

REVENUE MANAGEMENT, CREDIT CONTROL AND COLLECTION



POLICY, PROCESSES AND PROCEDURES

RECOMMENDED

THAT the **Revenue Management Policy** and the contents thereof be tabled at the Mayoral Committee for recommendation for approval by Council.

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1. Policy

1.1 Overview

The policy is intended to provide a credible framework to manage the Municipality's revenue and implement effective processes to record and collect revenue in a manner prescribed in the Municipal Finance Management Act, 56 of 2003 and National Treasury Regulations.

1.2 Purpose

MFMA Circular 64 defines Revenue management as *“akin to expenditure management it is a fundamental and routine financial management function of the municipality revenue generating business that encompasses billing and collection activities in respect of trading services and property rates levied.”* This is not to be confused with revenue enhancement which seeks to give rise to additional revenue or grow the revenue base.

All the Municipality's employees should ensure that they are aware and apply the policy guidelines. Any contravention/infringement of the policy directives may result in punitive/disciplinary action.

1.3 Objective

The objective of the Revenue Management Policy and Guidelines is to ensure that all revenue management processes are applied uniformly throughout the Municipality. This policy will act as guide to all Revenue Management Officials as to what is expected of them from an ethical perspective by:

- i. Infusing business processes into internal control which complies with all legislation and statutory requirements;
- ii. Safeguarding cash resources and optimising cash flow via effective, efficient and economical use of the Sedibeng District Municipality cash resources;
- iii. Driving a culture of accountability over Sedibeng District Municipality by skilling staff and stakeholders alike;
- iv. Ensuring the budgetary process is not compromised;
- v. Ensure that staff assigned to revenue management should be appropriately trained and be aware of relevant policies and procedures.
- vi. Communicate to all staff that any monetary loss as a result of non-compliance with this policy is deemed to be gross negligence and could be cause for disciplinary action.

1.4 Business Process framework

1.4.1 Legal Framework

1.4.1.1 *The Municipal Finance Management Act (MFMA), No 56 of 2003*

Section 64	<p>The Accounting Officer is responsible for the management of revenue and must ensure that:-</p> <ul style="list-style-type: none">▪ The Municipality has effective revenue collection systems▪ Revenue is calculated monthly▪ Accounts are prepared monthly▪ Money received is promptly deposited▪ Internal control for debtors and revenue is in place▪ Interest is charged on arrears▪ Revenue is reconciled weekly▪ The Accounting Officer must inform National Treasury of late payments due to the municipality
Section 17	<p>Contents of the budget</p> <ul style="list-style-type: none">▪ Prescribe format – setting out:<ul style="list-style-type: none">○ Realistically anticipated revenue for budget year○ Expenditure for budget year○ Indicative revenue and expenditure for the following two financial years▪ Separate capital and operating budgets▪ Accompanied by supporting documents
Section 13	<p>Cash management and investment</p> <ul style="list-style-type: none">▪ A municipality must establish a cash management and investment policy

1.4.1.2 *The Municipal Systems Act, 32 of 2000*

Section 4	<p>Municipality has a right to:- Finance the affairs of the municipality by:-</p> <ul style="list-style-type: none">▪ Charging fees for services▪ Imposing surcharges on fees, rates and other taxes, levies and duties (subject to national legislation)
Section 74	<p>Tariff Policy</p> <ul style="list-style-type: none">▪ Municipal council must implement and adopt a tariff policy▪ Must reflect the following principles:<ul style="list-style-type: none">○ users of municipal services should be treated equitably○ amount individual users pay for services should be in proportion to usage○ Poor households must have access to basic services, through:<ul style="list-style-type: none">– Tariffs that covers only operating and maintenance cost– Special tariffs or life line tariffs– Any other direct or indirect subsidisation

Section 75	<p>By-laws to give effect to the policy</p> <ul style="list-style-type: none"> ▪ Municipal council must adopt a by-law to give effect to its policy ▪ By-law may differentiate between different categories of ratepayers, users of services, debtors, taxes, services and service standards
Section 95	<p>Customer care and management</p> <ul style="list-style-type: none"> ▪ Establish a sound customer management system ▪ Establish mechanism for users of services to give feedback ▪ Users of services must be informed of the cost of services ▪ Consumption must be verified ▪ Consumers receive regular and accurate accounts ▪ Create accessible mechanisms to query and verify accounts ▪ Provide accessible mechanisms for dealing with complaints ▪ Provide mechanisms to monitor response time ▪ Provide accessible pay points

1.4.2 Accounting Framework

The responsibility of revenue management lies with the Accounting Officer and Chief Financial Officer, or delegated official, who has to ensure that reasonable controls exist to support the implementation of policies. In delegating this function to subordinates, it does not alleviate the responsibility of the Chief Financial Officer. The HOD has to ensure all policies and procedures are communicated to and implemented by the responsible individual(s).

