

**PORTFOLIO COMMITTEE :**

**FINANCE**

**Chairperson :**

**Deputy Executive Mayor  
Ald D Coetzee**

**Committee Members :**

**Cllrs K Brice, G Cohen,  
S Tebele, X Msweli & B Molefe**

**PORTEFEULJEKOMITEE :**

**FINANSIES**

**Voorsitter :**

**Uitvoerende Onderburgemeester  
Rdh D Coetzee**

**Komiteelede :**

**Rdle K Brice, G Cohen,  
S Tebele, X Msweli & B Molefe**

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

21 November 2017

**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  
21 November 2017  
(Also the agenda for the Mayoral Committee Meeting: 29 November 2017)**

---

**1.  
WRITING OFF OF IRRECOVERABLE DEBT**

5/17/1

**EM Hooneberg  
24 April 2017**

**(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.

**AGENDA of the  
Portfolio Committee: Finance  
21 November 2017  
(Also the agenda for the Mayoral Committee Meeting: 29 November 2017)**

---

**6.2 Discussion**

**6.2.1 Annexure A – First Time Write Off Indigent Households R63 112.85**  
(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: R303 257.79**

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 463.76**  
(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: R141 381.62**

6.2.4.1 Mendes, Boshoff & van der Merwe, Erf 1101, Pringle Bay  
Insolvent estate and property was sold on 1 December 2016.

6.2.4.2 Greyling, erf 6864, Eastcliff  
This owner was sequestered. All arrears were paid with rates clearance. The final readings were high and the amount exceeded the credit. Meanwhile IJH Greyling passed away and therefore debt is irrecoverable.

6.2.4.3 Aquarella Investment, erf 10342, Mooisig  
Property was sold in 2009. Final reading was outstanding on account. No trace after full debt collection process was followed.

**AGENDA of the  
Portfolio Committee: Finance  
21 November 2017**

**(Also the agenda for the Mayoral Committee Meeting: 29 November 2017)**

---

6.2.4.4 EW, Haley, erf 4633, Northcliff

Tenant at the time when the account was closed in August 2012 and did not make the final payment. It is not cost effective to appoint tracers.

6.2.4.5 HGW Barnardt, erf 3821, Onrusriver

Tenant at the time when the account was closed and did not make the final payment. It is not cost effective to appoint tracers.

6.2.4.6 GJ Thomas, Erf 1, Hawston

Contract for stall expired. No trace after full debt collection process was followed. It is not cost effective to appoint tracers.

6.2.4.7 D Roebert, 452, Westcliff

Tenant at the time when the account was closed and did not make the final payment. It is not cost effective to appoint tracers.

6.2.4.8 Local Internet Café, erf 3266, Masakhane, Gansbaai

Contract for stall expired. No trace after full debt collection process was followed. It is not cost effective to appoint tracers.

6.2.4.9 WJ & A Rosseau, erf 3879, Onrusriver

Final account was not paid and it is not cost effective to appoint tracers.

6.2.4.10 J Foster, erf 4831, Kleinrivier, Hermanus

Tenant of Overstrand Municipality at Selkirk Cottage. Client deceased.

## 7. Financial Implications

<b>Business - Key</b>	<b>Cost Account</b>	<b>Item Description</b>
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 022 1	Impair State Owned PT
20170525140663	4 02 0630 024 1	Impair Electricity
20170525140673	4 02 0630 026 1	Impair Property Rental Debtors
20170525140683	4 02 0630 028 1	Impair Service Charges
20170525140693	4 02 0630 030 1	Impair Waste Management
20170525140703	4 02 0630 032 1	Impair Waste Water Management
20170525140713	4 02 0630 034 1	Impair Water

<b>Provision 2017/2018</b>	:	R22 185 073.36
<b>Spent to Date / Committed</b>	:	R0.00
<b>Balance Available</b>	:	R22 185 073.36
<b>Funding Required</b>	:	R511 216.02

**AGENDA of the  
Portfolio Committee: Finance  
21 November 2017  
(Also the agenda for the Mayoral Committee Meeting: 29 November 2017)**

