



REVENUE ENHANCEMENT STRATEGY (2023/2024)

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1. INTRODUCTION

A municipality is defined as structures, political office bearers and the administration of the municipality; a geographic area; and the community of the municipality. It is a key level of government and is often used as a barometer to measure the success or failure of any government given its close proximity and interaction with the people. The municipality must have structured mechanisms to ensure accountability to local communities, and must meet the priority needs of communities by providing services equitably, effectively and sustainably within the means of the Municipality.

Thembisile Hani Local Municipality is located in the Nkangala Municipality of Mpumalanga province, South Africa. It is a semi-urban local Municipality consisting of 57 villages within which there are 5 (five) established townships.

The municipality is named after Thembisile Chris Hani, Secretary General of the South African Communist Party, who was assassinated on 10 April 1993. Its mandate is to provide all matters from service delivery, Local economic development to financial sustainability.

Thembisile Hani Local Municipality has been diagnosed to have significant challenges in revenue collection with significant amounts of money owed to the municipality by its clients. The debt balance has accumulated over a period of time due to lack of effective controls in revenue management and credit control processes.

The objective of this document is to undertake to address financial and institutional challenges faced by the municipality. The document focuses in the formulation and implementation of strategies to improve financial management and controls within the municipality. The objective of any successful revenue enhancement strategy is to build and improve on current payment levels and then to recover arrear debt.

As indicated, this document seeks to identify causes for non-payment and to develop a strategy to address those challenges. In order to develop an effective system of revenue collection, it is important to understand the reasons and dynamics behind the current situation. Revenue collection problem does not only start when the client has defaulted but early in the revenue and receivables cycle when the consumers applies for services, when there are no proper controls in the processing of bills and many other reasons within the revenue management process.

2. DELIVERABLES

Thembisile Hani Local Municipalities are at the forefront in the improvement of service delivery and must be able to deliver services in a sustainable way and therefore must be financially viable.

Thembisile Hani Local Municipality is currently unable to settle its debts from the available cash and cash equivalents.

To counteract this situation and to ensure financial viability, Thembisile Hani Local Municipality set out to perform an assessment of its financial viability to better understand the root cause and to make recommendation for corrective action. As part of the project deliverables midyear financial report for the year ending December 2018 were reviewed and financial viability was assessed based on those reports, a high level analysis of the business process, controls and operations was also conducted focusing on revenue. Municipal officials were engaged and interviewed in orders to establish the root causes of the factors that put the municipality's cash in an unfavourable position.

The municipality urgently needs more than R 47 million in the 2017/2018 financial year to settle its obligations, we believe that such fund can be generated or saved from the following sources:

	Monthly Impact	Annual Impact
Debts Collections	R xxx	R xxx
Revenue Management	R xxx	R xxx
Total	R xxx	R xxx

We believe that the above Assessment and recommendation, when applied, will improve the payment rate from average of 5% to 20% by the end of the 2017/2018 financial year will enhance the cash flow position for Thembisile Hani Local Municipality.

3. PROJECT STRUCTURE

The team who performed the analysis is documented as follows:

Team member	Designation	Contact Information
Mrs. Lilian Tshabangu-Mathaba	MMC – Finance	
Mr. Oscar Nkosi	Municipal Manager – THLM	
Mrs. Jessica Mahlangu	Acting CFO – THLM	
Mr. Oupa Ledwaba	Assistant Manager – Revenue Management	
Mr. Lawrence Mkhabela	Project Manager - Lmk Consulting Services (Pty) Ltd	mfipiimkhabela@gmail.com
Mr Inock Kabini	Chief Accountant – Revenue Management	

4. REVENUE MANAGEMENT

Thembisile Hani Local Municipality is a medium capacity municipality with a population of more than 315 000 people and generates revenue from providing basic services i.e. water, refuse removal and from property rates amongst other sources. See Table B below;

Table B

Revenue		Dec-15
Property rates	R	19 418 000,00
Service charges	R	27 840 000,00
Investment revenue	R	2 453 000,00
Own Revenue	R	17 945 000,00
Government Grant	R	227 866 000,00
Total Revenue (excluding capital transfers and contributions)		R 295 522 000,00

The significant portion of the municipal revenue is generated from Government grants being 77% of total revenue. Services charges were R27 840 000 and an amount of R19 418 000 was billed for property rates. Municipal revenue is under pressure due to high and unacceptable levels of distribution losses and none collectability of customer debtors.

5. CHALLENGES FACED BY THE MUNICIPALITY

The THLM, amongst others, has and still experience significant financial challenges, which negatively impacts on its financial sustainability and ability to delivery basic services. This Revenue Enhancement Strategy has been prepared in line with **Section 142 of MFMA**, after reviewing past and current information, intensive engagement with municipal and provincial officials, and is aimed at securing the Municipality's ability to meet its obligations, to provide basic services in a sustainable manner and to strengthen its financial situation.

Although THLM is faced with financial challenges there are other contributing factors impacting on the municipality. These include the **institutional capacity, organisational structure and assignment of powers and functions.**

5.1 Financial Challenges

The following are evident from the review of financial status for the period **2016-2017**:

- Revenue collection for services rendered and property rates levied are extremely low;
- Inaccurate billing information;
- Need to address the significant amount of outstanding consumer debtors;
- Significant under-provision for bad or irrecoverable debts;
- Grants for capital expenditure being used to fund operating expenditure.

There is an immediate need to address:-

- The flaws in the current budget. The budget is significantly under-funded and major amendments are required to ensure that the operating expenditure can be funded from operating revenue taking into account long outstanding debtors and creditors, working capital and the need to re-in state Government Grants not used for their intended purpose;
- The high portion of outstanding debtors relating to government and business accounts due to long outstanding disputes regarding property values and tariffs levied;
- **The current powers and functions and the related services rendered on an agency basis, in particular where there are significant deficits;**
- Financial administration of the Municipality due to inadequate internal controls; and
- The continuous qualified opinions issued by the Office of the Auditor-General.

6. PROPOSED STRATEGIES

Due to the current cash deficit of R 47 million plus, it has become critical to introduce a Revenue Enhancement Strategy. The challenges faced by THLM will be addressed through the implementation of the following revenue enhancement strategy

Financial management in a municipality falls within the control and under the ambit of the Chief Financial Officer. To ensure proper financial management one needs to identify the critical areas within which the municipality's finances must perform. The Municipal Finance Management Act (MFMA) identifies some of these major competencies and from the functions mentioned in the Act a Clear role definition can be established.

Critical to implementing a Revenue Enhancement Strategy is the development of a robust revenue protection strategy. The revenue enhancement process needs to be divided into short, medium and long-term activities as set out in this Revenue Enhancement Strategy.

