

**PORTFOLIO COMMITTEE :**

**FINANCE**

**Chairperson :**

**Ald 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 :**

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

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

19 October 2021

**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 October 2021  
(Also the agenda for the Mayoral Committee Meeting: 28 October 2021)**

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**1.  
WRITING OFF OF IRRECOVERABLE DEBT**

5/17/1

**SG Reyneke-Naudé  
01 October 2021**

**Director: Finance**

**(028) 313 8040**

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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, 2000 (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**

**Annexure A - First Time Write Off Indigent Households R121 476.39** (Section 8.7.2 of the CC,CC,DC P)

This list consists of accounts where the owners have qualified for the indigent grants and are currently receiving these grants, but the arrear amounts have not yet been written off.

All these debtors are newly registered indigents and thus part of the first time write off list.

**Annexure B – Indigent water leakages irrecoverable: R350 367.47**

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 763.81** (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 D – Other irrecoverable debt: R29 480.47**

**Different Final Accounts in respect of Stall rental R20 265.62**

The accounts below are in respect of irrecoverable stall rental.

Account	Suburb	Debtor	Initials	Total
900000660634	GMAS	MQHWAYI	M	6 171.99
900000516803	SSN	GQIRANA	NP	2 178.02
900000672501	HZW	BLAYI	SB	4 528.08
900000673588	HZW	BULANI	HS	7 387.53

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The contracts were cancelled, or the contracts expired with regard to these accounts. The tenants could not pay the final amounts outstanding and in all instance had no other accounts with Overstrand Municipality, therefore the outstanding debt could not be transferred and collected. The debt collection process was followed in these instances but it was reported that the debtors were untraceable.

**Mr M Mfeketho – Account 9000 0043 0145 – R7 490.17**

This is a final Account. The warrant could not be served due to the account holder be incarcerated.

**Mr AL de Jager – Account 9000 0005 3650 – R1 724.68**

Subsequent to the account being finalised, an amount of R787.38 was outstanding due to increased consumption subsequent to the payment was received and a clearance certificate was issued, calculated in accordance with procedures. The bank debit order was not processed due to cancellation of same, at the time of the property transfer to the new owner. It will not be cost effective to continue with legal processes to collect the amount of R787.38 plus interest and costs.

**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 Wastewater Management
20170525140743	4 02 0630 034 1	Impair Water

Budget Provision 2020/2021	: R44 498 663.87
Spent to Date/Committed	: R 0.00
Contribution to Provision	: R 300 000.00
Balance Available	: R44 798 663.87
Funds Required	: <u>R 503 088.14</u>

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**8. Staff Implications**

None

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

None

**10. Annexures**

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

**RECOMMENDATION TO THE COUNCIL:**

that the irrecoverable debt to the value of R503 088.14 as listed below, be written off as bad debt:

A	First time write off – Indigent Households	R 121 476.39
B	Indigent water leakages irrecoverable	R 350 367.47
C	Final accounts equal or less than R1 500.00	R 1 763.81
D	Other Write offs	R 29 480.47
	<b>TOTAL</b>	<b><u>R 503 088.14</u></b>

**RESPONSIBLE OFFICIAL :**

**EM HOONEBERG**

**TARGET DATE FOR IMPLEMENTATION :**

**05 NOVEMBER 2021**

**AGENDA of the  
Portfolio Committee : Finance  
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**SG Reyneke-Naudé  
01 October 2021**

**Director: Finance**

**(028) 313 8040**

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**THIS MATTER SERVED BEFORE THE JOINT PORTFOLIO COMMITTEE ON  
19 OCTOBER 2021, WHICH COMMITTEE RECOMMENDED AS FOLLOWS:**

**RECOMMENDATION TO THE COUNCIL:**

that the irrecoverable debt to the value of R503 088.14 as listed below, be written off as bad debt:

A	First time write off – Indigent Households	R 121 476.39
B	Indigent water leakages irrecoverable	R 350 367.47
C	Final accounts equal or less than R1 500.00	R 1 763.81
D	Other Write offs	<u>R 29 480.47</u>
	<b>TOTAL</b>	<b><u>R 503 088.14</u></b>

