

FINANCE & ECONOMIC DEVELOPMENT PORTFOLIO COMMITTEE
FINANSIES & EKONOMIESE ONTWIKKELING PORTEFEULJEKOMITEE

19 MAY 2015

I N D E X

ITEM

**PAGE
NUMBER**

OPENING

APPLICATIONS FOR LEAVE OF ABSENCE

**STATEMENTS AND COMMUNICATIONS BROUGHT FORWARD BY THE
CHAIRPERSON**

1. WRITING OFF OF IRRECOVERABLE DEBT

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PORTFOLIO COMMITTEE :
FINANCE & ECONOMIC DEVELOPMENT

Chairperson :

Cllr D Coetzee

Committee Members :

**Ald P May, Cllrs L Krige,
R de Coning, S Gxamesi**

PORTEFEULJEKOMITEE :
FINANSIES & EKONOMIESE ONTWIKKELING

Voorsitter :

Rdl D Coetzee

Komiteelede :

**Rdh P May, Rdle L Krige,
R de Coning, S Gxamesi**

**AGENDA of the
Portfolio Committee : Finance & Economic Development
19 May 2015
(Also the agenda for the Mayoral Committee Meeting : 28 May 2015)**

**1.
WRITING OFF OF IRRECOVERABLE DEBT**

5/17/1

EM Hooneberg
24 April 2015

(028) 313 8149

Corporate Head Office

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

6.1 Background

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

- Section 8.7.2 stated that all debtors who qualify and are registered as indigent, will have their arrears written off once during ownership of the property;
- Section 8.7 stated that debt will only be considered as irrecoverable if it complies with specific criteria as set out in the policy.

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6.2 Discussion

6.2.1 Annexure A – Debts on Indigent accounts R85,998.09 (Section 8.7.2 of CC,CC,DC P)

This list consists of accounts where the owners have qualified for the indigent grant and are currently receiving it but the arrear amounts have not yet been written off. All the debtors are **new** registered indigent applications and part of a write off list for the **first** time.

6.2.2 Annexure B – Indigent water leakages irrecoverable: R189,964.24

The leakages were repaired as part of a project launched to investigate the high percentage in water losses.

Close monitoring of monthly water consumption takes place to ensure timeously reporting of water leaks and installation of flow limiter water meters to reduce water losses and limit the outstanding debits.

6.2.3 Annexure C – Final accounts equal or less than R1,000.00: R951.96 (Section 8.7.1 (b) of CC,CC,DC P)

Final accounts, where amounts are equal to or less than R1 000.00, are considered too small, after having followed due processes. It will not be cost effective to recover such amounts through legal processes.

As a preventative tool the deposits were adjusted to two times average consumption during the preceding 12 months on an annual basis.

6.2.4 Annexure D – Other R1,518.24

The list consists of accounts of a different nature referred to the following sections:

Section 8.7.1:

- (g) the debtor is untraceable or cannot be identified so as to proceed with further action;

7. Financial Implications

Source of Funding e.g. Capital/Operating Budget Provisions

Vote/Work Code	:	3 02 0111 001 0-9
Vote/Work Code Description	:	Bad Debts
Budget Provision 2014/2015	:	R16,359,224.82
Spent to Date/Committed	:	R 393,325.99

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Balance Available	:	R15,965,898.83
Funds Required	:	R 278,432.53

8. Staff Implications

N/A

9. Comments from other Departments, Divisions and Administrations

None

10. Annexures

Annexure A: First time write off – Indigent Households
Annexure B: Indigent water leakages irrecoverable
Annexure C: Final accounts equal or less than R1,000.00
Annexure D: Irrecoverable Debt: Other

RECOMMENDATION TO THE COUNCIL:

that the irrecoverable debt to the value of R278,432.53 as listed, **be written off** as bad debt:

Annexure	Amount
A	R 85,998.09
B	R189,964.24
C	R 951.96
D	R 1,518.24
TOTAL	R278,432.53

RESPONSIBLE OFFICIAL :

E M HOONEBERG

TARGET DATE FOR IMPLEMENTATION :

30 MAY 2015

3a

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19 May 2015
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**1.
WRITING OFF OF IRRECOVERABLE DEBT**

**5/17/1
EM Hooneberg (028) 313 8149 Corporate Head Office
24 April 2015**

**THIS MATTER SERVED BEFORE THE JOINT PORTFOLIO COMMITTEE ON
19 MAY 2015, WHICH COMMITTEE RECOMMENDED AS FOLLOWS:**

RECOMMENDATION TO THE COUNCIL:

that the irrecoverable debt to the value of R278,432.53 as listed, **be written off** as bad debt:

Annexure	Amount
A	R 85,998.09
B	R189,964.24
C	R 951.96
D	R 1,518.24
TOTAL	R278,432.53

RESPONSIBLE OFFICIAL :

E M HOONEBERG

TARGET DATE FOR IMPLEMENTATION :