Short-Term activities (to be completed within three to six months) will include focus on the following:

- Confirm the completeness of revenue - Improved billing processes;
- Implement a targeted approach on debt collection of Organs of State;
- Implement a targeted approach on debt collection of businesses;
- Protect and grow the revenue base – Through sale of new stands;
- Update the indigent register for purpose of an increased equitable share;
- Review credit policy;
- High level data cleansing;
- Resolve issues relating to current valuation roll and property ownership.
- Reduction of tariff charges to the following amounts:
 - ✓ Flat rate water charge: R65.00 (Incl. Vat)
 - ✓ Sewerage: R30.00 (Inc. Vat)
 - ✓ Refuse: R35
- Proceed to incentivize the debtors in order to encourage them to pay.
- Continue to collect monies owed from the Government Departments as well as businesses.
- Immediate involvement of Traditional Authorities in encouraging the communities to pay and incentivize them as per the signed MoU.

Medium to Long Term (to be completed within seven to twelve months) will focus on;

- Improve data integrity in the transaction processing environment;
- Metering previously unmetered areas;

- Implementing bulk meters for big users;
- Improve customer service - Improve communication with consumers;
- Establish internal controls and proper costing of services.

The purpose of this document is to create a conducive environment for consumers to pay services by developing strategies to mitigate the challenges as identified above.

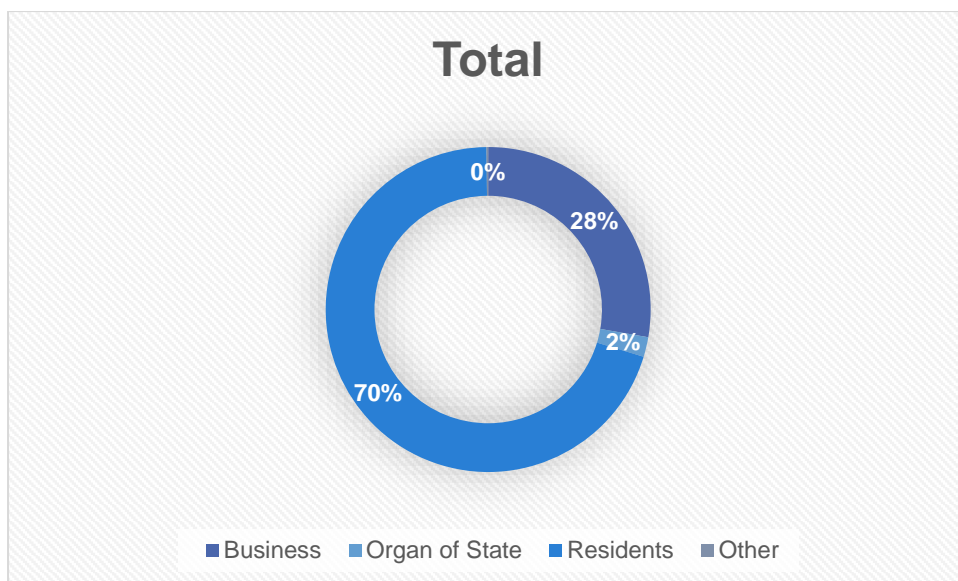
7.2 DEBTORS COLLECTION

Monies owed by debtors emanates from a variety of charges and levies charged by the municipality for services rendered. It can be noted that that the municipality is struggling to collect from its customer debtors as 91% of its total debts is due for more than 120 days from when they become due, while on the other hand it has to pay all expenses within 30 days as required by the MFMA. 120 days is also significantly above the targeted 45 - 60 days as stated in the collection policy.

The municipality debtor's balance is currently sitting at R953 million as at 31 March 2018, however it should be noted that a significant amount was put on abeyance some time back in 2015 in hope that the debtors would make arrangements and pay the accounts. This amount must now be brought back into the debtors books as the incentive scheme was not successful. The municipality is collecting an average of 5% annually since 2014/2015 from on its total billing which mean that it is effectively and involuntarily funding its customers by a whopping 95%.

Before the implementation of stringent debt collection, the municipality's revenue collection rate is currently at between 4%-5%. This is completely unsustainable and a prime condition for distress. If the strategy is implemented, the revenue collection rate should increase by 20% per year to reach an acceptable level with in three year.

Amounts owed by the customer debtors must be classified per type of services which are owed and also the type/class of consumers who owes this will enable the municipality to devise an appropriate strategy according the debt type or classification; Taking into account the application of sound indigent policies that the municipality will adopt, the revenue collection rate should be stretched to a target of 90% within the next three years.



Furthermore it also critical to measure credit performance per location or township differently as areas have different payment rates for instance Formalised residential areas in formalised area/town has a higher payment rate than others due to the economic circumstances of the people living and doing business there. Table F below depicts the amount owed per area.

Township	Current	30 Days	60 Days	90 Days	120+ Days	Total
BELFAST, BUHLEBUZ	R 65 339,88	R 65 264,56	R 64 935,35	R 64 863,04	R 2 123 571,34	R 2 383 974,17
BOEKENHOUHOEK	R 110 251,27	R 110 050,29	R 104 013,60	R 109 552,05	R 664 892,77	R 1 098 759,98
ENKELDOORNOOG-A/	R 3 278,91	R 3 258,30	R 3 237,70	R 3 217,09	R 79 409,07	R 92 401,07
ENKELDOORNOOG-B/	R 1 912,22	R 1 899,27	R 1 886,32	R 1 873,37	R 51 070,30	R 58 641,48
GEMBOKSPRUIT	R 14 291,06	R 14 207,10	R 14 123,12	R 14 039,16	R 799 598,16	R 856 258,60
GOEDEREDE	R 108 304,12	R 107 586,13	R 106 658,19	R 106 030,80	R 5 949 328,45	R 6 377 907,69
KLIPFONTEIN	R 6 807,22	R 6 802,98	R 6 798,75	R 6 786,67	R 208 038,02	R 235 233,64
KWAGGAFONTEIN A	R 47 778,40	R 47 269,32	R 46 758,67	R 46 578,49	R 699 677,72	R 888 062,60
KWAGGAFONTEIN B	R 9 334,99	R 5 269,81	R 5 269,47	R 5 231,98	R 92 585,85	R 117 692,10
KWAGGAFONTEIN C	R 402 538,68	R 402 647,18	R 402 109,53	R 402 562,47	R 974 019,06	R 2 583 876,92
KWAGGAFONTEIN D	R 188 584,48	R 187 673,33	R 186 762,81	R 185 851,05	R 10 615 224,62	R 11 364 096,29
KWAGGAFONTEIN E	R 164 586,50	R 163 827,36	R 163 068,74	R 162 311,92	R 10 747 131,81	R 11 400 926,33
KWAMHLANGA	R 1 194 088,43	R 1 181 097,64	R 1 174 689,04	R 1 167 376,65	R 33 518 961,97	R 38 236 213,73
KWAMHLANGA A	R 149 688,50	R 141 551,58	R 110 789,79	R 103 106,51	R 113 841,42	R 618 977,80