1.5 Recommendations

- i. This policy, processes and procedures document supersedes all previously issued references to revenue management;
- ii. This policy, processes and procedures document be recognised as providing the framework of operation and internal control mechanisms for all staff members of the municipality charged with revenue management in a particular vote;
- iii. This policy document be adopted by the Executive Management and the broader Council of Sedibeng District Revenue Management.

2. Processes

2.1 Roles and Responsibilities

2.1.1 Accounting Officer

The Municipal Manager of Sedibeng District Municipality is the accounting officer of this Municipality for the purposes of the MFMA, and, as accounting officer, must –

- 2.1.1.1 Exercise the functions and powers assigned to an accounting officer in terms of MFMA and
- 2.1.1.2 Provide guidance and advice on compliance with MFMA to-
 - 2.1.1.1 The political structures, political office-bearers and officials of the municipality; and
 - 2.1.1.2 Any municipal entity under the sole or shared control of the municipality

2.1.2 Role and Responsibilities of Top/Senior Management

The top/senior management of Sedibeng District Municipality's administration who is in terms of the **MFMA** assist the accounting officer in managing and coordinating the financial administration of the municipality that includes revenue management and or sections there-of consists of-

- 2.1.2.1 The chief financial officer;
- 2.1.2.2 All senior managers who are responsible for managing the respective votes of the municipality and to whom powers and duties for this purpose have been delegated in terms of section 79 of the MFMA, 2003; and
- 2.1.2.3 Any other senior officials designated by the accounting officer.

2.1.3 Role and Responsibilities of the Chief Financial Officer [CFO]

The Chief Financial Officer (CFO) of Sedibeng District Municipality is accountable to the accounting officer (municipal manager) for the performance of the following duties.

- 2.1.3.1 Is administratively in charge of the budget and treasury office;
- 2.1.3.2 Must advise the accounting officer on the exercise of powers and duties assigned to the accounting officer in terms of the MFMA, 2003;
- 2.1.3.3 Must assist the accounting officer in the administration of the municipality's bank accounts and in the preparation and implementation of the municipality's budget;
- 2.1.3.4 Must advise senior managers and other senior officials in the exercise of powers and duties assigned to them; and

- 2.1.3.5 Must perform such budgeting, accounting, analysis, financial reporting, cash management, debt management, supply chain management, financial management, review and other duties as delegated by the accounting officer to the chief financial officer.

2.2 Sources of Funding

MFMA Circular 64 identifies the sources of funding for municipalities as follows:

2.2.1 *Municipal Operating Budget:*

2.2.1.1 Direct Transfers

- i. Equitable share & RSC levy replacement grant (Formula driven and primarily for free basic services)
- ii. National /Provincial operating grants (Specific purposes and conditional usually to accelerate initiatives.)

2.2.1.2 Operating Revenues

- i. Rates and Taxes
- ii. Service Charges

2.2.2 Operating /Own Revenue

Own revenue is usually gathered from trading services and property rates. It is dependent on an efficient billing system, and accurately levied rates and taxes in the community.

2.2.2.1 Property Rates

Determined in terms of the Municipal Property rates Act No.6 of 2004 and is a tax levied on the market value of properties within the municipal jurisdiction. To be enforced via the municipal policy on rates and enacted via a by-law. The budget finalization process is dependent on passing a resolution for the levying of property rates – and promulgated in the provincial gazette for collection and enforceability purposes.

2.2.2.2 Debt Collection

- i. As stipulated in SDM debt management policy and revised annually and supported by the by laws as promulgated in terms of Chapter 9 of the Municipal Systems Act – **MSA**, and maintained in the “municipal code”.
- ii. Accurate consolidated billing helps ease the debt collection process. For part payments by customers, the amounts are

allocated in a specific order with electricity services the leverage point – with disconnection dependent on accurate billing.

