

PORTFOLIO COMMITTEE :

FINANCE

Chairperson :

Cllr R de Coning

Committee Members :

**Cllrs L Ntsabo, R Nutt,
S Tebele, X Msweli and B Molefe**

PORTEFEULJEKOMITEE :

FINANSIES

Voorsitter :

Rdl R de Coning

Komiteelede :

**Rdle L Ntsabo, R Nutt,
S Tebele, X Msweli and B Molefe**

FINANCE PORTFOLIO COMMITTEE
FINANSIES PORTEFEULJEKOMITEE

19 November 2019

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
19 November 2019
(Also the agenda for the Mayoral Committee Meeting : 27 November 2019)**

**1.
WRITING OFF OF IRRECOVERABLE DEBT**

5/17/1

**E Hooneberg
29 October 2019**

Senior Manager: Income

(028) 313 8149

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):

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
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Discussion

Annexure A – First Time Write Off Indigent Households R20 890.36
(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.

Annexure B – Indigent water leakages irrecoverable: R279 851.31

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.

Annexure C – Final accounts equal or less than R1,500.00: R1 110.21
(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.

Annexure D – Other irrecoverable debt: R69 013.21

T Mchansaye, Erf 2771, Pearly Beach, Gansbaai – R4 326.09

Semi-detached property with no legal signed lease agreement. Full debt collection process was followed. We cannot proceed because this is a Municipal property.

D Woensdrecht – R47 517.94

Overstrand Municipality received a court order against Mr Woensdrecht to do all things necessary to reinstate to its original design and its intended functionality of the storm water management system in Protea Road, Kwaiwater.

**AGENDA of the
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The respondent, Mr D Woensdrecht was also directed to reimburse the Overstrand Municipality for the cost of carrying out the work. The sheriff advised that the warrant was served but he was unable to find any property of the respondent liable to seizure under the writ and therefore it is a nulla bona return.

Anstef 43 (Pty) Ltd, Erf 363, Onrus – R3 714.44

Overstrand Municipality received a payment and was requested to write off the penalties in accordance with our Customer Care, Credit Control and Debt Collection Policy which states: 'Where a customer is prepared to pay off the capital amount on an outstanding account, older than two (2) years, in one payment, then Council will write off all interest charged.

M Booï, Erf 697, Zwelihle – R13 454.74

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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 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

Budget Provision 2019/2020	: R 26 108 000.00
Spent to Date/Committed	: R <u>185 000.00</u>
Balance Available	: R 26 293 500.00
Funds Required	: R 370 865.09

8. Staff Implications

None

9. Comments from other Departments, Divisions and Administrations

None

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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 R1 500.00
- Annexure D: Other irrecoverable Debt

RECOMMENDATION TO THE COUNCIL:

that the irrecoverable debt to the value of R370 865.09 as listed below, be written off as bad debt:

A	First time write off – Indigent Households	R 20 890.36
B	Indigent water leakages irrecoverable	R279 851.31
C	Final accounts equal or less than R1,500.00	R 1 110.21
D	Other irrecoverable Debt	<u>R 69 013.21</u>
	TOTAL	<u>R370 865.09</u>

RESPONSIBLE OFFICIAL :

EM HOONEBERG

TARGET DATE FOR IMPLEMENTATION :

08 DECEMBER 2019

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**1.
WRITING OFF OF IRRECOVERABLE DEBT**

5/17/1

**E Hooneberg
29 October 2019**

Senior Manager: Income

(028) 313 8149

**THIS MATTER SERVED BEFORE THE JOINT PORTFOLIO COMMITTEE ON
19 NOVEMBER 2019, WHICH COMMITTEE RECOMMENDED AS FOLLOWS:**

RECOMMENDATION TO THE COUNCIL:

that the irrecoverable debt to the value of R370 865.09 as listed below, be written off as bad debt:

A	First time write off – Indigent Households	R 20 890.36
B	Indigent water leakages irrecoverable	R279 851.31
C	Final accounts equal or less than R1,500.00	R 1 110.21
D	Other irrecoverable Debt	<u>R 69 013.21</u>
	TOTAL	<u>R370 865.09</u>

RESPONSIBLE OFFICIAL :

EM HOONEBERG

TARGET DATE FOR IMPLEMENTATION :

08 DECEMBER 2019

ANNEXURE A

FIRST TIME WRITE OFF: INDIGENT HOUSEHOLDS

Account number	Suburb	Debtor's Name	Initial	Total
201000229141	HSB	FOWLER	JM&JM	2 908.01
900000422708	GFK	BESTER	PC&EC	13 595.74
900000436316	HFH	MERWITZ	A	4 386.61
			TOTAL	20 890.36