KWAMHLANGA B	R 250 784,28	R 269 512,61	R 241 927,92	R 193 243,89	R 248 222,52	R 1 203 691,22
KWAMHLANGA BA	R 139 546,54	R 129 905,54	R 73 549,46	R 112 917,90	R 147 625,37	R 603 544,81
KWAMHLANGA MA	R 10 109,81	R 10 081,75	R 10 040,89	R 10 000,99	R 958 392,35	R 998 625,79
LANGKLOOF	R 38 858,00	R 38 574,00	R 38 292,00	R 3 801,00	R 48 759,26	R 12 945,88
MANDELA,LUTHULI	R 21 181,00	R 2 104,00	R 20 899,00	R 20 758,00	R 24 445,35	R 4 873,30
MATHYZENSLOOP	R 4 021,40	R 3 928,00	R 4 089,60	R 4 493,85	R 32 285,24	R 48 818,09
MOLOTO SOUTH	R 7 852,80	R 7 796,64	R 7 740,47	R 7 684,29	R 231 416,19	R 262 490,39
NOT DEFINED	R 4 723 996,96	R 4 719 301,81	R 4 579 530,58	R 4 586 647,51	R 140 608 031,66	R 158 296 068,40
SUNCITY A/KAMEEL	R 68 423,13	R 67 954,90	R 67 580,46	R 67 322,49	R 2 970 996,80	R 3 242 277,78
SUNCITY B	R 1 677,67	R 1 677,67	R 1 018,66	R 1 012,26	R 34 182,95	R 39 569,21
SUNCITY C	R 3 574,42	R 3 548,17	R 3 521,90	R 3 495,65	R 99 821,14	R 113 961,28
TWEEFONTEIN A	R 111 713,80	R 111 581,95	R 111 308,90	R 111 036,29	R 4 829 842,93	R 5 275 483,87
TWEEFONTEIN B	R 5 072,19	R 5 045,28	R 5 019,16	R 4 992,23	R 166 766,97	R 186 895,83
TWEEFONTEIN C	R 192 162,91	R 191 456,13	R 190 878,38	R 190 162,45	R 7 226 965,30	R 7 991 625,17
TWEEFONTEIN D	R 66 261,68	R 66 142,13	R 65 993,34	R 65 936,35	R 2 475 294,15	R 2 739 627,65
TWEEFONTEIN E	R 3 401,48	R 3 385,86	R 3 257,00	R 3 155,45	R 56 496,30	R 69 696,09
TWEEFONTEIN F	R 36 320,73	R 36 124,54	R 36 057,30	R 35 997,64	R 2 629 854,92	R 2 774 355,13
TWEEFONTEIN G	R 7 757,07	R 7 716,60	R 7 675,86	R 7 635,31	R 272 084,89	R 302 869,73
TWEEFONTEIN H	R 3 006,72	R 2 991,94	R 2 975,38	R 2 958,89	R 63 135,03	R 75 067,96
TWEEFONTEIN M	R 42 788,00	R 42 647,00	R 41 362,00	R 28 534,00	R 33 852,01	R 7 572,46
TWEEFONTEIN N	R 32 167,00	R 32 026,00	R 31 885,00	R 31 744,00	R 40 857,63	R 10 848,88
TWEEFONTEIN-J	R 1 201,55	R 1 194,49	R 1 187,42	R 1 180,37	R 39 127,30	R 43 891,13
TWEEFONTEIN-K	R 198 231,65	R 151 491,85	R 147 691,09	R 161 113,07	R 188 626,38	R 847 154,04
TWEEFONTEIN-TOWN	R 50 091,00	R 49 809,00	R 49 526,00	R 49 243,00	R 56 352,78	R 9 868,08
VERENA A	R 63 300,52	R 62 845,23	R 62 644,73	R 62 425,12	R 2 478 717,67	R 2 729 933,27
VERENA B	R 1 264,86	R 1 258,51	R 1 252,27	R 1 246,02	R 36 383,78	R 41 405,44
VERENA C	R 51 978,00	R 51 771,00	R 51 568,00	R 51 251,00	R 54 998,63	R 6 530,75
VLAKLAAGTE RIDGE	R 65 275,74	R 65 157,67	R 65 177,63	R 65 156,71	R 68 649,31	R 329 417,06
VLAKLAAGTE-1 BB	R 292 365,66	R 291 033,03	R 289 235,77	R 287 449,90	R 15 422 918,76	R 16 583 003,12
VLAKLAAGTE-2 AA	R 24 809,89	R 24 503,18	R 23 035,61	R 22 914,36	R 925 006,91	R 1 020 269,95
WOLVENKOP	R 1 872,83	R 1 863,32	R 1 849,91	R 1 836,50	R 46 950,46	R 54 373,02
	R 8 987 853,95	R 8 892 834,65	R 8 628 872,77	R 8 576 727,74	R 249 154 411,47	R 282 239 777,20

More than 56% for the debt book arises from “undefined areas” with a total amount owed of R 158 296 068.40 these areas are mostly made up of unproclaimed areas which in the main are controlled by the traditional leaders and have a low propensity to pay for services. The second largest debts

emanates from Kwamhlanga with R 38 236 213.73 followed by Vlaklaagte 1 BB with R 16 583 003.12. Kwaggafontein D & E owes R 11 364 096.29 and R 11 400 926.33 respectively. The collection rate for these areas is also low and therefore the debt book is set to continue to rise if the turnaround strategy is not implemented.

The issue with these areas is that the municipality does not have electricity distribution license therefore it is unable to implement electricity restriction as a debt collection tool, the situation is further exacerbated by the fact the THLM has not installed proper meters to enable it to implement water restrictions and eliminate water theft for those who are in arrears.

Before the implementation of stringent debt collection measures, the municipality's revenue collection rate is currently at 4%. This is completely unsustainable and a prime condition for distress. If the revenue enhancement is implemented, the revenue collection rate should increase by 30% per year to reach an acceptable level within three years. Taking into account the application of sound indigent policies that the municipality has adopted, the revenue collection rate should be stretched to a target of 90% within the next three years.

