

**PORTFOLIO COMMITTEE :**

**FINANCE**

**Chairperson :**

**Deputy Executive Mayor  
Ald D Coetzee**

**Committee Members :**

**Cllr F Africa, K Brice,  
S Tebele, X Msweli & B Molefe**

**PORTEFEULJEKOMITEE :**

**FINANSIES**

**Voorsitter :**

**Uitvoerende Onderburgemeester  
Rdl D Coetzee**

**Komiteelede :**

**Rdle F Africa, K Brice,  
S Tebele, X Msweli & B Molefe**

**FINANCE PORTFOLIO COMMITTEE**  
**FINANSIES PORTEFEULJEKOMITEE**

**22 NOVEMBER 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**

**1**

**AGENDA of the  
Portfolio Committee: Finance & Economic Development  
22 November 2016  
(Also the agenda for the Mayoral Committee Meeting: 2 December 2016)**

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**1.  
WRITING OFF OF IRRECOVERABLE DEBT**

5/17/1

**EM Hooneberg  
17 Oktober 2016**

**(028) 313 8149**

**Corporate Head Office**

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**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 R118 834.07**  
(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: R342 073.32**

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: R3 252.64**  
(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.

**6.2.4 Annexure D – Other irrecoverable debt: R 27 131.49**

AJ & MC Duminy: a case where the tenant passed away and the property was transferred to a new owner. This was municipal housing (R25 593.29).

The tenant, JL van Wyk, did not make the final payment. The tenant moved out of Overstrand region and it is not cost effective to appoint tracers and incur extra costs (R1 538.20).

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

**AGENDA of the  
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**6.2.5 Annexure E – Interest & Collection Administration Fees Provincial Public Works R42 198.80**

The list consists of property rates accounts of the Provincial Department of Transport & Public Works, which have been accruing interest & collection admin fees. The ownership of these properties was disputed but the relevant departments have now concurred with the status.

Most of the accounts are paid up to date for Rates and Services and only the interest & collection administration fees are currently outstanding.

**7. Financial Implications**

<b>Unique Key</b>	<b>Cost Account</b>	<b>Item Description</b>
20150612090736	4 02 0630 002 1	Impair Rates: Business & Commercial Prop
20150612090781	4 02 0630 012 1	Impair Rates: Residential Prop Development
20150612090835	4 02 0630 024 1	Impair Electricity
20150612090844	4 02 0630 026 1	Impair Property Rental Debtors
20150612090853	4 02 0630 028 1	Impair Service Charges
20150612090862	4 02 0630 030 1	Impair Waste Management
20150612090871	4 02 0630 032 1	Impair Waste Water Management
20150612090880	4 02 0630 034 1	Impair Water

<b>Budget Provision 2016/2017</b>	:	R19 098 106.44
<b>Spent to Date / Committed</b>	:	R0.00
<b>Balance Available</b>	:	R19 098 106.44
<b>Funding Required</b>	:	R533 490.32

**8. Staff Implications**

N/A

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

N/A

**AGENDA of the  
Portfolio Committee: Finance & Economic Development  
22 November 2016  
(Also the agenda for the Mayoral Committee Meeting: 2 December 2016)**

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**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
- Annexure D: Other irrecoverable Debt
- Annexure E: Interest & Collection Administration Fees Provincial Public Works

**RECOMMENDATION TO THE COUNCIL:**

that the irrecoverable debt to the value of R533 490.32 as listed, be written off as bad debt:

A	First time write off – Indigent Households	R118 834.07
B	Indigent water leakages irrecoverable	R342 073.32
C	Final accounts equal or less than R1,500.00	R3 252.64
D	Other irrecoverable Debt	R27 131.49
E	Interest & Collection Administration Fees	R42 198.80
	<b>TOTAL</b>	<b><u>R533 490.32</u></b>

**RESPONSIBLE OFFICIAL :**

**EM HOONEBERG**

**TARGET DATE FOR IMPLEMENTATION :**

**9 DECEMBER 2016**

**AGENDA of the  
Portfolio Committee : Finance  
22 November 2016  
(Also the agenda for the Mayoral Committee Meeting : 2 December 2016)**

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**1.  
WRITING OFF OF IRRECOVERABLE DEBT**

**5/17/1**

**EM Hooneberg  
17 Oktober 2016**

**(028) 313 8149**

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

**RECOMMENDATION TO THE COUNCIL:**

that the irrecoverable debt to the value of R533 490.32 as listed, be written off as bad debt:

A	First time write off – Indigent Households	R118 834.07
B	Indigent water leakages irrecoverable	R342 073.32
C	Final accounts equal or less than R1,500.00	R3 252.64
D	Other irrecoverable Debt	R27 131.49
E	Interest & Collection Administration Fees	R42 198.80
	<b>TOTAL</b>	<b><u>R533 490.32</u></b>