- iii. **MSA** Chapter 11 section 118 places a restraint on the transfer of properties at the deeds registry – subject to all monies due for a period of two years prior to the transfer having been paid. This includes all municipal services, rates and property taxes. Where the debt is in excess of two years the municipality has to endorse the rates clearance certificate to that effect and pass on such debt to the new owner as per section 118(3) of the **MSA**.

2.2.2.3 Trading Services

These include waste / refuse management, water and sanitation, electricity and prepaid electricity.

2.2.2.4 Other own revenue streams

These include agency fees; advertising on billboards and street poles; entrance fees for municipal facilities; parking fees; hiring fees; fines issued in terms of municipal by laws; illegal property usage; traffic fines etc. Reconnection fees as well as interest on outstanding debt are a further source of revenue. Fees generated from Town Planning activities are a further source of revenue. The costing methodology for the tariffs need to be sound and included in the annual budget document.

2.2.3 Sources of Capital Funding

- Direct Transfers – National / Provincial Infrastructure grants
- Indirect Transfers
- Surplus / cash reserves ex municipal operating budget
- Municipal Borrowing
(Balance sheet based and for economically beneficial projects with revenue generation potential)
- Public contribution and donations

3. Procedures

3.1 Detailed Role of Accounting Officer

The accounting officer of a municipality is responsible for the management of the revenue of the municipality, and must take all reasonable steps to ensure-

- 3.1.1 That the municipality has effective revenue collection systems consistent with section 95 of the Municipal Systems Act and the municipality's credit control and debt collection policy;
- 3.1.2 That revenue due to the municipality is calculated on a monthly basis;
- 3.1.3 That accounts for municipal tax and charges for municipal services are prepared on a monthly basis, or less often as may be prescribed where monthly accounts are uneconomical;
- 3.1.4 That all money received is promptly deposited in accordance with this Act into the municipality's primary and other bank accounts;
- 3.1.5 That the municipality has and maintains a management, accounting and information system which-
 - i. Recognises revenue when it is earned;
 - ii. Accounts for debtors; and
 - iii. Accounts for receipts of revenue
- 3.1.6 That the municipality has and maintains a system of internal control in respect of debtors and revenue, as may be prescribed;
- 3.1.7 That the municipality charges interest on arrears, except where the council has granted exemptions in accordance with its budget-related policies and within a prescribed framework; and
- 3.1.8 That all revenue received by the municipality, including revenue received by any collecting agent on its behalf, is reconciled at least on a weekly basis
- 3.1.9 The accounting officer must immediately inform the National Treasury of any payments due by an organ of state to the municipality in respect of municipal tax or for municipal services, if such payments are regularly in arrears for periods of more than 30 days
- 3.1.10 The accounting officer must take all reasonable steps to ensure
 - i. That any funds (i.e. traffic fines) collected by the municipality on behalf of another organ of state is transferred to that organ of state at least on a weekly basis; and
 - ii. That such funds are not used for the purposes of the municipality

3.2 Guidelines on Collection and Banking of Revenue

- 3.2.1 The municipal manager must-
 - 3.2.1.1 Implement and enforce the municipality's credit control and debt collection policy and bylaws;
 - 3.2.1.2 Establish effective administrative mechanisms, processes and procedures to collect money that is due and payable to the municipality; and
 - 3.2.1.3 Report thereon to the council
- 3.2.2 All amounts owing to the municipality must be levied / raised by way of a debit in the applicable debtors system.
- 3.2.3 Except when the chief financial officer has authorised a department to receive monies paid to the municipality, the chief financial officer must receive all payments.

- 3.2.4 No money may be accepted unless an official receipt can be issued immediately.
- 3.2.5 All monies received must be deposited in the municipality's bank account in accordance with the Cash Handling Policy.
- 3.2.6 The chief financial officer must ensure that all monies received by any other department are regularly paid to her/his department or alternatively deposited into the municipality's bank account.
- 3.2.7 Every departmental head must without delay in writing notify the chief financial officer of any monies due to the municipality and the reasons why such monies are owed must be expounded in such notification.

