

**LEJWELEPUTSWA
DISTRICT MUNICIPALITY**



**CREDIT CONTROL AND
DEBT COLLECTION POLICY
2024-2025 FINANCIAL YEAR**

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**LEJWELEPUTSWA DISTRICT MUNICIPALITY
CREDIT CONTROL AND DEBT COLLECTION POLICY**

PART 1: DEFINITIONS, INTRODUCTION, APPLICATION AND PRINCIPLES

1. DEFINITIONS

In this policy, unless the context indicates otherwise –

“arrears” in respect of an amount, means an amount that remains unpaid after the due date;

“debtor” in relation to the Municipality means any person owing money to the Municipality regardless of the reason for the debt arising;

“default” includes making only a partial payment of the amount indicated on an account issued by the Municipality;

“due date” in relation to an account, means the date stipulated on the relevant account;

“organ of state” means –

- (a) any department of state or administration in the national, provincial or local sphere of government; or
- (b) any other functionary or institution-
 - (i) exercising a power or performing a function in terms of the Constitution of the Republic of South Africa 1996 or a provincial constitution; or
 - (ii) exercising a public power or performing a public function in terms of any legislation;

“overdue” in respect of an amount, means an amount that remains unpaid after the due date;

“property” means immovable property registered in the name of a person, including, in the case of a sectional title scheme, a sectional title unit registered in the name of a person; and

“Systems Act” means the Local Government: Municipal Systems Act 2000 (Act No 32 of 2000).

2. OBJECTIVES AND APPLICATION

2.1 The objectives of this policy are –

- (a) to determine clear procedures to be followed to collect debts owing to the Municipality; and
- (b) to ensure that debts owing to the Municipality are collected in an effective and efficient manner.

2.2 This policy applies to –

- (a) all debts owing to the Municipality, including but not limited to, debts arising from –
 - (i) the renting of municipal property;
 - (ii) the employment relationship between the Municipality and its employees and former employees, e.g. debts owing to the Municipality due to the use of the Municipality's telephones and other office equipment for private purposes, debts arising from employees or former employees being liable for authorising, making or incurring irregular, fruitless and wasteful or unauthorised expenditure, overpayment of wages, loss of property of the Municipality or unpaid suspension as a penalty for misconduct;
 - (iii) overpayment of any salaries and allowances to councillors and former councillors and for a councillor or former councillor being liable for authorising, making or incurring irregular, fruitless and wasteful or unauthorised expenditure; and
- (b) all overdue amounts.

3. PRINCIPLES

The policy contained in this document is informed by the following principles –

- 3.1 Billing must be accurate, timely and understandable.
- 3.2 Debtors are entitled to reasonable access to pay points and to a variety of reliable payment methods.
- 3.3 Debtors are entitled to an efficient, effective and reasonable response to appeals, and may suffer no disadvantage during the processing of a reasonable appeal.

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- 3.4 Enforcement of payment must be prompt, consistent and effective.
 - 3.5 Incentives and disincentives may be used in collection procedures.
 - 3.6 The collection process must be cost-effective.
 - 3.7 The Municipal Manager must regularly report to the Council and the Executive Mayor regarding the results achieved with the application of the Municipality's debt collection policy and procedures.
 - 3.8 Targets for performance in both customer service and debt collection will be set and pursued and remedies implemented for non-performance.

PART 2: INSTITUTIONAL ARRANGEMENTS

4.1 Powers, duties and functions of the Council

The following functions, powers and duties are reserved for the Council –

- (a) Approving budgets;
- (b) Providing for bad debt in line with the payment record of debtors, as reflected in the financial statements of the Municipality. The bad debt provision should at least reflect the increase in debtors during the previous financial year. The amount provided for as bad debt can only be reduced by the amount provided for working capital;
- (c) Determining whether an overdue amount is irrecoverable;
- (d) Setting targets for debt collection, in line with acceptable accounting ratios. Such targets shall be set in respect of the debtors' turnover rate the Council wishes to attain as well as the reduction of arrears debtors on balance sheet date;
- (e) Annually reviewing this policy together with the consideration and adoption of the budget;
- (f) Approving a reporting framework for credit control and debt collection;
- (g) Considering and adopting by-laws to give effect to this policy;
- (h) Monitoring the performance of the Municipal Manager regarding credit control and debt collection;
- (i) Revising the budget should the Council's targets for credit control and debt collection not be met;
- (j) Taking disciplinary and/or legal action against councillors, officials and agents of the Municipality who do not execute this policy and by-laws adopted to give effect to this policy or who act improperly in terms of this policy and such bylaws;

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- (k) Delegating authority to monitor and execute the credit control and debt collection policy to the Executive Mayor and the Municipal Manager; and
 - (l) Providing funds for the training of staff involved in debt collection.