**RESPONSIBLE OFFICIAL :**

**EM HOONEBERG**

**TARGET DATE FOR IMPLEMENTATION :**

**9 DECEMBER 2016**

**ANNEXURE A  
P1/1**

**FIRST TIME WRITE OFF - INDIGENT HOUSEHOLDS**

<b>Account</b>	<b>Suburb</b>	<b>Debtor</b>	<b>Initial</b>	<b>Total</b>
146027520001	GPB	Mbiko & Phathekile	Z&L	6 552.70
206006480002	HFH	Theunissen	AW	1 821.27
900000387188	HHW	Pekeur	AZ	7 115.27
900000387463	HHW	Swart	SJ	2 077.68
900000343535	HZW	Bala	N	5 823.41
900000349373	HZW	Yedwa	Z&L	3 209.25
900000402906	HZW	Mvamveki	T	15 140.47
312821500002	KKM	Leonard & Brikkels	H&MK	37 447.20
317601708023	KPR	Prins	E	18 921.71
375876030151	KPR	Jacobs	M	20 725.11
<b>TOTAL</b>				<b>118 834.07</b>

## ANNEXURE B P1/2

### INDIGENT WATER LEAKAGES IRRECOVERABLE

Account	Erf	Suburb	Debtor's Name		Total
201000108107	9380	Zwelihle	Ntoyakhe	M	6 304.94
201000080472	8867	Zwelihle	Nqomlombeni	M	7 175.49
146028430006	2843	Pearly Beach	Dlova	M	3 172.39
201000110373	9354	Zwelihle	Mrwebi	N	7 493.34
200867620025	6762	Mount Pleasant	Brown	AM	4 663.66
201015150007	1515	Zwelihle	Plestin	V	9 500.18
201000102345	9430	Zwelihle	Xego	EN	1 458.55
312642600006	6426	Proteadorp	Karelse	K	513.00
146005850001	585	Pearly Beach	Groenewald	I	1 183.75
451000004859	2182	Standford North	Fudwana	M	4 021.55
450000009352	1105	Standford North	De Jager	H	874.07
201000106284	9513	Zwelihle	Panya	NC	5 837.78
200874100000	7410	Mount Pleasant	Petersen	G	2 343.44
900000177587	923	Hawston	October	P	2 627.53
312846700003	8467	Kleinmond	Bailey & Murphy	J & H	1 641.48
201000300000	30	Zwelihle	Dokolwana	C	4 293.92
900000118371	9044	Zwelihle	Nyatela	TB	1 737.70
201004490000	449	Zwelihle	Mnini	N	1 868.07
201015850006	1585	Zwelihle	Majo	B	3 502.02
146026840007	2684	Pearly Beach	Simayile & Magwiji	X & Z	1 555.13
201000079252	8631	Zwelihle	Rwexwana	K	11 754.33
201000080599	8882	Zwelihle	Vinindwa	M	7 746.59
900000108963	9066	Zwelihle	Chukwuma & Mgoqi	G & P	1 784.82
201000117356	9289	Zwelihle	Gilbert	A	27 986.98
451000004536	2202	Standford North	Stephanus & Stefaans	NK & E	2 618.82
900000108255	2919	Hawston	Pontac	PV	16 208.69
205010670003	1067	Hawston	Esau	H	6 516.95
201000101557	9724	Zwelihle	Mgqeba	N	3 583.73
201000125762	9315	Zwelihle	Roro	N	4 155.26
201000125872	9342	Zwelihle	Mafevuka	N	16 137.82
201000030941	1991	Hawston	Kennedy	L & JM	1 495.74
201000031791	886	Zwelihle	Tupeni	MG	2 367.28
450000001787	458	Standford North	Spandiel	MF & CB	361.20
201000125061	8985	Zwelihle	Siwa	N	6 783.39

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143001190005	119	Kleinbaai	Kapp	GB	2 036.60
149025460005	2546	Mashakane	Plam	S	1 458.34
201000105795	9197	Zwelihle	Saula	M	99 581.60
312684000011	6840	Kleinmond	Barry	FG	1 598.25
201000084957	8525	Zwelihle	Khala	S	515.58
900000056048	9185	Zwelihle	Roji	N	4 582.45
201005820008	582	Zwelihle	Majwaba	JN	12 042.97
201000110940	9071	Zwelihle	Msebezo	Z	8 462.19
201000105159	8885	Zwelihle	Matanjane & Fokawana	B & N	1 603.43
201000232459	8981	Zwelihle	Kapa	AT	3 053.55
201000117325	9183	Zwelihle	Tyikana	MM	3 974.29
205008380004	838	Hawston	Smith	BS	5 350.83
201000106318	9519	Zwelihle	Ponwana & Wana	EP & SM	523.96
201000105647	9171	Zwelihle	Moni & Skweza	MV & VS	4 501.33
352293200105	2932	Betty's Bay	Thorburn	GD	6 393.00
200867540019	6754	Mount Pleasant	Carelse	JA	5 125.36
<b>TOTAL</b>					<b>342 073.32</b>