OVERSTRAND MUNICIPALITY: Indigent Water Leakages Irrecoverable

1/2

Account	Erf	Suburb	Debtor	Total
326509008070	6509	PRINGLE BAY	HENDRICKS EV&M	5 898.50
327348008087	7348	OVERHILLS	BAILEY S & THEUNISSE	588.43
451000061410	614	STANFORD	DREYER R&FC	1 195.15
451000113531	1135	STANFORD	STENEVELD FP	1 222.72
451000145224	1452	STANFORD	DIEDERICKS & TITUS H&LE	1 077.25
451000148313	1483	STANFORD	ROBYN JJ &	725.35
451000159629	1596	STANFORD	STENEBERG & BENJAMIN JM&S	2 474.96
451000163127	1631	STANFORD	MONGAMELI & MAKATESI T&N	1 349.46
900000477409	168	ZWELIHLE	SIZA R	1 023.75
900000522664	1044	DE KELDERS	LUCAS GS&JC	293.48
900000525832	925	BLOMPARK	DAMON J&A	2 738.00
900000528880	2769	HAWSTON	PLAATJIES JJ&EF	1 611.55
900000535659	38	DE KELDERS	EKSTEEN AC&HP	638.64
900000574805	190	ZWELIHLE	KEPKEY A	7 312.92
900000580862	9520	ZWELIHLE	POYI & POYO N&M	757.08
900000582967	965	BLOMPARK	VAN DER RADT H&H	5 628.12
900000583580	3211	BLOMPARK	DU PREEZ FP&MM	2 374.97
900000583810	3174	BLOMPARK	EUROPA F	724.17
900000585867	7854	MOUNT PLEASANT	NUTT EW	213.29
900000586899	33/340	BUFFELSJAGBAAI	NORTON GJ	4 400.47
900000590524	9160	ZWELIHLE	PONOANE MF	24 787.62
900000592557	331	ZWELIHLE	KASE JL&L	1 292.73
900000592564	8949	ZWELIHLE	MTSHAZI & SIGOLOZANA L&MN	15 043.09
900000592571	1702	ZWELIHLE	KROZANI P	3 601.16
900000592588	9182	ZWELIHLE	MAZAMISA T	7 717.29
900000592595	6404	MOUNT PLEASANT	GEDULD JJ	4 983.30
900000592605	1810	ZWELIHLE	SAPEPA M	4 132.56
900000592612	570	HAWSTON	GALAND TS	728.85
900000592650	60	ZWELIHLE	TEBELE N	5 211.02
900000592667	6419	MOUNT PLEASANT	EDWARDS F	2 836.12
900000592674	858	HAWSTON	SAULS CD&B	2 532.34
900000592715	2748	HAWSTON	MAY G	1 151.49
900000592722	1600	HAWSTON	BARENDS SM	1 736.26
900000592739	9356	ZWELIHLE	MTENGWANA(tshandu) N	5 529.69
900000592746	2112	HAWSTON	SPANNENBERG M	6 984.60
900000592753	571	ZWELIHLE	PLAAKIE TH	145.82
900000592760	9188	ZWELIHLE	MTETO NN	8 500.52
900000592777	9011	ZWELIHLE	ANDREWS S	1 634.51
900000592784	192	ZWELIHLE	JOHANNISEN S&M	12 676.39
900000592791	601	ZWELIHLE	MYATAZA M&NAN	1 091.73
900000592818	9223	ZWELIHLE	NTETA L	5 406.73
900000592825	9366	ZWELIHLE	NCOMBO GN	8 845.25
900000592832	9285	ZWELIHLE	BOOI JM	5 669.11

900000592849	2070	HAWSTON	PEKEUR	WJ	10 122.10
900000592856	6979	MOUNT PLEASANT	FISHER	CM&MS	1 587.66
900000592863	9372	ZWELIHLE	PETER & NGQWEMLA	SW&SM	18 692.23
900000592870	2083	HAWSTON	MATINKA	MW	4 821.05
900000592887	8567	ZWELIHLE	NGQELENI	LG	842.36
900000592894	1587	HAWSTON	BROWN	AJ	564.23
900000593273	277	ZWELIHLE	AUGUST	C	1 889.82
900000594092	2305	MASAKAHNE	MOSI	NT	288.88
900000594164	993	BLOMPARK	JACOBS	D	769.84
900000596324	8481	ZWELIHLE	MABONGA	N	3 288.29
900000596331	21	ZWELIHLE	PONI	NS	2 350.98
900000596362	9122	ZWELIHLE	KHAMBHI	T	8 181.73
900000596379	1485	ZWELIHLE	MNGANISE	S	1 372.58
900000596403	8891	ZWELIHLE	SAM	BM	9 596.37
900000596410	420	ZWELIHLE	XHALISILE	FL	4 443.20
900000596427	9003	ZWELIHLE	MANANGA	ZS	1 527.32
900000596434	778	ZWELIHLE	MGWADLA	S	11 986.23
900000596441	6530	MOUNT PLEASANT	BENJAMIN	MC	2 346.96
900000596458	8807	ZWELIHLE	SITYANA	YC	602.61
900000596465	8615	ZWELIHLE	SIQHAZA	PJ&NP	10 390.44
900000596472	8488	ZWELIHLE	HONDWAMA	NE	7 072.06
900000596568	1438	ZWELIHLE	DUBA	VM	1 219.17
900000597631	1953	BLOMPARK	KOOPMAN	A	1 408.76
TOTAL:					279 851.31

ANNEXURE C

FINAL ACCOUNTS UNDER R1500,00				
Account number	Suburb	Debtor's Name	Initial	Total
900000028995	HFH	PHREN	PA	1 110.21
			TOTAL	1 110.21

ANNEXURE D

OTHER IRRECOVERABLE DEBT				
Account number	Suburb	Debtor's Name	Initial	Total
146027710006	GPB	MCHANSAYE	T	4 326.09
900000591422	SUND	WOENSRECHT	D	47 517.94
900000598632	HON	ANSTEF 43 (PTY) LTD		3 714.44
900000598649	HZW	BOOI	M	13 454.74
TOTAL				69 013.21