must be sent out to consumers by approximately the 7th of the month. Due Date for Payments accounts is payable when levied and the final payment date will be as reflected on the account issued.

All payments received by the Budget and Treasury Office will be allocated on different accounts in a manner prescribed by the Chief Financial Officer. The consumer has no right to prescribe the sequence of allocation of payments made.

7 EXTENSION OF PAYMENTS

Extension of payment can be approved as follows:

7.1 A formal repayment agreement as well as an acknowledgement of debt agreement in the prescribed format must be entered into. The signature must be that of the account holder, his identity must be verified, and a copy of his identification document must be attached.

7.2 The total amount in arrears for the previous months must be paid in full unless arrangements were made.

7.3 50% of the current account must be paid.

7.4 The balance can be repaid no later than the end of the specific month.

7.5 Should extension be granted as a result of:

7.5.1 The death of a family member within the household – a death certificate must be obtained.

7.5.2 Unemployment of the breadwinner – proof must be obtained that he/she is registered with the Department of Labour. The possibility to enter the municipality's Indigent Support Programme must be offered to the consumer.

7.5.3 A maximum of three (3) extensions per year is allowed.

7.5.4 The attention of the consumer must be drawn to all of the conditions mentioned above.

8 NON-PAYMENT OF ACCOUNTS (ACCOUNTS IN ARREARS)

8.1 Amounts in Arrears

All amounts not received on the final payment date will be reckoned as to be in arrears.

8.2 Amounts not paid on Due Date

All accounts not paid on the due date and for which arrangements for extensions have not been made; a letter of reminder will be sent to the customer for the account that is 30 days overdue followed by another letter of demand for accounts that are 60 days overdue.

8.3 Final Notice and Legal Action

12 ROLE OF ACCOUNTING OFFICER

12.1 Section 100 of the Municipal Systems Act 2000 assigns the legal responsibility for implementing the credit control and debt collection policies and by-laws to the Accounting Officer.

12.2 In practice, however, the Accounting Officer will inevitably delegate some or many of the responsibilities as it will be administratively impossible for the Accounting Officer to perform the numerous other functions of this office as well as attend to frequently recurring administrative responsibilities. However, such delegation does not absolve the Accounting Officer from final accountability in this regard, and the municipal manager will therefore have to ensure that a proper internal reporting structure is established and consistently implemented so that the day-to-day actions of and results from the credit control and debt collection programme are properly monitored and supervised.

12.3 It is also an integral feature of the present policy that the municipal manager shall report monthly to the executive mayor or the executive committee, as the case may be, and quarterly to the council on the actions taken in terms of the by-laws, and on the payment levels for the periods concerned. Such reports shall, as soon as practicably possible, provide the required information both in aggregate and by municipal ward.

12.4 In addition, such monthly report shall indicate any administrative shortcomings, the measures taken or recommended to address such shortcomings, and any actions by councillors, which could reasonably be interpreted as constituting interference in the application of the by-laws.

12.5 Notwithstanding all the foregoing references to the accountability of the municipal manager in regard to these by-laws, it is incumbent on all the officials of the municipality, certainly all those who are at management level, as well as more junior officials who are directly or indirectly involved with the community and the municipality's general customer relations, to promote and support both this credit control and debt collection policy and the application of the attendant by-laws. The responsibilities of all officials include reporting to the municipal manager any evident breaches of these by-laws, whether by members of the community, other officials or councillors of the municipality.

13 LEGAL PRESCRIPTIONS AND REQUIREMENTS

LOCAL GOVERNMENT: MUNICIPAL SYSTEMS ACT NO. 32 OF 2000

SECTION 95: CUSTOMER CARE AND MANAGEMENT

A municipality or municipal entity must, in relation to the charging of fees for municipal entity's services, within its financial and administrative capacity, do the following:

- Establish a sound customer management system which aims to create a positive and reciprocal relationship between persons liable for these payments and the municipal entity itself or (where applicable) a service provider.

and other matters, and, if so, must ensure that such differentiation does not amount to unfair discrimination.

SECTION 99: 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, board of directors in a case of a municipal entity 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 by-laws enacted in terms of the foregoing requirements, and the performance of the accounting officer 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.

SECTION 100: IMPLEMENTING AUTHORITY

The Chief Executive Officer, must:

- implement and enforce the municipal entity'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 board of directors, report the prescribed particulars to a meeting of the supervisory authority referred to previously.

SECTION 101: MUNICIPALITY'S RIGHT OF ACCESS TO PREMISES

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

SECTION 102: ACCOUNTS

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

14 COMMENCEMENT

This policy will commence on 1 July 2025, and must be reviewed annually together with the budget related policies.

APPROVED BY:

NAME	SIGNATURE	DESIGNATION	DATE
Mrs T.T. Thiyane-Magaqa		Acting Chief Executive Officer	22 May 2025