**ANNEXURE C**  
**P1/1**

**WRITE OFFS FINAL ACCOUNTS UNDER R1 500,00**

<b>Account</b>	<b>Suburb</b>	<b>Debtor</b>	<b>Initial</b>	<b>Total</b>
140000036563	GFK	Rowan Tree 100 (PTY)		657.71
145107071459	GRCAL	Goossen	JH	77.12
206004350002	HFH	Swartz	BH&JM	60.84
900000298569	HFH	Jooste	TIM&J	69.48
900000379569	HGD	The Kali Trust		1.72
201000257081	HHW	Knottenbelt	LC	10.37
200156440101	HIND	Bbbm Investments CC		118.46
900000251212	HKR	Hampshire	KN	184.85
900000251580	HKR	Auret	DJE	558.96
201000294338	HNC	Europa Coffee Shop		0.01
900000159000	HSB	Dippenaar	FJ	99.60
201000005585	HVM	Van Zyl	GP&JS	212.46
900000186255	HWC	Witkoppes Horse & Co		6.13
201000080544	HZW	Tapa	C	60.09
201005890001	HZW	Mkamelo	LT	134.52
900000243985	HZW	Chitambwe	L	683.13
141300000021	RCAL	Boucher		315.96
201000228195	RCAL	Joyce Muller Trust		0.39
900000087008	RCAL	Jackson	CFD	0.84
<b>TOTAL</b>				<b>3 252.64</b>

**ANNEXURE D  
P1/1****OTHER IRRECOVERABLE DEBT**

<b>Account</b>	<b>Suburb</b>	<b>Debtor</b>	<b>Initial</b>	<b>Total</b>
205008820005	HHW	Duminy	AJ&MC	25 593.29
900000364613	HSB	Van Wyk	JL	1 538.20
<b>TOTAL</b>				<b>27 131.49</b>

**ANNEXURE E**  
**P1/2**

**INTEREST & COLLECTION ADMINISTRATION FEES PROVINCIAL PUBLIC WORKS**

<b>Account</b>	<b>Suburb</b>	<b>ERF #</b>	<b>Debtor</b>	<b>Total</b>
900000201963	HZW	219	Provincial Dept Of Transport & Public Works	11 810.56
201000163670	GRBRE	321/6	Provincial Dept Of Transport & Public Works	2 007.15
201000163618	GRBRE	318/1	Provincial Dept Of Transport & Public Works	2 032.75
359492900005	KBB	4929	Provincial Dept Of Transport & Public Works	615.19
356420600000	KBB	4206	Provincial Dept Of Transport & Public Works	692.81
146005140003	GPB	514	Provincial Dept Of Transport & Public Works	785.79
350510700003	KBB	5107	Provincial Dept Of Transport & Public Works	760.77
201000166879	RCAL	572/8	Provincial Dept Of Transport & Public Works	839.03
351270000000	KBB	2700	Provincial Dept Of Transport & Public Works	430.77
352275800008	KBB	2758	Provincial Dept Of Transport & Public Works	586.05
354359000005	KBB	3590	Provincial Dept Of Transport & Public Works	867.51
900000185058	HWC	11446	Provincial Dept Of Transport & Public Works	6 490.01
144034250029	GBP	3425	Provincial Dept Of Transport & Public Works	3 205.18

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144006390018	GBP	639	Provincial Dept Of Transport & Public Works	634.39
141002040002	GGB	204	Provincial Dept Of Transport & Public Works	360.54
141002050001	GGB	205	Provincial Dept Of Transport & Public Works	360.54
201000170205	GRBRE	297/2	Provincial Dept Of Transport & Public Works	760.77
201000055528	HHW	1132	Provincial Dept Of Transport & Public Works	805.02
200853300009	HMP	5330	Provincial Dept Of Transport & Public Works	825.64
200153930108	HWC	5393	Provincial Dept Of Transport & Public Works	3 481.69
200104010105	HWC	401	Provincial Dept Of Transport & Public Works	566.95
201000231609	HZW	9720	Provincial Dept Of Transport & Public Works	2 181.79
334908000029	KKM	4908	Provincial Dept Of Transport & Public Works	703.09
900000207378	SSS	104	Provincial Dept Of Transport & Public Works	394.81
<b>Total</b>				<b>42 198.80</b>