4.2 Duties and functions of councillors

Councillors must –

- (a) convey the Council's policies to debtors;
- (b) encourage debtors to meet their obligations towards the Municipality;
- (c) regularly meet with their constituencies to provide feedback to them on Council matters; and
- (d) adhere to the Council's policy.

4.3 Duties of the Speaker

- 4.3.1 The Chief Financial Officer shall within seven working days after the due date submit a written report to the Speaker and the Municipal Manager detailing particulars of any and all overdue amounts owing by councillors.
- 4.3.2 The Municipal Manager shall engage with the relevant councillors with a view to secure payment of any overdue amounts and inform the Speaker of the results she/he achieved within seven working days of receipt of the report of the Chief Financial Officer.
- 4.3.3 The Speaker shall, as soon as practicably possible after receipt of the Municipal Manager's report comply with item 13 of the Code of Conduct for Councillors contained in Schedule 1 to the Systems Act.

4.4 Duties, powers and functions of the Executive Mayor

The Executive Mayor shall –

- (a) oversee and monitor the implementation and enforcement of this policy and the by-laws adopted to give effect to this policy and the performance of the Municipal Manager in implementing the policy and any by-laws;
- (b) evaluate implementation of this policy and such by-laws, in order to improve efficiency of the Municipality's credit control and debt collection mechanisms, processes and procedures;
- (a) at such intervals as determined in terms of this policy report to the Council with regard to her/his duties in terms of paragraphs (a) and (b);

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- (b) on receipt of a monthly budget statement or the mid-year performance report issue appropriate instructions to the Municipal Manager to ensure that revenue collection proceed in accordance with the budget; and
 - (c) ensure that when an annual budget is tabled it is accompanied by a document setting forth measurable performance objectives for revenue from each source and for each vote in the budget, taking into account the Municipality's integrated development plan and any proposed amendments to this policy

4.5 Duties, functions and powers of the Municipal Manager

4.5.1 The Municipal Manager shall –

- (a) implement sound customer care management systems;
- (b) implement the Council's credit control and debt collection policy and bylaws;
- (c) install and maintain an appropriate accounting system;
- (d) bill debtors;
- (e) demand payment from debtors on due dates;
- (f) raise penalties for defaulting debtors;
- (g) appropriate (allocate) payments received;
- (h) collect overdue amounts;
- (i) provide for different payment methods;
- (j) determine credit control and debt collection mechanisms and measures;
- (k) determine all relevant work procedures regarding, amongst other things, public relations, making arrangements for paying off debt owing to the Municipality, summonses, attachments of assets, sales in execution, writing off of irrecoverable debts, sundry debtors and legal processes;
- (l) subject to the Municipality's supply chain management policy, appoint debt collectors to collect overdue amounts;
- (m) set performance targets for staff with regard to debt collection;
- (n) appoint staff to execute this policy and the by-laws;
- (o) determine control procedures;

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- (p) provide sufficient capacity in the Municipality's administration for credit control and debt collection;
 - (q) monitor contracts with service providers in connection with credit control and debt collection; and
 - (r) report to the Council regarding debt collection.

4.5.2 The Municipal Manager may –

- (a) delegate any function or duty vested in, or conferred upon, her/him in terms of the policy to the Chief Financial Officer subject to such conditions, directions and limitations as she/he may determine, provided that such delegation –
 - (i) must be in writing;
 - (ii) may include the power to sub-delegate such function or duty;
 - (iii) does not divest the Municipal Manager of the responsibility concerning the performance of the function or duty; and
 - (iv) must be reviewed when a new Municipal Manager is appointed and when a new Chief Financial Officer is designated; and
- (b) after consultation with the Chief Financial Officer declared any overdue amount irrecoverable and write it off, within the provision for bad debt made by the Council.

4.6 Duties, functions and powers of the Chief Financial Officer

The Chief Financial Officer –

- (a) shall perform such functions, exercise such powers and discharge such duties in respect of credit control and debt collection as –
 - (i) the Council, Executive Mayor or the Municipal Manager may delegate or assign to her/him from time to time;
 - (ii) has been assigned or delegated to her/him in this policy and the bylaws giving effect to this policy; and
- (b) shall advise the Municipal Manager with regard to the recoverability of overdue amounts and its writing off.

