

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**

FINANSIES PORTEFEULJEKOMITEE
FINANCE PORTFOLIO COMMITTEE

17 November 2020

I N D E X

ITEM

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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
17 November 2020
(Also the agenda for the Mayoral Committee Meeting: 25 November 2020)**

**1.
WRITING OFF OF IRRECOVERABLE DEBT**

5/17/1

SG Reyneke-Naudé
19 October 2020

Director: Finance

(028) 313 8040

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.

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Discussion

First Time Write Off Indigent Households R12 025.54 (Section 8.7.2 of the CC,CC,DC P)

Mr GJ Arendse, erf 136 Hawston, was registered as an indigent household for the first time. He had no previous write-offs and therefore now qualifies for the write-off amount of R12 025.54.

Annexure A – Indigent water leakages irrecoverable: R344 754.69

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 B – Final accounts equal or less than R1,500.00: R578.09
(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.

Annexure C – Other irrecoverable debt: R32 693.99

The list consists of accounts where the stall rentals expired and no trace after full debt collection process was followed.

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 016 1	Impair Agricultural Purposes
20170525140663	4 02 0630 018 1	Impair Special Rating Area
20170525140673	4 02 0630 020 1	Impair State Owned NT
20170525140683	4 02 0630 022 1	Impair State Owned PT
20170525140693	4 02 0630 024 1	Impair Electricity
20170525140703	4 02 0630 026 1	Impair Property Rental Debtors
20170525140713	4 02 0630 028 1	Impair Service Charges
20170525140723	4 02 0630 030 1	Impair Waste Management
20170525140773	4 02 0630 032 1	Impair Waste Water Management

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20170525140743 4 02 0630 034 1 Impair Water

Budget Provision 2020/2021	: R40 486 176.79
Spent to Date/Committed	: R 0.00
Balance Available	: R40 486 176.79
Funds Required	: R 390 052.31

8. Staff Implications

None

9. Comments from other Departments, Divisions and Administrations

None

10. Annexures

Annexure A: Indigent water leakages irrecoverable
Annexure B: Final Accounts equal or less than R1 500.00
Annexure C: Other Write offs

RECOMMENDATION TO THE COUNCIL:

that the irrecoverable debt to the value of R390 052.31 as listed below, be written off as bad debt:

	First time write off – Indigent Households	R 12 025.54
A	Indigent water leakages irrecoverable	R 344 754.69
B	Final accounts equal or less than R1 500.00	R 578.09
C	Other Write offs	R 32 693.99
	TOTAL	<u>R 390 052.31</u>

RESPONSIBLE OFFICIAL :

EM HOONEBERG

TARGET DATE FOR IMPLEMENTATION :

30 NOVEMBER 2020

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**1.
WRITING OFF OF IRRECOVERABLE DEBT**

5/17/1

**SG Reyneke-Naudé
19 October 2020**

Director: Finance

(028) 313 8040

**THIS MATTER SERVED BEFORE THE JOINT PORTFOLIO COMMITTEE ON
17 NOVEMBER 2020, WHICH COMMITTEE RECOMMENDED AS FOLLOWS:**

RECOMMENDATION TO THE COUNCIL:

that the irrecoverable debt to the value of R390 052.31 as listed below, be written off as bad debt:

	First time write off – Indigent Households	R 12 025.54
A	Indigent water leakages irrecoverable	R 344 754.69
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ANNEXURE A

OVERSTRAND MUNICIPALITY: Indigent Water Leakages Irrecoverable				
Account	Erf	Suburb	Debtor	Total
900000622551	855	GBP	IJ FOURIE	2 823.32
900000622214	2390	GBP	SJ & EI LEONARD	1 053.03
900000624199	914	GBP	N HOOGBAARD	739.20
900000625925	1996	GMAS	N WOGQOYI	5 955.17
900000624546	2321	GMAS	RF PATO	2 763.79
900000625176	2693	GPB	N NTLANGULA	2 909.97
900000626830	418	HFH	CF & CM BESTER	1 113.80
900000627910	134	HHW	MR & BL MARAIS	18 320.06
900000626940	1581	HHW	C SWARTS	10 167.20
900000625145	701	HHW	D SAMUELS	7 090.99
900000626751	645	HHW	IJ & TC ALEXANDER	5 645.94
900000624955	986	HHW	P & D CLAASEN	5 235.77
900000625138	2056	HHW	A MARTHINUS & MJ SLABBERT	5 046.74
900000626885	1288	HHW	E & L DUNSDON	4 167.89
900000625035	1661	HHW	SA & AB AFRICA	3 560.56
900000592612	570	HHW	TS GALAND	2 957.79
900000626995	992	HHW	A & E BLANKENBERG	2 571.59
900000625004	802	HHW	S GILLION	2 342.95
900000624924	2781	HHW	M BOOYSEN	2 090.76
900000625066	1596	HHW	DW PEKEUR	1 860.77
900000626816	2822	HHW	VV MALAN	1 631.21
900000626854	1005	HHW	SJ DE LONG	1 559.56
900000624876	863	HHW	VE BENJAMIN	868.00
900000626988	2168	HHW	FR DEUTSCHEN & RE WITBOOI	649.21
900000624931	7719	HMP	MA CUPIDO	16 607.98
900000626957	7930	HMP	IB OCTOBER & E HENNING	6 400.73
900000625042	6391	HMP	WM BOOYSEN	6 208.56
900000625059	6434	HMP	E JONES	3 482.59
900000626878	7910	HMP	ZH & E MABANGA	3 044.56
900000625028	7880	HMP	C WILLEMSE & V DEELMAN	2 533.58
900000624917	11508	HMP	CE & D ADAMS	2 478.83
900000626782	7918	HMP	A VAN WYNGAARDT	1 802.65
900000624993	6396	HMP	I CLAASEN	1 341.41
900000624890	6529	HMP	C STANDERS	591.57
900000625121	7756	HMP	CC ROBERTS	536.42
900000626809	7432	HMP	G & NC CLOETE	140.84
900000592863	9372	HZW	SW PETER & SM NGQWEMLA	18 391.11
900000626902	9772	HZW	SC NONO	17 780.14
900000596331	21	HZW	NS PONI	14 398.81
900000626823	8504	HZW	M TANDIWE	13 741.28
900000580783	9044	HZW	TB NYATELA	11 862.83
900000625073	9190	HZW	C & N MEHLO	10 117.17
900000626926	9365	HZW	N NASE	8 165.05
900000626892	8545	HZW	NS MGQOLOZANA	8 086.95
900000624986	1613	HZW	NP PONOANE	6 268.42