A high-level assessment of the municipal collecting activities has revealed the following areas of concern:

- (i) The restriction of water services is not effectively applied as a collection tool due to lack of appropriate meters;
- (ii) The approved credit policy is inadequate and it was not fully implemented and followed;
- (iii) Not all customers who are in arrears are converted into pre-paid meters;
- (iv) The debtor's book is being not adequately analysed and sanitised for errors to enable effective monthly credit control;
- (v) The customer debtors are not classified according the type of services being owed and followed up monthly to allow for tailored collection strategy to be followed;
- (vi) The customer debtors are not classified according the type of debt being owed to allow for tailored collection strategy to be followed;
- (vii) Lack of adequate performance management for the Revenue Management and Credit Control Department;
- (viii) Information relating to debtors and their particular is incomplete and inaccurate;
- (ix) Some debtors are disputing the total amount outstanding or the bills provided by the municipality;
- (x) Targeted and stringent debt collection is not followed consistently;
- (xi) **Fragmented relationship between the municipality and the traditional leadership which hails over some areas within THLM;**
- (xii) **Lack of consistent and visible services delivery in some areas resulting in THLM billing services not actually delivered;**

To achieve this target rigorous and creative solutions focused on the entire revenue collection value chain will be required. The following actions are recommended for the different aspects of the value chain to address the above mentioned challenges;

- 1. Review the credit control policy;**
- 2. Develop a procedure manual or business rules for collections and credit control from the credit policy;**
- 3. Strengthen credit control process;**
- 4. Targeted collection – Organ of state;**
- 5. Targeted collection – Municipal Councillors and Ward Committee Members;**
- 6. Targeted collection – Municipal Officials;**
- 7. Targeted collection – Businesses;**
- 8. Targeted collection – All residential debtors at the end of the 1st quarter of 2018/2019 financial year on newly refreshed billing database;**

7.2.1 REVIEW OF CREDIT CONTROL POLICY

The credit control policy must provide a framework, within which the municipal council can exercise its executive and legislative authority with regard to credit control and debt collection, use innovative, cost effective, efficient and appropriate methods to collect all debt in the shortest possible time without any interference in the process: and effectively and efficiently deal with defaulters in accordance with the terms and conditions of this policy. Ensure that all monies due and payable to the municipality are collected and used to deliver municipal services in the best interests of the community, residents and ratepayers and in a financially sustainable manner.

Outline the procedures that will ensure that the members of the local community is afforded the opportunity to contribute in the decision-making processes of the municipality and that they are informed of the decisions and affairs of the municipality, Set realistic targets for debt collection, Outline credit control and debt collection policy procedures and mechanisms. The policy will be reviewed to confirm that it provide a framework to link the municipal budget to Indigent support; and Tariff policies.

Promote a culture of good payment habits amongst Thembisile Hani Local Municipality debtors and instil a sense of responsibility towards the payment of municipal accounts and reduction of municipal debt.

7.2.2 DEVELOP PROCEDURE MANUAL FOR CREDIT CONTROL

The procedure manuals are beneficial to any organisation regardless of industry sectors and size. They help document what needs to be done and by who and when, it can be used to improve understanding and accountability for business activities, which in turn are critical for the achievement of the organisations strategic goals. They clearly defined and documents the processes followed when carrying out specified business activities during the normal course of operations.

Procedure manuals provided the following benefits to an organisation:

- Provide consistency and common understanding in carrying out business activities;
- Identifies and allocate responsibility and accountability;
- Safeguards organisational memory;
- Improves business continuity;
- Assist in the continuous identification of risks on key business processes

As part of its constitutional obligation to ensure the provision of services to communities in a sustainable manner, the Thembisile Hani Local Municipality has developed a procedure manual for Credit control and Debt collection. The objective of the manual is to equip staff and managers with the correct procedures when dealing with issues of credit control and debt collection.

The processes and activities documented in this manual are for those involved in the Credit Control and Debt Collection sub-processes.

7.2.3 IMPLEMENT CREDIT CONTROL PROCESSES

Amounts owed by the customer debtors will be classified per type of services which are owed and also the type of consumers owing and devise an appropriate strategy according to the debt type or classification; Taking into account the application of sound indigent policies that the municipality will adopt, the revenue collection rate should be stretched to a target of **95% within the next two years**.

The debt book will be extracted from the financial systems and analysed per type of debtors, location, amount due and background, inconsistencies in the debtors information will be followed up and corrected, **debtors owing beyond 60 days will be contacted for arrangements; Implementation of the cut-off procedure as a debt collection measure and Follow Up on debtors who have not paid since cut-off for further action**. The top 500 debtors will be targeted for intensified debtor's collection.

Implement a collections system (Software); the implementation of a collections software will assist the municipality to Improved performance management for collections department; Improved record management; Improved communication with debtors; Improved reporting on debtors collection activities; and Improved overall collection rate;

7.2.4 COLLECT FROM ORGAN OF STATE

A significant portion of customer debtors is made up of organs of state i.e. National and provincial departments and state owned entities. THLM is local Municipality which is a part of the three spheres of government and to this end a **varied approach** must be adopted. The municipality will leverage its close relationship with national and provincial departments through COGTA in the province and COGTA national and also Provincial and National Treasury to collect monies owed by the organs of state. The point should be made that this municipality is under financial strain due to none payment of services in general and that none payment by the organs of state further exacerbates the already dire situation and that immediate redial action must be taken.

The municipality will do its bit to assist the departments and present the required information to the government clients in a required format so as to speed up the process and eliminate any opportunities for a delay. Those organs of state which fails to cooperate will be escalated to the appropriate level for further intervention.

The following processes will be followed collect monies due from Organs of State;

1. A list will be prepared listing all organs of state which owes properties within the boundaries of THLM and the amounts due;
2. Preparation of debtors reconciliation per account with all the relevant supporting documents;
3. Verify the municipal records relating to amounts owed by the Organs of State;
4. Submit the debtors reconciliations together with all the attachments i.e. invoices and records of payments already made;
5. Follow up with the organs of state for payments;
6. Report Defaulting Department at PCF Meeting.

7.2.5 COLLECT FROM MUNICIPAL COUNCILLORS AND WARD COMMITTEES MEMBERS

Councillors and ward committee members are the elected leaders of the municipality and they a leadership role in the communities that elected them, this leadership role requires them to set the tone for all the residence and business they represent. There is a deep culture of none payment for services for in THLM and therefore councillors are to be part of the solution and contribute towards changing that culture by paying for their services which they receive from the municipality, this sets a good example as agents of change for the community to follow and give them the confidence to also lobby the residents and businesses in their wards to follow suit.

All councillors who are in arrears will their accounts are to make arrangements for a reasonable and acceptable amount to be deducted from their monthly salary to go towards settling their debts. The progress in this regards must be monitored monthly by the revenue management function of the municipality.

7.2.6 COLLECT FROM MUNICIPAL EMPLOYEES

There is a culture of non-payments for services which permeates within THLM, the employees of the municipality must be part of the solution towards changing that culture. It is not possible to convince the residents and business to pay for services if the employees of the municipality which provides those services do not pay for services. According to the Municipal Systems Act that no municipal official should be in arrears on their municipal accounts for a period longer than three months therefore it is not desirable for municipal officials to have accounts which are long overdue as this give the wrong impression to the community at large and contributes to the culture of non-payment.