4.7 Conduct of staff members involved in credit control and debt collection

No staff member who –

- (a) considers an application by a debtor for the postponement of the due date for the payment of an account; or
- (b) considers an application by a debtor to pay off arrears debt

shall disclose any personal and private information regarding such debtor she/he may obtain in the course of the discharge of her/his duties or the exercise of her/his powers to any person other than her/his supervisor, the Chief Financial Officer or the Municipal Manager except –

- (i) in terms of item 13 of the Code of Conduct of Municipal Staff Members contained in Schedule 2 of the Systems Act; or
- (ii) when ordered to do so by a court or other competent tribunal.

PART 3: CREDIT CONTROL MEASURES

5. ACCOUNTS AND BILLING

- 5.1 Any overdue amounts in respect of debt and interest thereon shall be prepared and rendered at the end of each month.
- 5.2 Interest on overdue accounts are charges at prime rate per year; on a monthly basis. The interest are charged non-accumulative and should not exceed the principal debt.
- 5.3 Any other accounts shall be rendered in terms of the relevant policy or contract, as the case may be.
- 5.4 The Municipality shall cause accounts to be rendered to all debtors.
- 5.5 Non-receipt of an account does not prevent –
 - (a) interest to be charged on any overdue amount; or
 - (b) debt collection procedures to be instituted against the debtor concerned.

The onus rests on the debtor to obtain a free copy of any account she/he has not received, on or before the due date.

- 5.6 Accounts rendered by the Municipality must be paid, and payment received by the Municipality, on or before the due date, provided that any amount due by a councillor or staff member shall be deducted from her/his salary in terms of a stop-order furnished to the Chief Financial Officer. Interest shall accrue on any overdue amounts irrespective of the reason for non-payment unless the Chief Financial Officer has granted, on application of the debtor concerned, a postponement in respect of the due date. In the case of any electronic payments or payments via agents, the money must be received in the

Municipality's bank account not later than the close of business on or before the due date.

5.7 A debtor may apply for a postponement of the due date. The Chief Financial Officer may postpone the due date on application by a debtor. No postponement may be granted if –

- (a) during the six months immediately preceding the application for postponement –
 - (i) the debtor has defaulted on the payment of her/his account; or
 - (ii) the debtor has offered payment by means of cheque that has been dishonoured by the bank on which it was drawn; or
 - (iii) a debit order granted by the debtor to the Municipality was returned unpaid;
- (b) the debtor has failed at any time to comply with an agreement between her/him and the Municipality regarding the payment to the Municipality of overdue amounts; or
- (c) another application for postponement of the due date by the same debtor has been granted during the past six months immediately preceding the application.

5.8 The Chief Financial Officer shall ensure that adequate record is kept of all applications for postponement of the due date as well as the conditions and return date of any such applications that are granted.

6. INSOLVENT DEBTORS AND DEBTORS UNDER ADMINISTRATION

The Chief Financial Officer shall take all reasonable steps to ensure that the Municipality –

- (a) is informed timely of the insolvency of and administration orders issued against any debtors of the Municipality; and
- (b) registers as a creditor in terms of section 43 of the Insolvency Act 1936 (Act No 24 of 1936); or
- (c) files a claim in terms of section 74G or 74H of the Magistrates' Courts Act 1944 (Act No 32 of 1944), as the case may be, in respect of any debtor against whom an administration order was granted.

PART 4: DEBT COLLECTION PROCEDURES

7. PAYMENT FACILITIES AND METHODS

- 7.1 The Municipal Manager shall ensure that an adequate number and range of municipal payment and enquiry facilities are provided and maintained subject to acceptable levels of activity when compared to operational costs. The Municipal Manager shall actively monitor the effectiveness of payment facilities, methods and convenience for debtors.
- 7.2 Subject to the Municipal Manager's determination as to the range of settlement options available, a debtor may settle a debt owing to the Municipality by -
- (a) cash payment or payment by cheque at a pay point of the Municipality;
 - (b) posting by pre-paid ordinary post to the Municipality of a cheque or postal orders;
 - (c) stop-order in favour of the Municipality against her/his bank account or salary;
 - (d) debit order;
 - (e) credit or debit card; or
 - (f) direct electronic transfer or deposit into the Municipality's bank account.
- 7.3 Any agent used for transmitting payments to the Municipality is at the risk and cost of the debtor concerned. In addition the debtor must take into account the transfer time of the particular agent.