3.3 Guidelines on Revenue Owed to the Municipality

- 3.3.1 No amount owing to the municipality may be written off as irrecoverable without the approval of the council. Revenue generation is the responsibility of all municipal officials. Internal controls are important to record and measure revenue generation and collection. The following needs to be vigorously maintained for improved revenue generation:
 - 3.3.1.1 Data integrity on the billing system for accurate invoice generation;
 - 3.3.1.2 Property valuations to be accurate and updated regularly on the billing system;
 - 3.3.1.3 Good business processes for aligned working in terms of developments in the municipal area;
 - 3.3.1.4 Correct property classification for rates application e.g. business zoning;
 - 3.3.1.5 Accurate records of water and electricity meters and interfaced on the billing system;
 - 3.3.1.6 Regular maintenance of water and electrical meters for accurate and regular readings for accurate input into the billing system;
 - 3.3.1.7 Refuse and sanitation charges to be included in the billing system;
 - 3.3.1.8 Billing data to be reconciled to the end user and queries resolved timorously;
 - 3.3.1.9 Skilled staff to effect service delivery.
- 3.3.2 If a person who is or was in the employ of the municipality causes or caused the municipality loss or damage because he or she-
 - 3.3.2.1 Failed to collect money owing to the municipality for the collection of which she/he is or was responsible;
 - 3.3.2.2 Is or was responsible for an irregular payment of money of the municipality;

- 3.3.2.3 Is or was responsible for a payment of money not supported by a proper voucher;
 - 3.3.2.4 Due to an omission to carry out her/his duties, is or was responsible for fruitless expenditure of money of the municipality;
 - 3.3.2.5 Is or was responsible for a deficiency in, or for the destruction of or damage to money of the municipality, stamps, face value documents and forms having a potential value, securities, equipment, stores or any other property of the municipality; or
 - 3.3.2.6 Due to an omission to carry out her/his duties is or was responsible for a claim against the municipality,
 - 3.3.2.7 In cases where the municipal manager was responsible for such loss or damage, the council, must-
 - 3.3.2.7.1 Determine the amount of such loss or damage;
 - 3.3.2.7.2 Take disciplinary action where possible; and
 - 3.3.2.7.3 In appropriate cases recover the loss or damage
- 3.3.3 Any loss suffered by the municipality and which the municipal manager, or if the municipal manager is responsible, the council, suspects to be due to any fraudulent or corrupt act or an act of bribery committed by any person, must forthwith be reported to the South African Police Service.
- 3.3.4 If the council is of the opinion that the municipality is unable to determine the amount or circumstances of any loss, it may at its expense appoint a person registered under the Public Accountants' and Auditors' Act, 1991 (Act No. 80 of 1991), to assist the municipality to determine the amount of the loss or the circumstances in which it occurred.

3.4 Guidelines on Receipts

- 3.4.1 In accordance with the audit regulations, the receipt of all monies must immediately be recorded by means of a numbered official receipt or ticket or in any other way approved by the chief financial officer.
- 3.4.2 No alteration must be made to a receipt, ticket or other form of acknowledgement of payment.
- 3.4.3 Any error that appears on a receipt, ticket or other form of acknowledgement of payment must be corrected by issuing a new receipt and the cancellation of the erroneous one.
- 3.4.4 Every cancelled receipt form must be returned to its proper place in the receipt book or, in the absence of a receipt book, filed according to the instructions of the chief financial officer.
- 3.4.5 Any cash surplus found at any time must immediately be declared, a receipt issued in terms of the audit regulations and deposited without delay to the credit of the appropriate account.

- 3.4.6 Any cash deficits must immediately be reported to the departmental head concerned and replaced in accordance with the instructions of the chief financial officer.

3.5 Review of service charges and rent for municipal property

- 3.5.1 Revision of rent, service charges, property rates tariffs and other levies is done consistent with the municipality's tariff policy and bylaws.
- 3.5.2 The chief financial officer must make appropriate recommendations regarding the revision of rent, service charges, property rate tariffs and other levies together with –
 - 3.5.2.1 The departmental head responsible for managing the property of the municipality in respect of rent payable by occupants of any property leased from the municipality;
 - 3.5.2.2 The departmental head concerned, in respect of service charges and other levies in respect of services rendered by or on behalf of the municipality; and
 - 3.5.2.3 The municipal manager in respect of property rates tariffs.

3.6 Income from Investments

- 3.6.1 In the event that Sedibeng District Municipality has an Investment Policy the detailed guidelines pertaining to the handling and administration of investments should be consulted.
- 3.6.2 The following functions should be performed on a monthly basis:
 - 3.6.2.1 The Income Accountant should obtain monthly balance certificates from the relevant financial institutions.
 - 3.6.2.2 He / she reconcile interest received as per the investment certificates to the investment register and investment general ledger accounts. Interest received is captured to the financial system.
 - 3.6.2.3 He / she should recalculate interest received to ensure that it agrees to the rates as per the individual investment certificates.
 - 3.6.2.4 The Assistant Manager Income should review the interest received as per the investment register with the interest received general ledger account. Differences should be resolved and corrected once they are detected. This reconciliation should be done in writing and

be verified for correctness by the Financial Manager. This reconciliation should be used for reporting purposes.