A debt review committee has been created and members have been appointed by MANCO with a view of entering into acceptable and reasonable arrangements for the settlements of arrear debts by all affected municipal updates. The committee will take into account the amount of debts owed, the affordability, the acceptable period within which the debt must be settled. It will also monitor the progress made and make recommendations for further action where required.

7.2.7 COLLECT FROM BUSINESSES

Third from residents and organs of state business are the biggest users of municipal services, there are around 500 businesses in the Thembisile Hani Local Municipality area, however not all of them are registered and have accounts with the municipality. Though the credit control policy makes no distinguishing in the treatment of various debtors, a specific approach must be employed when collecting from businesses as they cannot be treated the same as residents and organs of state. The

debtor's book must be stratified to identify properties which are used for commercial purposes business uses the environment i.e. municipal infrastructure and services provided by the municipality to benefit financially and therefore must contribute towards the cost of sustaining that infrastructure and services.

The municipality must therefore prioritise businesses and implement targeted debt collection measures for those business within the borders of the municipality. Those businesses owing big amounts must be targeted first for intensive debt collection which may include sight visits and inspections, while notices and telephone calls could be made for the rest. Furthermore the municipality must use the processes for the renewal of business licenses as a credit control measures to collect monies owed by business such that no business licence should be renewed where a municipal accounts is not up to date.

Tough credit control measure must complemented by a cordial relationship between the municipality and local businesses, the municipality must be accessible to the businesses to respond to their queries and ensure consistent service delivery, and this will in turn give it the confidence to bill and follow up on collections. Credit control officials should visit the businesses at least one every three months confirm if the clients are satisfied with the statements and bills they are receiving and clarify any misunderstandings;

The collection of overdue accounts have been handed over to an external service provider for collections and legal action where necessary. The actions and progress on the accounts handed over will be monitored by the credit control through a service level agreement to determine if they are bearing fruits. Monthly reports are to be provided on the action taken on each business debtor and the response thereof.

7.2.8 COLLECT FROM ALL HOUSEHOLD DEBTORS

The municipality embarked on an initiative which seeks to target the residential debtors for intensified collection. The households debtors' project is a sub-project of the revenue enhancement strategy at the Thembisile Hani Local Municipality that was effective as from 01 October 2018. The initiative objective is to have collected at least 20% from the household debtors and to eventually reduce the debt book by an average of 75% by the end of 2018/2019 financial year. For the purpose of the execution of this initiative the following divisions were brought on board: revenue Management and Technical department. The revenue enhancement steering committee in partnership with these municipal departments and political leadership can attain the intended objective.

Analysis of the top 100 Residential Debtors: A list of all the residential debtors of the municipality is to be generated on a monthly basis by the Revenue Department. An analysis of the debtors that are eligible for water restrictions is performed then a list will be generated and signed-off by the Assistant Manager – Revenue confirming that the debtors on the list are indeed eligible for water restrictions.

Implementation: The signed water restrictions list is then taken to Technical Services before for execution. The list will then be handed over to the Technical Services to implement with a turnaround time of 30 days for implementation. The Technical Services will then execute the water restriction on the properties of the debtors on the list. Clients with disputes as well as queries are to raise those disputes and queries with Revenue Management and not Technical Services.

Review: Once water restrictions are implemented revenue management is to monitor the accounts of the debtors for any changes (if outstanding balance has been paid or not). Debtors can arrange payments with the Chief Accountant - Revenue and no other official. All arrangements and upliftment of water restrictions are to be signed off by the Assistant Manager - Revenue. From month to month there must be an analysis and review of the debt book to monitor the financial impact of the water restrictions as to. The preferred outcome is that payments are to be made in order to reduce the debt book as well as distribution losses incurred by the municipality.

Follow up procedure: Follow-ups on debtors' accounts are essential in order to detect and monitor the success of the intensified collection mechanism. If during the follow-up process there are incidents' of payments not being made and no arrangements are being made, however there is still consumption, technical can go investigate for possible tempers. A top 100 debtors list will continue to be circulated, bringing in more and more debtors to provide for debtors that have paid.

7.3 REVENUE MANAGEMENT

The revenue streams are divided into two being exchange transactions and non-exchange transactions, revenue generated for exchange transaction must be done in a viable manner which means that the municipality cannot spend more than it can recover from the users of those services, and the THLM must meet all conditions and requirements in order to be able to claim the revenue from non-exchange transactions

The total amount generated from trading services which is made up of service charges for water and refuse removal which is the amount municipality billed its customers during the period this is against the direct cost of providing these services which are accounted for in bulk purchases. The negative difference between revenue from trading services and the expenditure for the trading services is an indication that the municipality has challenges with its billing is therefore incurring distribution losses.

The profit margins for providing basic services is very tight and is usually around 10%, a proper analysis of distribution losses is needed to determine exactly how much money is the municipality loosing for distribution of services i.e. water. This make for a gloomy picture especially when considering the fact that the municipality does not have that much of a margin to cover for the losses. Further detailed assessment of broken or damaged pre-paid water meters which currently shows nil purchases or low purchases should be conducted, these broken meters when fixed could reduce revenue losses currently experienced by the municipality.

Assessment of processes and controls over revenue and accounts receivable we noted the following:

- (i) Lack of adequate business process for revenue management (from account opening to billing);
- (ii) Inappropriate tariff structures;
- (iii) The municipality customer and billing data needs to be cleansed;
- (iv) Non- monitoring of service providers contracted for revenue generating activities, e.g.- The latest valuation roll may not be accurate;
- (v) Inadequate business processes - The municipality does not have a process to identify and follow up all unmetered usage of water which could result in loss of revenue;
- (vi) Inadequate business processes to curb distribution losses which are increasing unabated resulting in material loss of revenue;
- (vii) The municipality does not adequately calculate the cost actual services delivery;
- (viii) Lack of coordination between interdependent dependant i.e. Town Planning, BTO and Technical Departments;
- (ix) Indigent register is not adequately updated;
- (x) Lack of delivery of service which are actually billed by the municipality;

The following actions are recommended for the different aspects of the value chain to address the above mentioned challenges;

1. **Develop a procedure manual or business rules for revenue management;**
2. **Review Tariff Structure;**
3. **Systematic Cleansing of Billing Information;**
4. **Bill for Previously Unbilled Services;**
5. **Update the Indigent Register;**
6. **Raise Revenue from Sale of Stands;**
7. **Install Water Meters;**

