

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**

FINANCE & ECONOMIC DEVELOPMENT PORTFOLIO COMMITTEE
FINANSIES & EKONOMIESE ONTWIKKELING PORTEFEULJEKOMITEE

17 MAY 2016

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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**AGENDA of the
Portfolio Committee : Finance & Economic Development
17 May 2016
(Also the agenda for the Mayoral Committee Meeting : 25 May 2016)**

**1.
WRITING OFF OF IRRECOVERABLE DEBT**

5/17/1

**EM Hooneberg
21 April 2016**

(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/Evaluation/Conclusion

6.1 Background

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

- Section 8.7 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.

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6.2 Discussion

6.2.1 Annexure A – First Time Write Off Indigent Households R96 302.35 (Section 8.7.2 of the 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 these debtors are newly registered indigents and thus part of the write off list for the first time.

6.2.2 Annexure B – Indigent water leakages irrecoverable: R56 963.62

This 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 debits.

6.2.3 Annexure C – Final accounts equal or less than R1,500.00: R280.48 (Section 8.7.1 (b) of the CC,CC,DC P)

Final accounts, where 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.

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

7. Financial Implications

Source of Funding eg. Capital/Operating Budget Provisions

Unique Key	Cost Account	Item Description
20150612090735	4 02 0630 002 0	Impair Rates: Business & Commercial Prop
20150612090780	4 02 0630 012 0	Impair Rates: Residential Prop Development
20150612090834	4 02 0630 024 0	Impair Electricity
20150612090843	4 02 0630 026 0	Impair Property Rental Debtors
20150612090852	4 02 0630 028 0	Impair Service Charges

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20150612090861	4 02 0630 030 0	Impair Waste Management
20150612090870	4 02 0630 032 0	Impair Waste Water Management
20150612090879	4 02 0630 034 0	Impair Water

Budget Provision 2015/2016	: R16 971 633 .87
Spent to Date/Committed	: R 504 877.76
Balance Available	: R16 466 756.11
Funds Required *This report)	: R 153 546.45

8. Staff Implications

N/A

9. Comments from other Departments, Divisions and Administrations

N/A

10. Annexures

- Annexure A: First time write off – Indigent Households
- Annexure B: Indigent water leakages irrecoverable
- Annexure C: Final accounts equal or less than R1500.00

RECOMMENDATION TO THE COUNCIL:

that the irrecoverable debt to the value of R153 546.45 as listed, be written off as bad debt:

Annexure	Description	Amount
A:	First time write off – Indigent Households	R 96 302.35
B:	Indigent water leakages irrecoverable	R 56 963.62
C:	Final accounts equal or less than R1,500.00	R 280.48
TOTAL		<u>R 153 546.45</u>

RESPONSIBLE OFFICIAL :

EM HOONEBERG

TARGET DATE FOR IMPLEMENTATION :

31 MAY 2016

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17 May 2016
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**1.
WRITING OFF OF IRRECOVERABLE DEBT**

5/17/1

**EM Hooneberg
21 April 2016**

(028) 313 8149

Corporate Head Office

**THIS MATTER SERVED BEFORE THE JOINT PORTFOLIO COMMITTEE ON
17 MAY 2016, WHICH COMMITTEE RECOMMENDED AS FOLLOWS:**

RECOMMENDATION TO THE COUNCIL:

that the irrecoverable debt to the value of R153 546.45 as listed, be written off as bad debt:

Annexure	Description	Amount
A:	First time write off – Indigent Households	R 96 302.35
B:	Indigent water leakages irrecoverable	R 56 963.62
C:	Final accounts equal or less than R1,500.00	R 280.48
	TOTAL	<u>R 153 546.45</u>

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ANNEXURE A

FIRST TIME WRITE OFF INDIGENT HOUSEHOLDS

Account	Suburb	Debtor's	Initial	Total
140000043576	GGB	JOHANNESSEN	B	1 243.31
144009540016	GBP	ABRAHAMS	F	2 003.83
144023940001	GBP	WILKENSON & NOBELS	PJ&E	7 535.61
146026510009	GPB	TSHOLOBA	B	11 961.44
146027710006	GPB	MCHANSAYE	T	11 376.06
146027810003	GPB	NGQELENI & KAPTEIN	SM&A	12 062.26
146028040007	GPB	BAMBENI & MBIKO	N&Z	11 727.71
146028100008	GPB	NOHLOFANA & MDALA	T&B	11 135.18
205005130006	HHW	SWART	RC	2 686.04
317587604029	KPR	DAVIDS	Y	2 233.66
375876030151	KPR	JACOBS	M	4 338.13
451000003975	SSN	BOOYSEN & DUNSDON	G&M&P	17 999.12
				96 302.35

INDIGENT WATER LEAKAGES IRRECOVERABLE

Account number	Erf	Suburb	Debtor's Name	Total	Comment
14000017243	3192	Blompark	FJ Engel	1 569.27	period 15/1/2016 to 15/2/2016.
14000031472	41	De Kelders	LCP Endemann	3 174.85	period 6/11/2015 to 8/1/2016
90000054187	2760	Hawston	WD & WM Moses	2 983.28	period 7/10/2015 to 3/1/2015.
149025330001	2533	Masakhane	M Tshayimpunzi	3 186.50	period 4/11/2015 to 4/12/2015
45000006012	621	Stanford North	E & EJ Titus	4 629.42	period 10/4/2015 to 14/9/2015.
451000004213	2220	Stanford North	NN Foji	1 127.38	period 14/9/2015 to 21/10/2015
45000002771	662	Stanford North	M Pillay	3 343.49	period 12/8/2015 to 9/12/2015
45000005059	1015	Stanford South	LM Morris	9 434.57	period 30/10/2015 to 12/2/2016
45000014064	1519	Stanford South	M&N Fukula	2 271.55	period 10/4/2015 to 23/6/2015
201007510004	751	Zwelihle	MN Ponoane	932.10	period 20/10/2015 to 19/1/2016
201000056385	981	Zwelihle	L Nthwanambi	1 055.58	period 21/9/2015 to 22/10/2015
900000250929	8905	Zwelihle	S Pepeteni	1 851.87	period 15/8/2015 to 18/9/2015
201000080537	8874	Zwelihle	Z Bhezile	7 864.39	period 15/8/2015 to 16/10/2015
201000104921	8578	Zwelihle	CB Kamana	2 149.39	period 15/8/2015 to 18/9/2015
201000091221	8672	Zwelihle	N Nguzo	1 274.00	period 15/8/2015 to 18/9/2015
201000091647	8758	Zwelihle	M&S Memani & Godloza	5 447.71	period 16/1/2014 to 14/2/2014
201000105733	9191	Zwelihle	M Ngxixana	4 668.27	period 24/8/2015 to 16/10/2015
			TOTAL	56 963.62	

ANNEXURE C

WRITE OFFS: FINAL ACCOUNTS UNDER R1000,00

Account	Suburb	Debtor	Initial	Total
201000123636	HON	VAN RENSBURG	DJ&MC	79.67
317587607039	KPR	MEYER	EE	52.44
451000012014	SSN	SPANDIEL	T	148.37
			TOTAL	280.48