900000592777	9011	HZW	S ANDREWS	5 926.10
900000624979	8589	HZW	T MTATI	5 537.30
900000628605	8507	HZW	B MPASALALA	4 314.69
900000626861	663	HZW	M ZOFA	4 106.09
900000626964	9056	HZW	VE NTSETHE	3 863.85
900000626768	9629	HZW	M DYONASI	2 960.93
900000626933	8493	HZW	N MALINDI	2 694.12
900000624883	770	HZW	ML MAJAVU	2 533.21
900000624869	1548	HZW	SJ JIM	2 529.10
900000463860	9191	HZW	M NGXIXANA	2 442.41
900000626971	1502	HZW	R FETU	2 290.58
900000624962	440	HZW	A LIFABA	2 234.37
900000624900	9258	HZW	N MKHWELANGA	2 217.41
900000624821	8484	HZW	N FUYO	2 013.58
900000627013	378	HZW	NN MENZI	1 964.61
900000625011	1441	HZW	MS & NI NYUKWANA	1 893.84
900000625080	682	HZW	EN MCITWA	1 862.05
900000626919	9045	HZW	E LUPUZI	1 823.62
900000624838	1914	HZW	T MAGUSHANA	1 678.88
900000626847	286	HZW	DN AUGUST	1 669.68
900000463884	8834	HZW	PM MANKAYI	1 649.36
900000626775	889	HZW	S MBULI	1 260.99
900000627006	832	HZW	B MAPUMA	1 178.94
900000624948	491	HZW	L MAFEVUKA	695.42
900000477409	168	HZW	R SIZA	436.34
900000624845	848	HZW	BP MBALI	345.48
900000626799	8648	HZW	L DYANI	277.50
318852700004	8527	KKM	M MPITSA	4 298.62
318832700002	8327	KKM	L MBEKANA & S MINI	3 237.60
451000221528	2215	SSN	W SAULS & A MAKLEIN	10 118.56
451000154521	1545	SSN	JM & A DREYER	7 354.93
451000135720	1357	SSN	L DAMON	4 086.98
451000141529	1415	SSN	FJ & LL GROENEWALD	2 163.73
451000161723	1617	SSN	BW & EE MAY	2 065.17
451000045423	454	SSN	JJ MAY	1 921.90
451000220321	2203	SSN	L & ML SETLOBOKO	132 378.02
				344 754.69

ANNEXURE B

WRITE OFF IRRECOVERABLE DEBT: FINAL ACCOUNTS UNDER R1500,00

Account	Suburb	Debtor	Initial	Total	Comment
140000033759	GPB	DARULA	PP & AM	476.28	Account holder overseas
205006600007	HHW	PHILANDER	J & A	101.81	Not cost effective to trace
				R 578.09	

ANNEXURE C

OVERSTRAND MUNICIPALITY: WRITE OFF OTHER IRRECOVERABLE DEBT

Account	Suburb	Debtor	Initial	Total	Comment
149032850202	GMAS	SIKADE	N	1967.08	Municipal property: Stall rental expired and no trace after full Debt Collection Process was followed
149032660018	GMAS	MSWELI	N	5427.29	
149032850116	GMAS	THOBEKA VIVASHE		2504.78	
900000511097	GMAS	MEHLWANA	MO	3227.12	
149003285006	GMAS	KHOLOANE	A	6833.81	
900000371750	HHW	PHARO	SRO	4647.18	
900000371712	HHW	ABRAHAMS	Y	8086.73	
				R 32 693.99	