7.3.1 PROCEDURE MANUAL FOR REVENUE MANAGEMENT

The procedure manuals are beneficial to any organisation regardless of industry sectors and size. They help document what needs to be done and by who and when, it can be used to improve understanding and accountability for business activities, which in turn are critical for the achievement of the organisations strategic goals. They clearly define and document the processes followed when carrying out specified business activities during the normal course operations. Procedure manuals provided the following benefits to an organisation;

- Provide consistency and common understanding in carrying out business activities;
- Identifies and allocate responsibility and accountability;
- Safeguards organisational memory;
- Improves business continuity;
- Assist in the continuous identification of risks on key business processes;
- Reduction in the risk of loss of institutional memory;
- Enable Risk officers to better understand and analyse business processes;
- Allow managers to identify and eliminate bottlenecks while improving processes;
- Continuous knowledge transfer;
- Ensure consistency in performance of functions;
- Link organisational strategy to well defined business processes;
- Improve process communication
- Improve operational efficiencies

As part of its constitutional obligation to ensure the provision of services to communities in a sustainable manner, the Thembisile Hani Local Municipality has developed a procedure manual for the opening and closing of accounts. The objective of the manual is to equip staff and managers with the correct procedures when dealing with issues of opening and closing of municipal accounts.

7.3.2 REVIEW TARIFF POLICY AND STRUCTURE

The tariff policies and the tariff increases proposed in the 2016/17/18 budget and outer years must

Thembisile Hani Local Municipality must start working on a business case and motivation for higher tariff increases for water in 2016/2017 to be used to refurbish its ailing infrastructure.

be reviewed for applicability. Some of the current tariff structure may not be adequate to address the financial challenges facing THLM or be adequate to meet its expenditure requirements. In this regard, an increase in revenue is as critical as cost reduction to improve available cash for service delivery. Noting that there are some legal issues to overcome in the current year, the preparation for the revised tariffs must continue for it to be implemented in the 2016/17 financial year. Thembisile must start working on a business case and motivation for higher tariff increases for water in 2016/2017 to be used to refurbish its ailing infrastructure.

An important and most critical source of revenue for THLM, given the assignment of powers and functions, is the income derived from Property Rates. It has been noted that there are many challenges being experienced in the implementation of the current valuation roll. In order to conclusively address the issues, a Task Team comprising of Provincial Government (COGTA) and Municipal officials led by the Municipal Manager must be established and commence work to review all objections. It is expected that the Provincial Government will oversee this process to ensure compliance with the Property Rates Act and ensure amicable resolution on a timely basis. The Provincial Government, working with the Municipal Manager, must also ensure that all appeals are heard by the Appeals Board and that matters are concluded within 3 months or by end June 2016. All outstanding matters must be addressed to ensure effective implementation in the next budget.

The next largest revenue source is derived from water services. These tariffs must be urgently reviewed to reflect the cost of providing the service. THLM will also be required to undertake a tariff comparison/ benchmarking exercise with similar municipalities. In keeping with the overall review of its tariffs, THLM must also consider tariffs applicable for all services rendered, including appropriately structuring its agency charges.

7.3.3 SYSTEMATIC CLEANSING OF BILLING INFORMATION

Critical to any revenue management function is the credibility of its billing information, it is very difficult to get customers to pay for services received if there is any doubt that the amount they have to pay may be incorrect. The ability to accurately bill for services delivered gives the municipality the confidence to implement strict credit control measures knowing that the amounts being collected are unimpeachable.

Billing information must be based on parcels of land within the jurisdiction of the municipality (hence the municipality is made of areas or parcels of land without which it ceases to exist). A high level review of the customer billing data revealed that there are **major discrepancies in the data relating to property ownership**, the information about who owns the land and property as registered in the deed office is severely corrupted. The only legal and credible records about land property ownership should that of the deeds office and therefore any other records are inadmissible.

Information about land and property ownership is vital to the municipality and its survival as levies on land and property are a critical source of income. The municipality exist purely because of the land within its demarcated borders. Without accurate information about land and property ownership the municipality would not be in a position to bill the person for the correct charges e.g. there are properties which are know for certain to belong to National Department of Public Works however such properties are listed as registered to the municipality by the deeds office; properties which are know for certain to be belonging to the municipality as community assets however they are listed as registered to individuals in the deeds office.

These discrepancies in the property register as per the deeds office means that the information on the valuation roll cannot be correct and likewise the information on the billing system is also questionable.

To establish with certainty how deep the problem is, it is recommended that a study be commissioned with appropriate terms of reference, consisting of appropriate stakeholders to establish the true ownership of all parcels of land within the borders of Thembisile Hani Local Municipality (The municipality should consider leveraging on the current contractual relationships with the appointed valuer's and TGIS). The results of such a study should be used to engage the office of the Surveyor General with a view of amending the records at the deeds office as minimum.

It is obvious that such a study would require resources, the municipality should therefore engage the District Municipality, COGTA, Provincial Treasury, Department of Rural Development, National Department of Public Works and Dardla.

7.3.4 BILL FOR PREVIOUSLY UNBILLED SERVICES

The municipality has not billed for certain services in certain areas where services are currently being provided. This was caused by the failure to link properties to all the tariff codes on the billing system resulting in a loss of revenue. The municipality must bill all residents and businesses who are currently enjoying its services, services delivery comes at a cost and those costs must be recouped from somewhere to enable THLM to provide services in a financially sustainable manner.

Property which were previously not billed for services must be identified and appropriate tariff codes must be allocated to them to enable the municipality to start billing for them. It should be noted however that it may be difficult to start billing for historically unbilled services as that may result in disputes which may prolong the payments for services.

7.3.5 UPDATE THE INDIGENT REGISTER

To review and improve the indigent management policy and processes to insure that they are adequately and effectively applied to improve with the aim of improving access to basic services to all household within the borders of the municipality and that free basic services are provided to those who are poor and vulnerable.

Due to the level of unemployment and poverty within municipal areas, there are those households and citizens who are unable to access or pay for basic services; this grouping is referred to as the indigent. An indigent policy should therefore allow municipalities to target the delivery of essential services to citizens who experience a lower quality of life.

INDEGENT PROCESSES; In order to gain access to the services, which make up the essential services package provided to the indigent, capital investment is needed in order to design and construct the necessary infrastructure, including water supply, sanitation and refuse removal systems. Large numbers of people in municipalities still do not yet have access to services and the backlogs in municipal service infrastructure are constantly moving. Migration patterns and the roll out of other service delivery programs, i.e. housing, influence these moving backlogs. Without access to infrastructure, indigents will not be able to receive FBS. There are a number of ways for municipalities to acquire the capital for these investments. Capital is raised through grants and loans and made available from the national fiscus. The Municipal Infrastructure Grant (MIG) is specifically designed for allowing municipalities to roll out new infrastructure.

