DR AB XUMA LOCAL MUNICIPALITY

LOSS CONTROL POLICY

2026/27

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1. DIFINITIONS

To provide for a written description of the LOSS CONTROL Committee (the "Committee") procedures established for DR AB Xuma Local Municipality. This document is an overview of the individual procedures which support the LOSS CONTROL Committee and contains guidelines for Good Practice for claims and loss management within DR AB Xuma Municipality.

WHEREAS the municipality does from time to time receive claims from the public relating to possible damages caused in incidents occurring in the service delivery activities of the municipality;

AND WHEREAS from time to time the municipality has to deal with losses occurring within the organization pertaining to its employees, official equipment, vehicles and municipal property as a whole;

AND WHEREAS it is the purpose of the LOSS CONTROL Committee to evaluate and settle property loss/damage and/or liability claims in amounts less than the excess amount for which the Municipality is liable in terms of its insurance policy;

NOW BE IT ENACTED by the Council of the DR AB Xuma Local Municipality, as follows: -

2. CHAPTER 1

2.1 COMMITTEE COMPOSITION

2.2 CUSTODIAN OF THE COMMITTEE

The Committee shall fall under the custodianship of the Chief Financial Officer of the Municipality.

Members of the Committee shall be appointed, in writing, by the Municipal Manager or his/her authorized representative.

The office of the CFO shall appoint a secretary for the Committee, the duty of whom it shall be to distribute Agendas for meetings of the Committee as well as record and minute meetings of the Committee.

This Policy as well as the appointment of members of the Committee shall be reviewed annually by the Municipal Manager or his/her authorized representative.

The CFO may delegate any of his/her duties under this policy to a senior official within the Budget and Treasury Office.

2.3 MEMBERS AND REPRESENTATION

The Committee membership shall comprise of the following standard members: -

Chairperson	CFO
Deputy Chairperson	Asset and Fleet Management Officer
Legal Services	Manager Legal Services

Compliance	Risk Officer
HR	HR Manager

Sections shall be represented by the relevant Manager of that section in meetings of the Committee whenever a claim or loss arising from the activities of such a section is tabled before the Committee.

Section Managers may delegate a representative to attend meetings of the Committee on his/her behalf but only with the consent of the Chairperson of the Committee and further provided that such a representative shall be fully conversed and familiar with all relevant facts pertaining to the claim or loss he/she shall be presenting before the Committee on behalf of the section.

2.4 ROLES AND RESPONSIBILITIES

Chairperson: The Chief Financial Officer will chair the LOSS CONTROL Committee sittings.

The Chairperson shall ensure the meeting agenda is completed and that assignments and commitments have been achieved and further that all records are filed in the Asset management section.

All records required and generated by the procedures and working of the Committee shall be maintained and located in the Asset management section and after three years in the Records Section of the Municipality.

The Chairperson shall also be the technical mentor and coach of the Committee by providing guidance in terms of regulatory requirements, technical resources and references etc.

Members: Complete the functions and tasks necessary to fulfil the goals and objectives of the Committee.

2.5 QUORUM RULES

A minimum 60% (3) of the membership plus the Manager(s) whose claims are being assessed are required to be present in order to hold a meeting and take a vote.

Resolutions and process directions are passed by a majority vote.

2.6 MEETING SCHEDULES

The Committee will meet as claims arise but at least quarterly.

2.7 AGENDAS MINUTES AND RECORDING OF MEETINGS

The secretary of the Committee shall be responsible for compilation and distribution of Agendas for Committee meetings at least 3 days prior to a meeting.

Agendas shall contain all relevant information as stipulated in this policy regarding a specific claim and/or loss including a written report from the relevant section Manager to whose section the claim or loss relates.

The secretary shall capture all resolutions of the meeting during the meeting and then record same in written Minutes of the meeting to be distributed to all attendees of a specific Committee Meeting.

The secretary shall ensure that an attendance register is signed at all meetings of the Committee and also record any apologies accordingly.

3. CHAPTER 2

3.1 PROCEDURE

3.2 PURPOSE OF THE COMMITTEE

The purpose of the Committee is to consider and settle or repudiate claims for damages caused to the property of members of public arising against the Municipality from time to time as well as consider and settle internal loss control issues as they arise.

The Committee shall have the authority to deal with claims as described in sub-clause 2.1(a) on the merit of each individual claim, for claims which falls within the excess amount of the Municipality's liability under its public liability insurance policy.

(a) The Committee shall focus on the following goals and functions in order to meet the purpose identified:

(i) Review, consider and discuss all claims and losses received;

(ii) Settle, repudiate or refer back for further information all claims tabled before the Committee which falls within its mandate;

(iii) Attend meetings arranged for purposes of discussion and finalization.

Seek advice from any Third Party in considering and finalizing claims before the Committee as the Committee may deem necessary

4. CHAPTER 3

RECEIPT OF CLAIMS TO SERVE BEFORE THE COMMITTEE

SUBMISSION OF CLAIMS

Claims against the Municipality have to be submitted at the office of the Manager of the section/unit allegedly responsible for the damage which gave rise to the claim.

Potential claimants have to contact the Asset management office for progress of their claim and documentation required as will be advised in the asset management section.

Claimants shall claim from their own insurance companies first before recourse is sought against the Municipality. No claimant shall refuse to claim for damages against their own insurance company. In all instances the claimant shall disclose the name and telephone number of their insurance company.

Claims for consideration by the Committee have to be lodged with the Municipality within 1 calendar month of the date of the incident causing the alleged damage. Claims lodged outside this cut-off period shall not be considered by the Claims and Loss Control Committee of the Municipality.