**RESPONSIBLE OFFICIAL :**

**EM HOONEBERG**

**TARGET DATE FOR IMPLEMENTATION :**

**05 NOVEMBER 2021**

## OVERSTRAND MUNICIPALITY

FIRST TIME WRIT OFF INDIGENT HOUSEHOLDS					
Account	Erf	Suburb	Debtor's	Name	Total
900000664470	7091	HMP	VAN WYNGAARDT	PJ&J	2 448.69
900000664913	12019	HMP	PEREIRA	TM&Y	2 572.59
900000664920	107	HZW	MBOYIA	PM	3 727.41
900000669743	11507	HMP	ARENDSE	CH	1 443.03
900000671005	1501	HZW	JUQASHE	S&N	2 326.45
900000671122	1122	HZW	MACINGWANE	KP	3 972.36
900000671153	3323	KKM	PETERSEN	E	9 299.02
900000671414	11559	HMP	MILES	C	4 334.39
900000676251	6894	KU6	JACOBS	LL&CM	26 935.26
900000685699	1149	HZW	MANELI	VP	3 157.89
900000685730	1992	HZW	THEKWANE	RC	4 766.83
900000685819	9246	HZW	SHOLOGU	L&N	1 848.53
900000685888	7395	KOH	MASIMOLA	V	3 872.20
900000685974	8234	KKM	FEFANI	N	18 784.38
900000685981	6462	KPR	HOPLEY	G	6 465.02
900000685998	8595	KKM	JALAMBA	Z	1 475.53
900000687608	11746	HWC	NQANQARA	Z	2 764.94
900000691388	890	GBP	BAARDMAN	BP	5 360.86
900000694367	8418	KKM	MATINKA	CJ	2 209.05
900000694879	2458	HSB	BRANDT & EDWARDS	JA&CE	11 874.70
900000695014	6803	HMP	DU PLESSIS	RA	1 837.26
<b>TOTAL</b>					<b>121 476.39</b>