30 MAY 2015

ANNEXURE A

1ST TIME WRITE OFF INDIGENT HOUSEHOLDS

Account number	Suburb	Debtor's Name	Initials	Total
144010510006	GBP	SAULS	JEM	2 888.97
144022330007	GBP	JANSE	F&K	925.24
140000056437	GGB	PRETORIUS	SG &	1 770.60
140000058745	GPB	PICK	M	2 483.61
140000058769	GPB	MARTINS	S	3 579.58
144009970004	GPB	DEMPERS	JM&C	1 723.08
146026530007	GPB	MGODLWANA	N	6 286.08
146026580002	GPB	GOLOMBA	C	5 041.89
146026810000	GPB	NDABENI	S	3 720.25
146026910007	GPB	WELLEM	MK	3 109.40
146027170008	GPB	MREDLANA	U & S	3 836.41
146027420004	GPB	NTAMBEKWANA & XHAL	IS S&V	3 713.14
146027550008	GPB	DENGWANE	X	922.15
146028020009	GPB	GOOSEN DG& ESAU MM		435.79
146028290006	GPB	JONAS	B	1 113.31
146028390003	GPB	MAARMAN & WILDSCHU	TT H&OC	47.49
900000305201	GPB	SEFTON	ME	3 583.38
205000970003	HHW	GARDINER	MC	30 317.27
205015230004	HHW	GILLION	EM	88.20
200867780019	HMP	WILLIAMS	KA&E	1 091.32
200873980005	HMP	SWART	SJ&PJ	685.83
201000006500	HMP	DIEDERICKS	J&C	71.44
203000580206	HSB	VAN DER MERWE	CP	1 726.91
900000163687	HSB	NOLTE	MC	586.66
900000262346	HSB	SWANEPOEL	JDG&J	3 363.13
451000226406	SSS	HEESE	JDV	2 886.96
TOTAL				85 998.09

ANNEXURE B

Indigent Water Leakages Irrecoverable

Account number	Erf	Suburb	Debtor's Name	Total
144021070009	2107	GBP	Joos S & L	5 450.12
140000017339	3147	GBP	Adams C	1 791.30
205008350007	835	HHW	September S	459.10
205008840003	884	HHW	Kees SJ&CW	2 302.21
205009270001	927	HHW	Swartz C	538.64
201000031409	2050	HHW	Swart HJ	2 100.00
201000037223	2111	HHW	August BE	1 770.91
201000037508	2153	HHW	Swart DJ&PJ	2 170.35
201000037515	2154	HHW	Olivier & Manuel CR&M	2 154.00
900000028490	2733	HHW	Gorden P	5 756.96
900000004553	2890	HHW	Mafakala BJM	1 955.00
205006170005	617	HHW	Hess PM	2 453.80
205010500003	1050	HHW	Gillion PH	1 628.68
312829200005	8292	HKM	Taute S	965.28
312841400007	8414	HKM	Matyhoboza M & Makhwabasa P	2 760.34
140000020070	3238	GMAS	Mnqotana L	2 408.96
140000048722	3333	GMAS	Fiko W	2 541.49
312742200007	7422	KOH	Jojo BX & Fibi S	7 165.40
312727000006	7270	KOH	Kawe PM	1 590.02
450000011353	1366	SSN	FJ&L Titus	3 148.89
201006040003	604	HZW	Tubu LS	5 871.88
201007750004	775	HZW	Booi MJ	6 617.91
201000031825	882	HZW	Tyobe G	2 066.58
201015350001	1535	HZW	Majo M&N	1 305.13
900000147470	8508	HZW	Nkomo VA&NB	1 108.27
201000125229	9042	HZW	Ngqeleni M	2 568.31
900000130302	9049	HZW	Mkhohlakali M	26 062.87
201000125243	9054	HZW	Mqino NF	2 437.99
201000111271	9057	HZW	Matsila N	2 505.03
201000110995	9059	HZW	Maxamba & Mvula M&L	2 058.86
201000110311	9062	HZW	Mdlokovan & Mkwambi K&T	745.40
312727000008	9275	HZW	Yawa NV	6 489.41
201000110665	9291	HZW	Ngqusi N	3 210.86
201000118584	9340	HZW	Stemela LH	40 714.65
201000106129	9368	HZW	M Neti	5 992.60
201000111288	9287	HZW	None S	4 507.73
201000105922	9644	HZW	Mahlombe SM	14 229.57
201000117325	9183	HZW	Tyikana MM	10 359.74
TOTAL				189 964.24

ANNEXURE C

FINAL ACCOUNTS UNDER R1000,00

Account number	Suburb	Debtor's Name	Initials	Total
141026010009	GGB	LURWENGU	LU&S	172.04
900000289286	GGB	ADONIS	MM	0.22
140000036893	GPB	COETZER	SCE	5.14
145107071765	GRCAL	VAN WEST	E	19.04
206004140009	HFH	MOORE PENTAGON PROP		91.34
200200042826	HNC	MEINTJIES	BC	357.96
200166030002	HWC	VAN DER WALT	NA	141.76
900000114140	RCAL	STOLTZ	J	164.46
			TOTAL	951.96

ANNEXURE D

WRITE OFF OTHER IRRECOVERABLE DEBT (W/OFF OTHER)

Account number	Suburb	Debtor's Name	Initials	Total	Comments
900000300488	GGB	BURGER	M	1 518.24	Final account - No trace
			TOTAL	1 518.24	