Municipalities need to ensure that the services being provided to the indigent are always available, through the regular maintenance of the infrastructure and systems of delivery. This operations, maintenance and repair (OMR) expenditure also needs to be sourced and made available by the municipality. In addition to ensuring that service infrastructure operates optimally, municipalities need to address the real shortages in skills and capacity that they are currently facing.

The ultimate objective of the FBS programme that the indigents in the country will all have access to basic services. The national indigent framework states, "An indigent policy will only be fully functional once subsidies are targeted in such a way that the indigent benefit and those who are not indigent pay. Municipalities need to have the capacity and resources to align its financial planning so that ultimately, all the indigents will be provided with FBS and the municipality will remain sustainable.

TARGETING THE POOR; it is the ultimate objective of the FBS programme that the indigents in the country will all have access to basic services. The national indigent framework states, "An indigent policy will only be fully functional once subsidies are targeted in such a way that the indigent benefit and those who are not indigent pay. Municipalities need to have the capacity and resources to align its financial planning so that ultimately, all the indigents will be provided with FBS and the

municipality will remain sustainable. Municipalities can leverage the following subsidy sources to develop a subsidy framework for FBS that will benefit the indigent:

- Cross subsidies from non-residential and high income consumers using the particular service (they are charged more than what the service costs to generate a surplus to be used to cover the cost of services to the indigent).
- The core administration revenue of the municipality which includes property rates, RSC levies and water suppliers.
- The national fiscus, through the equitable share

THE CRITERIA FOR QUALIFYING AS INDIGENT; Every municipality is expected to develop an indigent policy in relation to the specific need and financial standing of the municipality. The policy should also outline the approach it will use for cross subsidization and pricing of services. The policy needs to be developed in compliance with nationally set norms and standards, and be enforceable by the municipality. Below are the 5 minimum criteria and conditions identified by the Thembisile Hani Local Municipality to qualify an individual as an indigent:

- The applicant must be a natural adult person.
- The council has determined that the gross total monthly household income of all persons ordinarily residing at the premises concerned from all sources may not exceed an amount of **twice the old age pension grant** as from time to time.
- Either the applicant may not own, on her/his own or together with other persons, more than one fixed property.
- The applicant must ordinarily reside at the premises concerned.
- The amount written off will be re-instated should the owner sell the property.

7.3.6 REVENUE FROM SALE OF STANDS

The municipality have identified parcels of land in Tweefontein and Kwamhlanga which are ready to be sold individuals and property developers. The areas in which the stands are to be sold have been proclaimed and formalised through the office of the surveyor general. To this end SCM has undertaken an exercise where the public and interested parties were invited to participate in the bidding process for the available stands by putting forward an application. One of the critical conditions was that the prospective buyers must pay for the stands upfront via a bank guaranteed cheque amounting to the value of the stand must be provided to the municipality.

Once the application is approved and the offer to purchase has been signed the municipality will appoint a firm of conveyancers to transfer the property into the name of the buyer.

7.3.7 INSTALL WATER METERS FOR ALL WATER USERS

The municipality can raise additional revenue from water services by installing meters in all areas which it currently servicing. If the Municipality is to continue to provide services in a financially sustainable manner it must acquire the ability to measure the consumption for water distributed and accurately bill for it. South Africa is a water scarce country and changes in weather patterns have brought severe drought which affects many areas in the country including Thembisile therefore the THLM cannot continue to supply water and charge a flat rate. The ability to meter the consumption by its residents is an important tool which can be used to control water distribution, manage demand and reduce water waste by its residents and the community at large.

The installation of water meters will allow the municipality to do the following:

- Reduce water losses by residents as residents will know that they pay for every kilo litre they get;
- Apply appropriate tariffs i.e. and progressive or escalating tariff can be applied at various thresholds depending on the volume of water consumed (The higher the volume the higher the tariff per kl);
- Allow the municipality to reduce costs of its bulk purchases by buying less water;
- Increase revenue through the use of prepaid water meters;

7. IMPLEMENTATION OF THE REVENUE ENHANCEMENT STRATEGY

This Plan places significant implementation responsibility on the Municipal Manager and Chief Financial Officer. The implementation responsibility should be operationalized whereby the key focus areas and activities outlined in the Revenue Enhancement Strategy should be cascaded to all relevant municipal officials and included in their performance agreement. In respect of financial resources, the key will be the restructuring of THLM's budget and successful engagements with the District Municipality and Provincial Government to conclude agency agreements.

Finally, it must be emphasised that the strategies set out in this Plan relate to activities that must be institutionalised and performed by municipal officials as their regular tasks and who are appointed to such positions. Council must take overall responsibility for the plan and be party to its design implementation and monitoring and take full ownership of the plan. Without political leadership the recovery plan is destined to fail. There also needs to be close relationship and buy in from Traditional Leadership given the fact that the municipality is located within a rural area of Mpumalanga

Management is tasked with a responsibility to implement the Operation Hlasela initiative which was a resolution taken by at the Municipal Lekgotla for the 2022/2023 financial year. The main objective in implementing this initiative is to improve the revenue collection level which has been low for a period of time. The targeted areas for implementation is to attack all the businesses (Big, medium and small), government departments, households in affluent areas wherein service delivery is provided at all times then later to the entire THLM population. There are low-hanging areas which this initiative aims to attack such as business licenses, sale of stands, billboards and many others. There are internal municipal employees and councillors who will also be attended to as a matter of urgency. The Indigents programme and collection of billing database is also at the core for the management aims to improve the collection level though sending out the accounts statements using digital means (i.e. sms and emails).

7.1 RISKS ASSOCIATED WITH THE PLAN

This Plan has identified certain risks that must be mitigated for successful implementation. These are summarised below: -

- **Non-implementation of previous plans** - There are numerous plans and strategies developed over the years which have not been implemented. A key risk is that implementation of strategies may not take place. In order to mitigate this risk, specific timeframes and responsibilities have been defined for each of the strategies developed in the Revenue Enhancement Strategy.
- **Change management** - From a change management perspective, urgent action is required to address some of the bad practices that may have occurred for many years. There is a

need to strictly enforce new procedures without exception. The enforcement of staff discipline will be extremely important and this should drive the change management process within the Municipality. The Municipal Manager and Chief Financial Officer with the assistance of Human Resources division must communicate the content of this plan to all employees to ensure full understanding for effective implementation.

- **Labour relations** - This Plan has an impact on labour and therefore discussions will need to be held with organised labour and the Bargaining Council to address any labour relations matters arising from the implementation of this plan.
- **Community and Stakeholders** – There is a risk that there may be further community and stakeholder challenges to aspects of the Plan, such as budget cuts and the need to increase tariffs. This risk can be managed by effective, improved communication by councillors, officials of the municipality and the community. The municipality must communicate effectively with the community on all aspects of the plan and provide regular feedback on progress, including tabling of the plan at the Provincial Legislature.