---

**8. Staff Implications**

None

**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 R1500.00
- Annexure D: Other irrecoverable Debt

**RECOMMENDATION TO THE COUNCIL:**

that the irrecoverable debt to the value of R511 216.02 as listed below, be written off as bad debt:

A	First time write off – Indigent Households	R 63 112.85
B	Indigent water leakages irrecoverable	R303 257.79
C	Final accounts equal or less than R1,500.00	R 3 463.76
D	Other irrecoverable Debt	R141 381.62
	<b>TOTAL</b>	<b><u>R511 216.02</u></b>

**RESPONSIBLE OFFICIAL :**

**EM HOONEBERG**

**TARGET DATE FOR IMPLEMENTATION :**

**08 DECEMBER 2017**

**AGENDA of the  
Portfolio Committee : Finance  
21 November 2017  
(Also the agenda for the Mayoral Committee Meeting : 29 November 2017)**

---

**1.  
WRITING OFF OF IRRECOVERABLE DEBT**

5/17/1

**EM Hooneberg  
24 April 2017**

**(028) 313 8149**

**Corporate Head Office**

---

**THIS MATTER SERVED BEFORE THE JOINT PORTFOLIO COMMITTEE ON  
21 NOVEMBER 2017, WHICH COMMITTEE RECOMMENDED AS FOLLOWS:**

**RECOMMENDATION TO THE COUNCIL:**

that the irrecoverable debt to the value of R511 216.02 as listed below, be written off as bad debt:

A	First time write off – Indigent Households	R 63 112.85
B	Indigent water leakages irrecoverable	R303 257.79
C	Final accounts equal or less than R1,500.00	R 3 463.76
D	Other irrecoverable Debt	R141 381.62
	<b>TOTAL</b>	<b><u>R511 216.02</u></b>

**RESPONSIBLE OFFICIAL :**

**EM HOONEBERG**

**TARGET DATE FOR IMPLEMENTATION :**

**08 DECEMBER 2017**

## ANNEXURE A

## FIRST TIME WRITE OFF: INDIGENT HOUSEHOLDS

Account	Suburb	Debtor	Initial	Total
140000024713	GGB	OTTO	L	3 072.50
146020080009	GPB	GANYA	ME	3 806.33
200867470002	HMP	VISSER	GD&D	12 803.31
201000027121	HHW	DE BRUIN	F	2 939.54
206004220008	HFH	MAREE	NP	4 335.23
900000160220	HHW	JULIES	P&S	2 183.36
140000055010	GGBOS	FOURIE	LP&JC	33 972.58
			TOTAL	<u>R 63 112.85</u>