3.7 Income Recognition

3.7.1 Rates & Tariff Charges

3.7.1.1 The income from rates and tariffs is acknowledged when cash in respect of such is received. No provision is made for unpaid rates and service charges.

3.7.2 Other or Sundry Services

3.7.2.1 The income from sundry services such as agency services, rental of property or any other sundry service is recognised when the amounts of such charges are debited against the debtor accounts

3.8 Debtor Accounts

3.8.1 Accounts must be prepared according to the Council resolutions in this regard and must be posted to the consumers as soon as possible. The date for payment must appear on the account and should be a fixed day every month for example the 25th.

3.8.2 The account must be printed on a standard form which must contain the following details:

- i. Consumer name;
- ii. Consumer account No.;
- iii. Consumer postal address;
- iv. Residence/Erf details to where the service(s) have been supplied
- v. All details of services that have been supplied i.e. electricity, water, rates, refuse removal, etc;
- vi. Any outstanding balance from the previous month;
- vii. Any reconnection/disconnection charges that may have been charged;
- viii. Any interest or fines that may have accrued;
- ix. The rates component should be according to Section 27 of the Property Rates Act

3.9 Receipts and Clearing of Accounts

- 3.9.1 The official responsible for receipting of monies received from debtors must not be the official responsible for debtors' administration. The two positions must be kept separate and filled by different people. This is done in order to reduce the risks of fraud within the Municipality
- 3.9.1.1 All receipts must be correctly allocated to the relevant debtors account and furthermore the amount must be correctly allocated to the correct services paid for.
- 3.9.1.2 Any unknown receipts will be temporarily posted to an unallocated receipts account. These amounts must be traced to deposits or remittances and must be followed up by contacting the payee or bank where applicable, to verify for what or whom the payment was received.
- 3.9.1.3 The unallocated receipts account must be cleared at least on a weekly basis.

3.10 Bad Debts: Municipal Manager/Council

- 3.10.1 Bad debts should only be written off on the authority of the Council after all reasonable steps have been taken to recover the debt, in accordance with the credit control and debt collection policy, and the Municipal Manager is satisfied that
- 3.10.1.1 The debtor cannot be traced;
- 3.10.1.2 All legal and other measures have been exhausted, but there is still a balance of the debt remaining;
- 3.10.1.3 Recovery of the debt would be uneconomical;
- 3.10.1.4 Recovery would cause undue hardship to the debtor or his/her dependents;
- 3.10.1.5 It would be an advantage to the Municipality to effect a settlement of its claim or to waive the claim
- 3.10.2 All debts written off shall form a charge against the provision for bad debts, and if no or an inadequate provision exists, shall be charged as an operating expense of the vote to which the bad debt relates

3.11 Deposits

Any deposits made by consumers are refundable on termination of supply of services provided that all outstanding amounts have been settled. A deposit will be forfeited to the Council if not claimed within 12 months

3.12 Amendment and Review of the policy

The Revenue Management policy shall be reviewed at the discretion of the CFO due to changing circumstances as a result of the legislation or otherwise

APPENDIX ONE: *Ten steps to improved revenue collection*

1] Commitment from councilors

As the people held accountable for service delivery, elected representatives must ensure that officials prioritise revenue collection and that this function is properly resourced with funding and staff. Councilors should be at the forefront of educating people about why they should pay for municipal services and how the money is being spent on improvements. They also need to be responsible about not owing money to the municipality themselves, and to be cautious about approving spending in ways the public may not see as being necessary or to their benefit.

2] Knowing your customers

If a municipality does not have proper records of who lives where, then they cannot deliver accurate accounts to the right people. In some rural areas and urban settlements there are no accurate addresses, which is a major obstacle. However, in established cities and towns, records are often out of date. Regular 'data cleansing' needs to take place. Some municipalities have successfully employed unemployed people with matric or recent graduates to go house-to-house to verify information. This also helps build a relationship between making payment and receiving services. The income department also has to work very closely with housing and planning officials to ensure that as soon as new homes are handed over to residents that their details are added to the billing system. This ensures that there is no build-up of arrears before the accounting system catches up with new developments.