All claims lodged with the municipality shall contain the following information and be accompanied by the following relevant documentation: -
Sworn affidavit by the claimant on the circumstances how, date, time and place where the incident allegedly causing the damage occurred;
SAPS MR Number showing the incident has been reported with SAPS;
In the event of a motor vehicle accident, a detailed traffic accident report complete with sketches;
3x quotations for repairing of the damage allegedly caused;

Color photographs of the scene of the incident as well as the damaged property (where damage is caused to mag-wheels and tyres the municipality reserves the right to inspect such mag-wheels and tyres);
A certified copy of the claimant's ID;
A certified copy of the damaged motor vehicle's registration/licensing documents;
A letter from the claimant's insurance company indicating that a claim has been lodged with the insurer for the damage to the claimant's property, further indicating what the excess amount payable on the claim is.

CLAIMS ASSESSMENT

Although all claims received shall be reviewed by the Committee, the Municipality is not obliged to honor any claim.

Claims received shall be considered on merit of each individual claim. Negligence on the part of the claimant shall result in discounting of the claim in the discretion of the committee.

In all instances where alleged damage is caused to a claimant's property, the Municipality shall only consider payment of the claimant's excess payable under his/her own insurance policy where the Committee is of the opinion that the claim has merit and warrants remuneration.

Claims received shall within a period of 5 working days from date of receipt of such a claim, be submitted to the Asset management office by the relevant section Manager receiving the claim. Claims thus submitted shall contain all relevant information requested on the claim form and shall be accompanied by a written report of the relevant section Manager regarding the merit of the claim from the section's perspective.

On receipt of a claim from the section Manager, the Asset officer shall acknowledge receipt of the claim and arrange for the claim to form part of the

agenda of the Loss Control Committee sitting.

Received claims shall be forwarded to the Secretary of the Claims and Loss Control Committee who in turns shall compile an Agenda for the Committee and secure a date for the next meeting to consider claims.

Claims have to be finalized within 30 working days following the date of receipt of a complete report.

PAYMENT OF CLAIMS

Claims deserving of payment in accordance with the Committee's resolution shall be limited to payment of the lowest quotation amount or the claimant's excess payment under his/her policy, whichever is the lesser amount.

Where the Committee resolves to honour a claim against the Municipality, the payment shall be made ex gratia and in full and final settlement of the claimant's claim.

Costs for car rental and tow in services shall not be consider

NO OR PARTIAL PAYMENT OF CLAIMS

If the claim is denied, the Committee states and minutes explicitly to the claimant the reasons on which denial of the claim is based.

If the amount offered is different from the amount claimed, the Committee explains the reason for this to the claimant.

When the municipality is not responsible (by virtue of common law of delict principles) for meeting all or any part of the claim, the Committee notifies the claimant of this fact and explains why.

5. CHAPTER 4

LOSS CONTROL

RECEIPT OF LOSS CONTROL MATTERS FOR CONSIDERATION

Incidents of internal loss control to be considered by the Committee shall be submitted to the asset management office for inclusion in the Agenda of the Committee.

Incidents so submitted shall consist of a comprehensive written report in the form of an affidavit by the relevant employee, which report shall contain information on the nature of the loss, how it occurred, and value of the loss.
When a loss control issue serves before the Committee, the relevant section Manager shall avail himself/herself to ensure attendance of such a meeting of the Committee.

Resolutions taken on loss control issues shall be final and binding and executed accordingly by the relevant section Manager.

6. CHAPTER 5

CLAIMS REGISTER

A claims register shall be opened and kept on all claims received and considered by the Committee. This register shall contain the date of the claim, the claimants name and the amount of the claim and whether the claim was paid out or not.

Claims are documented in order to be able to address questions that may arise concerning the handling and payment of a claim.

7. CHAPTER 6

COMPLAINTS AND DISPUTES

FILING OF COMPLAINTS AND DISPUTES

When a claimant files a complaint against the findings of the Committee, the Committee:-

acknowledges receipt of the complaint within a reasonable period of time;

provides the claimant with explanations on how his/her complaint will be handled and the procedures to be followed

processes the complaint promptly and fairly

provides a final response in writing within a reasonable period of time.

PROCEDURE FOR DEALING WITH COMPLAINTS AND DISPUTES

Once a complaint has been received and acknowledged, the letter of complaint together with the resolution of the Committee taken with regard to the claim on which a complaint has been received has to be tabled before the earliest next sitting of the Committee for consideration.

Complaints and disputes so received shall be duly considered by the Committee, whereafter the Committee shall resolve on the matter and a final response on the complaint be forwarded to the claimant in writing.

DISPUTES

If the claimant is dissatisfied with the final response from the Committee, the claimant shall be informed to forward his/her dispute in writing to the CFO and Manager Legal Services, who will then assess the matter and take a final decision regarding that claim or dispute and inform the claimant accordingly in writing.

A claimant not satisfied by this outcome may lodge an appeal with the Municipal Managers

8. POLICY ADOPTION

The accounting officer will be the accountable custodian of the Loss Control Policy and must ensure that this policy is submitted to the council for consideration and adoption.

9. POLICY REVIEW

This policy must be reviewed at least annually to ensure that it is adaptable to operational changes and it is aligned with the legislative environment.

When deemed necessary on ad hoc basis, the Accounting Officer must submit proposals of amendments of the policy to the Council for consideration and adoption.

SIGNATURES

MUNICIPAL MANAGER
KL MULAUDZI

DATE

ADOPTED BY THE COUNCIL OF DR AB XUMA LOCAL MUNICIPALITY

HONOURABLE MAYOR
CLLR S ZANGQA

DATE

RESOLUTION NUMBER: .....