There should be a regular review of the risks to ensure timely mitigation strategies are instituted by the Political leadership, Municipal Manager.

7.2 MONITORING AND EVALUATION

As a result of the nature of the intervention, all decisions regarding implementation of the Revenue Enhancement Strategy will be undertaken by the Municipal Manager until such time as the intervention ceases. It should be noted that the Revenue Enhancement Strategy also includes medium to long-term activities that may go beyond the term of the Municipal Manager. The Municipal Manager must therefore also accept responsibility from the outset to ensure continuity and sustainability when the intervention ends. Once the intervention is terminated, the Municipal Manager will continue with the implementation of this plan, until such time as all aspects of the plan have been fully implemented.

The monitoring and reporting on progress in implementing the Revenue Enhancement Strategy will be undertaken by the Office of the Municipal Manager. Reports on the implementation of the Plan must be submitted to the Municipal Manager on a weekly basis. The Municipal Manager must take corrective action when activities in the Revenue Enhancement Strategy are not achieved. Progress reports on the implementation of the Recovery Plan must be signed by the Municipal Manager before submission by the Office of the Municipal Manager to Council, National and Provincial Treasuries and COGTA in the Mpumalanga Province on a monthly basis.

The Provincial Treasury must submit a copy of the report to the MEC for Finance and the Provincial Legislature for noting. Should the Municipality delay or fail to implement the Revenue Enhancement Strategy the Provincial Government must consider alternative measures, including the extension of the term of office of the current Municipal Manager or the appointment of a new Municipal

Manager or dissolution of Council. As a last resort the Provincial Executive may wish to consider recommending the disestablishment of THLM and a merger with another municipality, given past experiences and continued interventions.

ANNEXURE A

SUMMARY OF THE PROJECT IMPLEMENTATION PLAN FOR REVENUE MANAGEMENT;

REVENUE MANAGEMENT				
Tasks	Output	Responsible Official	Targeted Amounts	Time Frame
7.3.1 Review Revenue Management Policies and Processes				
Develop key procedure manuals for revenue management	Updated policies and documented processes for revenue; and Consistent and accurate billing processes	Oupa Ledwaba	N/A	30/06/2018
7.3.2 Review Tariff Policies and Structure				
Review Tariff structure	Review the appropriateness of the tariff structure by balancing the socio economic conditions of the municipal area with financial viability imperatives; Conduct benchmarking exercise with similar municipalities.	Oupa Ledwaba	N/A	30/06/2018
7.3.3 Systematic Cleansing of Billing Information				
Conduct a data cleansing exercise for property, customer, metering and billing data.	Compile the valuation roll; Confirm owner and occupier details; Identify previously omitted properties and customers; Update the billing system;	Oupa Ledwaba	N/A	30/06/2018
7.3.4 Billing Previously Unbilled Properties				
Identify properties which are not included in the billing system.	Additional revenue from properties not previously included in the valuation roll and billing system.	Oupa Ledwaba	R 0,00	30/06/2018
7.3.5 Update the Indigent Register				

Enrol 1000 indigents into the registered per month	Create an awareness campaign for residents to register as indigents (Ward councils, the Media and council meetings); for updating the indigent register; Increased equitable share and credible billing.	Oupa Ledwaba	R 30 000 000,00	30/06/2018
7.3.6 Improve Revenue Through Sale of Stand				
Identify and repair broken or damaged or no meters for repair;	Advertise properties for sale; Invite bids; Evaluate and adjudicate; issue offer to purchase letters to successful bidders; collect revenue; transfer the properties;	Lydia Sehlako	R 5 000 000,00	30/03/2018
7.3.8 Improve Revenue Through Metering				
Instal prepaid water meters for all formal properties;	Apply the appropriate method of metering; Acquire and instal water meters and ensure that correct billing is applied;	Technical - Francina	R -75 000 000,00	30/06/2019

ANNEXURE B

DEBTORS MANAGEMENT SUMMARY OF THE PROJECT IMPLEMENTATION PLAN FOR CREDIT CONTROL;

DEBTORS MANAGEMENT				
Tasks	Expected Outcome	Responsible Official	Targeted Amounts	Time Frame
7.2.1 Review the credit control policy				
Review and Improve the credit control policy	Review the Credit Control Policy - Improved debtors' collection; Reduction of debtors' related disputes; Compliance with legislative requirements; and Improve governance environment.	Oupa Ledwaba	N/A	30/06/2018
7.2.2 Develop a procedure manual or business rules for collections and credit control				
Create documented procedures for debtor's collection and credit control.	Improved debtors collection; Less reliance of key individuals; Simplified credit collection process; Improved internal control environment and; Improved audit outcomes;	Oupa Ledwaba	N/A	30/06/2018
7.2.3 Strengthen the credit control measures				
Implementation of credit targeted collections	Analyse debtors balances; Confirm accuracy of debtors information i.e. account and owner details, property details; Send notices for all accounts in arrears; Initiate communication with each customer; (Implement water and other appropriate restrictions); Monitor Account for Payment; Reconcile debtors accounts monthly; Monitor performance; Take further legal action (Including blacklisting).	Enock Kabini	R 40 000 000,00	31/13/2018

7.2.4 Targeted Collection - Organ of State				
Implementation of credit targeted collections - Organ of State	Analyse debtors balances; confirm accuracy of debtors information i.e. account and owner details,property details; Intiate commnucation with each department; Prepare invoices and statement for each property; Prepare debtors reconciliation; Physical deliver invoices and statement to the relevant department; monitor account for payments; Follow-up; Issue final notices; Escalate to Head Office (CFO); Escalate to PCF; Escalate to PT and NT; Monitor Account for Payment; Reconcile debtors accounts monthly; Monitor performance.	Oupa Ledwaba	R 15 000 000,00	31/12/2018
7.2.5 Targeted Collection - Municipal Councillors and Ward Committee Members				
Implementation of credit targeted collections	Analyse debtors balances; confirm accuracy of debtors information i.e. account and owner details; make individual arrangements; perform monthly deductions; Reconcile debtors accounts monthly; Monitor performance.	Lydia Sehlako	R 250 000,00	30/10/2018
7.2.6 Targeted Collection - Businesses				
Implementation of credit targeted collections for Business;	Analyse business debtors; confirm accuracy of debtors information i.e. account and owner details; Initiate communication; follow up; take further legal action;	BBT Capital	R 1 000 000,00	30/10/2018
7.2.7 Targeted Collection - Residential Debtors				
Implementation of credit targeted collections for Residential debtors	Analyse business debtors; confirm accuracy of debtors information i.e. account and owner details; Initiate communication; follow up; maintain communication; Physically visit the property for inspections; take further legal action;	Enock Kabini	R 17 100 000,00	30/10/2018