3] Sending accurate accounts

It seems obvious that people who are billed for rates, water and refuse services should receive accounts that reflect what they actually owe. But in many municipalities, the back-office services for achieving this are lacking. For example, an accurate rates bill depends on billing the legal owner of a property on the basis of a valuation that truly reflects the market value of that property. And water and electricity use that is not prepaid needs to be reliably and regularly monitored through a regular meter-reading programme. Quality control measures are needed, which could include rotating meter readers to different areas, ensuring readings are done on the same day each month and checking variances on particular properties.

4] Making it easier to pay

Once people have received an easy-to-read account with a prominent 'due by' date, the municipality then needs to make it easy to pay. In large areas, paying municipal accounts through systems at supermarkets and post offices or through electronic transfers are attractive options. But the customer making the payment has to be confident that their payment will be credited quickly and accurately to their accounts. In less developed areas, cash payment offices should be conveniently located. Longer hours and more staff on days when municipal account payments are due will also make it easier for customers to pay.

5] Showing commitment to debt collection

When times are hard, people structure their payments according to the likelihood of consequences. Put simply, if the services are provided in the absence of payment, then people are less likely to pay. All municipalities need to have a clear policy on debt collection that is applied uniformly to all. Ideally, this should be written in consultation with communities, through ward committees and as part of the IDP public participation process. It should be fair, widely communicated, and supported by the mayor and councillors. Cutting services and taking legal action, which is expensive for the municipality, should be a last resort. Responsive and efficient municipalities should first engage with customers who fall into arrears, through letters, telephone calls and meetings, and try and come to a payment arrangement. However, people who can pay but choose not to must suffer the consequences, which include cutting water to a subsistence level or terminating electricity supply.

6] Dealing with arrears

The law – both the Municipal Systems Act and the Municipal Finance Management Act – are quite clear that municipalities have to collect payments, including arrears (with interest), from people and entities, such as businesses and government departments that owe money. It is the responsibility of the council to debate and decide what their policy is going to be in respect of arrears and to ensure that officials implement the policy in a clear and consistent way. Technology can play a role in helping to recover arrears, through various pre-payment systems for electricity. In some countries, people can work off their debt by providing their labour to the municipality. Municipalities need to be proactive and step in when customers first fall into arrears, sending firm letters and if necessary going to see people about making arrangements to pay. Many municipalities have outsourced their arrear accounts to debt collection agencies, but isn't this just shifting responsibility? Shouldn't the revenue department have their own people to follow up debt, who try and assist debtors and at the same time build a positive relationship with the people they serve?

7] Incentivizing Payment

When times are tough, municipalities need to incentivize payment. Some innovative ideas include prizes and special recognition for account holders who always pay on time. Be aware of the competition and lottery laws though before launching lucky draw schemes.

8] Helping those who cannot afford to pay

Those residents, businesses and state departments who can pay should pay their accounts in full and on time. There can be no letting this slide. But there are many people who can't afford to pay and municipalities have a duty to help those classified as indigent in terms of a well thought-through policy. This policy can include measures to help the elderly, the sick, the unemployed and other vulnerable households. From free basic services to exemption from property rates up to a certain property value to free refuse collection, there are many ways to put together a package of assistance. Municipalities need to ensure that they have enough people and proper systems to accept and process applications in terms of their indigency policy. This policy needs to be widely communicated through posters, local media and through ward committees and community organisations. The needs of those unable to pay also have to be factored into the municipal budget in a realistic way, because relief for the poor means less income for the municipal coffers.

9] Communicating well

One of the keys to success is constant clear communication, both to consumers and within the council. While the municipal manager is the accounting officer, the full council needs to play an oversight role. Councillors should know on a monthly basis what the payment levels are, so that they can ask questions and hold finance officials accountable when things start to go wrong. Systems need to provide strategic information on categories of debtors, age of debt and payment levels per customer group. Campaigns that identify the worst offenders especially government departments and businesses – should include communication to local media, so that the message gets through that the municipality is serious about ensuring payment is made.

10] Developing civic pride

Finally, everyone who works for the municipality or who is elected to represent the people should be aware of how their actions – or lack of action – affect the image of the institution. Where people don't feel they get good service, caring attention and responsive, accountable, clean governance they are unlikely to feel ownership in their local government. This in turns means they will feel less urgency in ensuring that they pay their accounts and take responsibility for things like saving water or looking after parks and other council property.