8. CONTESTING OF ACCOUNTS

- 8.1 A debtor may contest an account, provided that an account that has not been contested within 3 months of the date of its issue shall be deemed to be correct.
- 8.2 A debtor contesting an account of the Municipality may do so –
- (a) in writing addressed to the Municipal Manager;
 - (b) telephonically; or
 - (c) in person at any customer care office provided by the Municipality.
- 8.3 A debtor who has lodged an enquiry in connection with an account or who is contesting an account is not relieved of the responsibility to maintain regular payment of the account concerned. An interim payment equal to the average account of that debtor over the last three months must be paid by the due date pending finalisation of the enquiry. Failure to make a payment will result in debt collection action been instituted against the debtor.
- 8.4 Depending on the nature of the enquiry and the resources available, an enquiry regarding an account must receive a response within 5 working days.

9. AUTHORISED MECHANISMS OF DEBT COLLECTION

The Municipal Manager may institute the following mechanisms -

- (a) Emolument attachment orders on debtors' salaries;
- (b) Legal process, including the attachment and sale of property;
- (c) Withholding payments of grants-in-aid;
- (d) Withholding payment on contracts; and
- (e) Any other method authorised by the Council from time to time.

10. COMMENCING THE DEBT COLLECTION PROCESS

10.1 As soon as is reasonably possible after the due date on which debtor accounts for any month should have been paid, the Chief Financial Officer shall cause a customer age analysis to be prepared indicating accounts and amounts owing to the Municipality for 30, 60, 90, 120 and more than 120 days.

10.2 The Chief Financial Officer shall cause written notice to be given to the debtor concerned—

- (a) in the case of a debt arising from a contractual relationship between the Municipality and the debtor, in terms of the relevant contract; and
- (b) in any other case, by 14 days written notice.

10.3 A notice in terms of par 10.2 must -

- (a) state that the account is in arrears;
- (b) demand payment of the full amount within the periods mentioned in par 10.2; and
- (c) invite the debtor to visit the Municipality and to make arrangements for the payment of the amount.

11. REFUSAL TO AWARD A CONTRACT TO AN ARREARS DEBTOR

The Municipality shall not award any contract for the supply of any goods, the execution of any work or the provision of any service to or on behalf of the Municipality to any supplier –

- (a) who is in arrears with any debt owing to the Municipality; or
- (b) who has not made arrangements for the settlement of overdue amounts owing to the Municipality; or

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- (c) who has made arrangements for the settlement of overdue amounts owing to the Municipality but who has defaulted on the terms and conditions of such agreement; or
 - (d) who has offered a cheque in payment of any instalment in terms of an agreement to pay an overdue amount and such cheque was dishonoured by the bank on which it was drawn; or
 - (e) who has signed a debit order against her/his bank account for payment of an instalment in terms of an agreement to pay overdue amounts and such debit order was returned unpaid.

12. ARRANGEMENTS FOR PAYMENT OF OVERDUE AMOUNTS

- 12.1 A debtor who cannot meet her/his obligations to the Municipality may enter into a written agreement with the Municipality regarding the payment of overdue amounts, provided that no organ of state, councillor or staff member shall be allowed to make such an arrangement.
- 12.2 An agreement in terms of paragraph 12.1 shall apply only in respect of amounts overdue on the date on which the agreement is signed.
- 12.3 A debtor shall –
 - (a) admit liability for the amount of the overdue debt, interest thereon and costs as set out in the agreement;
 - (b) offer to pay the overdue debt, interest and costs for which she/he admits liability, in instalments or otherwise;
 - (c) undertake on payment of any instalment in terms of her/his offer to pay the collection fees for which the Municipality is liable in respect of the recovery of such instalment; and
 - (d) agree that in the event of her/his failure to carry out the terms of her/his offer the Municipality shall, without notice to her/him, be entitled to apply for judgement for the balance of the overdue debt for which she/he admits liability, with costs, and for an order of the court for payment of the judgment debt and costs in instalments or otherwise in accordance with her/his offer.
 - (e) pay 50% of the overdue amount, interest and costs upon signing of the agreement; and
 - (f) pay the balance of the overdue amount, interest and costs in equal instalments over a period not exceeding 12 months.

13. SALES IN EXECUTION

Whenever notice of sale in execution is given, the Chief Financial Officer shall inform the Sheriff in writing of the amount due to the Municipality in respect of the property concerned.