## ANNEXURE B

## OVERSTRAND MUNICIPALITY: Indigent Water Leakages Irrecoverable

Account number	Erf	Suburb	Debtor's Name	Total
312651500083	6515	KLEINMOND	HULL (GERTSE) E	1 864.27
312651700087	6517	KLEINMOND	HOFFMAN BE	3 362.91
312741500081	7415	KLEINMOND	MAYEKISA KB & KWEPIIL	3 505.19
326887000088	6887	KLEINMOND	WILLIAMS CH&RM	1 657.04
451000045801	458	STANFORD	SPANDIEL MF&CB	210.18
451000050908	509	STANFORD	ERASMUS K	1 711.01
451000135108	1351	STANFORD	PLAATJIES CJS	1 648.20
451000140700	1407	STANFORD	PLAATJIES AK	2 957.13
451000150204	1502	STANFORD	XHIBA M&NL	729.21
900000453414	849	HAWSTON	MOSES W&A	3 348.21
900000453421	1669	HAWSTON	JACOBS KC&MM	707.72
900000453438	1019	HAWSTON	BASSON AC	1 996.52
900000453445	347	ZWELIHLE	PATO SF	4 132.94
900000453452	1646	ZWELIHLE	SITEMELA EF&MZ	6 257.21
900000453469	9694	ZWELIHLE	MONAKALI NG	8 375.70
900000453476	9188	ZWELIHLE	MTETO NN	15 591.90
900000457243	9448	ZWELIHLE	TAPA NB	11 497.48
900000457250	9406	ZWELIHLE	MALULWANA W	2 438.84
900000457267	8986	ZWELIHLE	SIKITHI N	15 341.75
900000457274	9061	ZWELIHLE	MAFOKOSHO R	18 510.05
900000457281	8631	ZWELIHLE	RWEXWANA K	8 203.18
900000463781	6956	MOUNT PLEASANT	PIETERS T	1 979.42
900000463808	8983	ZWELIHLE	MTYELWA & BENDLELA FD&NS	43 349.67
900000463839	7370	MOUNT PLEASANT	SEPTEMBER A	641.70
900000463846	483	HAWSTON	FISHER WJ	1 206.66
900000463853	93	HAWSTON	BUYS W	5 522.52
900000463860	9191	ZWELIHLE	NGXIXANA M	3 430.81
900000463877	569	ZWELIHLE	FANTI GZ	16 913.26
900000463884	8834	ZWELIHLE	MANKAYI PM	1 724.65
900000463891	9068	ZWELIHLE	MPARU A	2 179.61
900000463901	644	ZWELIHLE	SAWUTI MD	2 998.33
900000476570	38	DE KELDERS	EKSTEEN AC&HP	1 220.90
900000477296	4425	NORTHCLIFF	TURNER JL	1 104.82
900000477306	535	HAWSTON	MOHAMED A&UD	213.19
900000477313	1914	ZWELIHLE	MORAN VC	751.38
900000477320	9267	ZWELIHLE	VITI S	34 976.72
900000477351	9272	ZWELIHLE	XHINTI NC	22 342.90
900000477368	6942	MOUNT PLEASANT	PHILLIPS LF	1 516.74
900000477399	580	HAWSTON	BENJAMIN DE	665.87
900000477409	168	ZWELIHLE	SIZA R	913.00
900000477423	742	ZWELIHLE	SILO NV	3 260.16
900000479016	2543	MASAKHANE	GWELE LN	18 626.19
900000479085	3057	BLOMPARK	ARENDSE JJ	13 226.52
900000479308	8985	ZWELIHLE	SIWA N	5 831.59
900000479315	373	ZWELIHLE	MBALI NS	4 614.54

TOTAL R 303 257.79

## ANNEXURE C

## WRITE OFFS: FINAL ACCOUNTS UNDER R1 500,00

Account	Suburb	Debtor	Initial	Total
140000057469	GBP	NEWMAN	RA	350.26
201000026522	HNC	JOHANN LE COIFFEUR		228.99
201000297214	HWC	SWANEPOEL	E&J	131.68
900000047246	HWC	PETERS	I	890.45
900000304815	HSB	DAVIES	B	34.36
900000410893	HSB	OBEROI	VS&CR	44.91
900000450648	GPB	SMUTS	AF	1 092.24
900000451979	HNC	CYGNI BUSINESS MANAG		690.87
			<b>TOTAL</b>	<b><u>R 3 463.76</u></b>

## ANNEXURE D

## WRITE OFF IRRECOVERABLE DEBT: OTHER DEBT

Account	Suburb	Debtor	Initial	Total	Comment
36101101000	KPRB	MENDES, BOSHOFF&VD MERWE	EMS,SB&J H	95 936.91	Insolvent Estate. Property sold
900000224153	HEC	GREYLING	IJH	6 492.34	Client deceased
900000234798	HMS	AQUARELLA INVESTMENT		4 042.64	No Trace after full Debt Collection Process was followed
900000234963	HNC	HALEY	EW	5 782.57	No Trace after full Debt Collection Process was followed
900000235483	HON	BARNARDT	HGW	1 778.34	No Trace after full Debt Collection Process was followed
900000266041	HHW	THOMAS	GJ	2 166.10	No Trace after full Debt Collection Process was followed
900000275960	HWC	ROEBERT	D	6 861.34	No Trace after full Debt Collection Process was followed
900000390702	GMAS	LOCAL INTERNET CAFE		2 158.25	No Trace after full Debt Collection Process was followed
900000399268	HON	ROUSSEAU	WJ&A	1 850.58	No Trace after full Debt Collection Process was followed
900000446566	HKR	FOSTER	J	14 512.55	Client deceased
<b>TOTAL</b>				<b>141 381.62</b>	