

CREDIT CONTROL POLICY

It is the mission of the Council to implement a sound Credit Control Policy. The following procedures serve as a proposal to ensure the effective recovery of debt.

[A] SERVICES

The Council is committed to the recovery of outstanding debt regarding the provision of services. To achieve **this** goal the following procedure is proposed to control and **manage** the recovery of outstanding **debt** due to Council.

[1] Debt Recovery Procedure

[a] A deposit (as revised from time to time) **will** be required from each water consumer to protect the Council from any possible loss of revenue due to **bad** debts. A By-law needs to be adopted by Council, and after approval, promulgated in the Provincial Gazette. The implementation thereof will be from the date of promulgation.

[b] Monthly accounts will be issued to **all** property **owners/consumers**. These charges **shall be** payable within fourteen [14] days after the **last** day of each month in which such account was rendered. The fourteen day period needs to be adopted by Council and promulgated in the Provincial Gazette. Until such time the status quo will remain.

Interest will be raised on payments received after the due date, at prime rate plus 1%. This is in terms of the Local Government Ordinance 1939. The interest **will** be calculated on a monthly basis. A By-law in respect of the raising of interest needs to be adopted by Council, and after approval, promulgated in the Provincial Gazette. The implementation thereof will be from the date of promulgation.

Final demands **will** be issued to **defaulters** outstanding for a period exceeding 30 days. Failure to respond to **the** Final Demand by the due **date** [21 days] **will** result in the following :

Water supply will be **reduced**

To resume the service, a re-connection fee **will be** charged. The connection fee **will** be determined by Council.

[c] Legal Action

If the **defaulter fails** to **adhere** to the **conditions** of a Letter of Demand, thereafter legal proceedings for the recovery of debt, interest and legal costs **will follow**.

A RM2 summons document will be compiled **and submitted** to Court for endorsement. Thereafter, **the legal** documents are handed to **the** Messenger of the Court for service on the defaulters. **Defaulters** are **allowed** five [5] days, **after** the summons has been served upon them, to **settle** the debt.

Failure to respond to the summons **will** result in an Application for Default Judgement being applied for with the Court. This results in the blacklisting of the defaulter. Thereafter, a Warrant of Execution is compiled and submitted to the Court for endorsement and handed to the Sheriff who in execution of the Warrant, attaches goods to the value of the **debt** to be sold by Public Auction.

[d] Clearance Certificate

No rates Clearance Certificate **will** be authorized by Council unless **all** service charges have been paid to date. This is in accordance **with** Section 96 **[2][b]** of Ordinance 18 of 1976.

[2] Proposed Implementation Program

[a] The following needs to be discussed and approved by the applicable Councils :

A deposit to be paid by each water consumer.
Accounts shall be payable within fourteen [14] days after the **last** day of the month in which such account was rendered.
The raising of interest on outstanding consumer accounts.
Charging a re-connection fee **before** services are resumed.

[b] During the budget process of each year **this** policy should be discussed with local municipalities, communities and the governance structures

[c] After approval has been received from the respective Councils, the relevant By-laws will be promulgated in the Provincial Gazette.