

**AGENDA of the  
Portfolio Committee: Finance & Tourism  
30 May 2022  
(Also the agenda for the Mayoral Committee Meeting: 30 May 2022)**

---

**5.  
WRITING OFF OF IRRECOVERABLE DEBT**

5/17/1

**SG Reyneke-Naudé  
12 April 2022**

**Director: Finance**

**(028) 313 8040**

---

**1. Executive Summary**

The purpose of the report is to request Council to approve the writing off of debt that has become irrecoverable.

**2. Service Delivery and Budget Implementation Plan - IGNITE**

Directorate Finance  
Department Revenue

**3. Compliance with Strategic Priorities**

Provision of democratic, accountable and ethical governance  
Provision and maintenance of municipal services

**4. Delegated Authority**

None

**5. Legal Requirements**

Local Government: Municipal Systems Act, Act 32 of 2000  
Customer Care, Credit Control & Debt Collection Policy  
Indigent Policy

**6. Background/Discussion/Evaluation/Conclusion**

**Background**

According to the Customer Care, Credit Control & Debt Collection Policy (CC,CC,DC P), the following applies:

Section 8.7.1 states that debt will only be considered as irrecoverable if it complies with specific criteria as set out in the policy.

Section 8.7.2 states that all debtors who qualify and are registered as indigent, will have their arrears written off once during ownership of the property.

**AGENDA of the  
Portfolio Committee: Finance & Tourism  
30 May 2022  
(Also the agenda for the Mayoral Committee Meeting: 30 May 2022)**

---

**Discussion**

**Annexure A - First Time Write Off Indigent Households: R149 716.93:**  
(Section 8.7.2 of the CC,CC,DC P)

The list consists of accounts where the owners qualified for indigent grant allocation and are currently receiving the benefit, but the arrear amounts have not yet been written off.

These debtors are newly registered indigents and thus part of the write-off list for the first time.

**Annexure B – Indigent water leakages irrecoverable: R167 392.50:**

The list consists of accounts where the owners are registered as Indigent Households and incurred water losses due to leakages. These consumers have repaired the leakages.

Close monitoring of monthly water consumption takes place to ensure timeous reporting of water leaks and installation of flow limiter water meters as far as possible to reduce water losses and to limit outstanding debts.

**Annexure C – Final accounts equal or less than R1,500.00: R32 215.98:**

(Section 8.7.1 (b) of the CC,CC,DC P)

Final accounts, where the outstanding amounts are equal to, or less than R1 500.00, are in terms of the policy considered too small, after having followed due processes, to recover such amounts cost effectively through legal processes.

**7. Financial Implications**

<u>Unique Key:</u>	<u>Cost Account</u>	<u>Item Description</u>
20170525140613	4 02 0630 002 1	Impair Rates: Bus & Commercial Prop
20170525140633	4 02 0630 012 1	Impair Rates: Residential Prop Develop
20170525140643	4 02 0630 014 1	Impair Residential Property Vacant
20170525140653	4 02 0630 016 1	Impair Agricultural Purposes
20170525140663	4 02 0630 018 1	Impair Special Rating Area
20170525140673	4 02 0630 020 1	Impair State Owned NT
20170525140683	4 02 0630 022 1	Impair State Owned PT
20170525140693	4 02 0630 024 1	Impair Electricity
20170525140703	4 02 0630 026 1	Impair Property Rental Debtors
20170525140713	4 02 0630 028 1	Impair Service Charges
20170525140723	4 02 0630 030 1	Impair Waste Management
20170525140773	4 02 0630 032 1	Impair Wastewater Management
20170525140743	4 02 0630 034 1	Impair Water

**AGENDA of the  
Portfolio Committee: Finance & Tourism  
30 May 2022  
(Also the agenda for the Mayoral Committee Meeting: 30 May 2022)**

---

Budget Provision 2020/2021	: R44 498 663.87
Spent to Date/Committed	: R 503 088.14
Contribution to Provision	: R 1 250 000.00
Balance Available	: R45 245 575.73
Funds Required	: <u>R 349 325.41</u>

**8. Staff Implications**

None

**9. Comments from other Departments, Divisions and Administrations**

None

**10. Annexures**

- Annexure A: First Time Indigent Households
- Annexure B: Indigent water leakages irrecoverable
- Annexure C: Final Accounts equal or less than R1 500.00

**RECOMMENDATION TO THE COUNCIL:**

that the irrecoverable debt to the value of R349 325,41 as listed below, be written off as bad debt:

A	First time write off – Indigent Households	R 149 716.93
B	Indigent water leakages irrecoverable	R 167 392.50
C	Final accounts equal or less than R1 500.00	<u>R 32 215.98</u>
	TOTAL	R 349 325.41

**RESPONSIBLE OFFICIAL :**

**EM HOONEBERG**

**TARGET DATE FOR IMPLEMENTATION :**

**31 MAY 2022**

**AGENDA of the  
Portfolio Committee : Finance & Tourism  
30 May 2022  
(Also the agenda for the Mayoral Committee Meeting : 30 May 2022)**

---

**REMARK**

Please note that the following recommendation contained in this agenda is subject to confirmation or amendment by the Executive Mayor in view of the fact that the **compilation of the MAYORAL COMMITTEE agenda** was done before the **FINANCE & TOURISM PORTFOLIO COMMITTEE** of 30 May 2022 had formally sat.

**5.  
WRITING OFF OF IRRECOVERABLE DEBT**

5/17/1

**SG Reyneke-Naudé  
12 April 2022**

**Director: Finance**

**(028) 313 8040**

---

**THIS MATTER SERVED BEFORE THE FINANCE & TOURISM PORTFOLIO COMMITTEE ON 30 MAY 2022, WHICH COMMITTEE RECOMMENDED AS FOLLOWS:**

**RECOMMENDATION TO THE COUNCIL:**

that the irrecoverable debt to the value of R349 325,41 as listed below, be written off as bad debt:

A	First time write off – Indigent Households	R 149 716.93
B	Indigent water leakages irrecoverable	R 167 392.50
C	Final accounts equal or less than R1 500.00	<u>R 32 215.98</u>
	<b>TOTAL</b>	<b>R 349 325.41</b>

**RESPONSIBLE OFFICIAL :**

**EM HOONEBERG**

**TARGET DATE FOR IMPLEMENTATION :**

**31 MAY 2022**