PART 5: EXTERNAL DEBT COLLECTION

14. COLLECTION OF DEBTORS BY EXTERNAL SERVICE PROVIDERS

- 14.1 Whenever it appears to the Chief Financial Officer that the internal debt collection endeavours of the Municipality does not have the desired result in respect of any debtor, she/he may hand over that account for collection by the debt collector appointed by the Municipality.
- 14.2 A handover list shall contain –
- (a) the correct name(s) of the debtor;
 - (b) the physical and postal address of the debtor;
 - (c) correct details of amount to be collected; and
 - (d) in appropriate cases, a copy of any agreement between the consumer and the Municipality regarding the payment of arrears debt.
- 14.3 The debt collector shall immediately peruse the handover list and advise the Municipality of any obvious problem matters within seven days of receipt thereof. The Municipality shall respond to the debt collector's enquiry with specific written instructions in respect of those matters within seven days, failing which the debt collector shall be entitled to close the file.
- 14.4 The debt collector shall commence the process of collection by way of letter of demand sent by ordinary mail to the debtor. If there is no response to the letter of demand the summonses must be delivered to the clerk of the court within seven days of expiry of the demand period, in appropriate cases. If there is no response to the summons, application must be made for default judgment immediately when the time allowed for entering an appearance to defend has expired.
- 14.5 The debt collector shall immediately inform the Municipality of any matter that will be defended and supply the Municipality with a blank affidavit in support of an application for summary judgment, which will be returned to the debt collector, duly signed and commissioned, should the Municipality be of the view that the debtor has no defence to the matter.
- 14.6 The debt collector must inform the Municipality in writing of all applications for default judgment. Once default judgement has been granted the debt collector must check the municipal system once again for payments and if no or insufficient payments have been recorded and if there is no record of any impediment preventing her/him from proceeding, the debt collector shall first proceed by way of writ against movable property should the capital be less than R3, 000. In the event that the capital is R3, 000 or more the debt collector may proceed by way of writ against immovable property or, in her/his sole discretion, against movable property.

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- 14.7 The debt collector shall endeavour wherever possible to persuade the debtor to sign consent to judgment and consent to an emoluments attachment order which will satisfy the judgment debt within 12 months.
- 14.8 If a debtor is not traceable, the debt collector shall inform the Municipality accordingly. The Municipality shall issue appropriate instructions within 7 days on how the debt collector must proceed with the matter, failing which she/he may assume that the file may be closed.
- 14.9 The debt collector shall inform the Municipality immediately if she/he forms the opinion that the debt has become irrecoverable and the reasons therefore.
- 14.10 The debt collector shall attempt to recover the amount handed over in each matter within a period of 12 months from the date of hand over.
- 14.11 The debt collector shall be entitled to charge –
- (a) if she/he is an attorney, in terms of the Law Society's recommended guidelines for collection fees or such lower amount as may have been agreed with the Municipality; and
 - (b) if she/he is not an attorney, the fees prescribed in terms of the Debt Collectors' Act or such lower amount as may have been agreed with the Municipality.
- 14.12 The Municipality undertakes to pay all fees and disbursements as and when incurred by the debt collector and these shall be invoiced to the Municipality weekly.
- 14.13 The debt collector shall submit her/his account in the form of a VAT invoice to the Municipality. The account shall detail the payments received, collection commission, fees and any disbursements that may be incurred for each account since the previous statement of account and must be accompanied by a cheque for the amounts due to the Municipality. The debt collector may not set off fees against monies collected.
- 14.14 The Municipality shall effect payment of the debt collector's account within a week of the date of invoice.

PART 9: MISCELLANEOUS MATTERS

15. DISHONoured (R/D) CHEQUES AND RETURNED DEBIT ORDERS

- 15.1 Whenever a cheque offered in payment of a debtor account is dishonoured by a bank or a debit order held by the Municipality is returned unpaid by the relevant bank, it shall be regarded as a fraudulent act by a debtor.
- 15.2 On receipt of a bank dishonoured cheque or a returned debit order –
- (a) the payment must be reversed on the debtors account;
 - (b) a debtor in respect of the bank charges incurred by the Municipality must be raised; and
 - (c) the debtor shall be informed in writing that –
 - (i) the Municipality will not accept cheques as payment in future; and
 - (ii) no arrangement to pay arrears debt in instalments shall be entertained.