OVERSTRAND MUNICIPALITY: Indigent Water Leakages Irrecoverable				
Account	Erf	Suburb	Debtor	Total
900000694659	934	HAWSTON	ARENDSE DE	3 282.51
900000694783	965	HAWSTON	MATINKA (MARRIED TOB BBH	12 160.39
900000694800	1660	HAWSTON	ISAACS & PEKEUR G&JQ	4 690.23
900000694824	992	HAWSTON	BLANKENBERG A&E	2 095.14
900000694862	2011	HAWSTON	WITBOOI(BOEDEL WYLE J&K	4 373.77
900000694965	2072	HAWSTON	MARAIS & WITBOOI BA&A	945.56
900000694790	7898	MOUNT PLEASANT	MARTHINUS E	3 322.57
900000694910	7820	MOUNT PLEASANT	PRINS C	4 255.61
900000694927	7754	MOUNT PLEASANT	FICK & GAHL E&DJ	1 397.68
900000694958	6396	MOUNT PLEASANT	GEDULD JS	435.79
900000694518	9773	ZWELIHLE	DLEKE Y	2 608.63
900000694532	9583	ZWELIHLE	MROXISA G	4 855.97
900000694642	9361	ZWELIHLE	GOGELA AL&P	3 808.13
900000694666	931	ZWELIHLE	SHUMANE K	6 185.06
900000694673	9376	ZWELIHLE	NQANQARA (MUN) MZ	1 737.62
900000694680	147	ZWELIHLE	MAJAVU VJ	37 001.09
900000694697	9373	ZWELIHLE	MAFOKOSHO R	15 163.35
900000694769	955	ZWELIHLE	LUSIBA LN	2 746.63
900000694776	9727	ZWELIHLE	HAGILE N	21 585.88
900000694817	1569	ZWELIHLE	SIHOLO Z	1 747.98
900000694831	428	ZWELIHLE	BUNGANE (ESTATE LATE D	5 775.40
900000694848	9342	ZWELIHLE	MAFEVUKA N	6 547.92
900000694855	9172	ZWELIHLE	SOKO& DYASOPHI Z&M	67 146.42
900000694886	672	ZWELIHLE	NDZULU PR	3 658.21
900000694893	9520	ZWELIHLE	POYI & POYO N&M	7 944.57
900000694934	1664	ZWELIHLE	AUGUST E	1 974.87
900000694941	9397	ZWELIHLE	FAKUSASA BT	6 194.50
900000694972	9361	ZWELIHLE	MVUMBI PT	3 787.82
451000113926	1139	STANFORD	HALL BWT&K	552.09
451000132727	1327	STANFORD	ALI R&AFJ	2 023.72
451000145925	1459	STANFORD	PIETERS (NEE PLAATJI D	577.83
900000665529	546	STANFORD	DREYER L&HA	13 050.35
900000670901	545	STANFORD	SWARTLAND E&RL	625.15
900000694707	8767	ZWELIHLE	SILWAYI N	6 814.59
900000694714	1562	ZWELIHLE	JACK NM	8 150.88
900000694721	1774	ZWELIHLE	NCOMBO LV	9 181.06
900000694738	9045	ZWELIHLE	LUPUZI E	8 810.71
900000694745	9009	ZWELIHLE	CALENI (MUN) SE	20 866.86
900000694752	9088	ZWELIHLE	NOMBELA H	1 954.33
900000694989	8697	ZWELIHLE	ZWELINYE M	1 530.90
900000694996	599	ZWELIHLE	NTSABO JG	1 509.55
900000695007	1669	HAWSTON	BAARDMAN A&CP	1 323.04
900000664810	2132	BLOMPARK	VERMEULEN JW	3 396.85
900000670224	2534	MASAKHANE	MATIWANE M&N	4 512.13
900000675638	3090	BLOMPARK	JANSEN (MUN) N	2 239.75
900000685125	1923	MASAKHANE	NTUTHO WM	15 906.36
900000686872	1927	MASAKHANE	SIWELA B&N	3 453.04
900000688049	1941	PEARLY BEACH	SEFTON ME	317.22
451000055020	550	STANFORD	DREYER M&BA	882.21
451000155326	1553	STANFORD	MACLEIN E	5 259.55
<b>TOTAL</b>				<b>350 367.47</b>

## ANNEXURE C

**OVERSTRAND MUNICIPALITY  
FINAL ACCOUNTS EQUAL OR LESS THAN R1 500.00**

Account	Suburb	Debtor	Initials	Amount
900000443556	GFK	KRIEK	AW & ME	212.30
900000455375	HSB	BADENHORST	PJ & A	7.58
900000511633	HSB	MACLENNAN-SMITH	JK	877.49
900000048292	HBENG	TOP SPIN INVESTMENTS 109 (PTY) LTD		182.11
900000051469	HHW	DOTY (VAN DER VENT)	KM	401.45
900000281752	HNC	ODENDAAL	J	82.88
			<b>TOTAL</b>	<b>1 763.81</b>

## OVERSTRAND MUNICIPALITY : OTHER IRRECOVERABLE DEBT

Account	Suburb	Debtor's Name	Initials	Total	Comments
900000053650	HVM	DE JAGER	AL	1 724.68	Final account
900000660634	GMAS	MQHWAYI	M	6 171.99	Final account - Municipal property: Stalls: Could not trace account holder
900000516803	SSN	GQIRANA	NP	2 178.02	Final account - Municipal property: Stalls: Could not trace account holder
900000672501	HZW	BLAYI	SB	4 528.08	Final account - Municipal property: Stalls: Could not trace account holder
900000673588	HZW	BULANI	HS	7 387.53	Final account - Municipal property: Stalls: Could not trace account holder
900000430145	GPB	MFEKETHO	M	7 490.17	Final account - Warrant could not be served - Account holder incarcerated
<b>TOTAL</b>				<b>29 480.47</b>	