16. ALLOCATION OF PAYMENT RECEIVED

- 16.1 Settlement of an account clears all charges, including, where applicable, interest on arrears.
- 16.2 Part payment of an account shall be allocated as follows –
- (a) Interest on arrears
 - (b) Miscellaneous charges
 - (c) Rental charges
- 16.3 The Municipality shall not entertain selected payment of certain charges.

17. REPORTING

- 17.1 The Chief Financial Officer shall within 10 working days after the end of each month submit a written report to the Municipal Manager in suitable format regarding debt collection. This report shall contain particulars on –
- (a) revenue raised per source during the past month;
 - (b) revenue collected per source during the year to date;
 - (c) an explanation of any material variances between –
 - (i) the amounts raised and the amounts actually collected; and

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- (ii) the amounts raised and the project revenue to be raised in terms of the approved cash flow projection;
 - (d) any remedial or corrective steps taken or to be taken to ensure that projected revenue remain within the Municipality's approved budget;
 - (e) a projection of the Municipality's revenue and expenditure for the rest of the financial year, and any revisions from initial projections;
 - (f) growth in, or reduction of, arrears debt;
 - (g) the number of debtor accounts not paid by the due date;
 - (h) the number of debtors notified of the fact that their accounts were in arrears;
 - (i) the number of debtors who has made arrangements for the payment of arrears amounts owing to the Municipality; and
 - (j) any overdue amounts written off.
- 17.2 The amounts reflected in the statement must in each case be compared with the corresponding amounts budgeted for in the Municipality's approved budget.
- 17.3 Whenever, in the opinion of the Chief Financial Officer, a material under collection of revenue is likely during a current financial year, she/he shall forthwith, in writing report the matter to the Municipal Manager. A report in terms of this paragraph must state the steps to be taken to prevent or rectify any impending shortfalls.
- 17.4 The Municipal Manager shall submit any report in terms of this paragraph, together with her/his comment and recommendations to the Executive Mayor.
- 17.5 The Executive Mayor shall, at intervals of 3 months, report to the Council in terms of section 99(c) of the Municipal Systems Act.

18. IRRECOVERABLE DEBT

- 18.1 A debt owing to the Municipality shall be deemed to be irrecoverable if the Chief Financial Officer, Municipal Manager or the Council, as the case may be, is satisfied that all reasonable steps to recover the debt has been taken and –
- (a) after an order for execution against property has been issued and there is insufficient movable property to satisfy the judgment or order and the court refuses execution against the immovable property of the debtor or the debtor does not own any immovable property;
 - (b) any tracing agent engaged by the Municipality or a debt collector appointed by the Municipality advises that the debtor is untraceable; or

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- (c) where the debt arose from unauthorised, irregular or fruitless and wasteful expenditure certified by the Council, after investigation by a committee of the Council.
- 18.2 The balance, if any, that remains after –
- (a) property of a debtor has been sold in execution of judgement or order;
- (b) claims against the sequestrated estate of a debtor has been settled
- shall be deemed to the irrecoverable.
- 18.3 Irrecoverable debt may be written off, provided that –
- (a) adequate provision has been made for writing off irrecoverable (bad) debt;
- (b) no debt owing by an organ of state shall be written off;
- (c) no debt may be split into lesser amounts prior to it being written off in order to avoid obtaining the required authorisation.
- 18.4 The following authorisations are given for writing off irrecoverable debt:
- (a) Council
- (i) Any debt arising from unauthorised, irregular or fruitless and wasteful expense; and
- (ii) Any debt exceeding R 10,000;
- (b) Municipal Manager
- Any debt between R 5,001 and R 10,000 excluding any debt arising from unauthorised, irregular or fruitless and wasteful expense
- (c) Chief Financial Officer
- Any debt of R 5,000 and less excluding any debt arising from unauthorised, irregular or fruitless and wasteful expense
- 18.5 A report submitted to obtain approval for irrecoverable debt to be written off, shall detail the actions that have been taken to recover the amount.
- 18.6 Any debts written off by the Chief Financial Officer and the Municipal Manager during any month shall be reported to the Executive Mayor as part of the monthly budget statement

required by section 71 of the Local Government: Municipal Finance Management Act 2003 (Act No 56 of 2003).

19. SUNDRY RECEIVABLES

- 19.1 Sundry receivables in the form of advances (salary and for travel purposes), cellphone contracts paid on behalf on councilors or any payment in advance which will be recovered in the next month will not be created on the debtor system.