

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
Rdl D Coetzee**

Komiteelede :

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

FINANCE PORTFOLIO COMMITTEE

FINANSIES PORTEFEULJEKOMITEE

22 MAY 2017

I N D E X

ITEM

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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
22 May 2017
(Also the agenda for the Mayoral Committee Meeting: 31 May 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.

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6.2 Discussion

6.2.1 Annexure A – First Time Write Off Indigent Households R91 932.57
(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: R190 991.31

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.

6.2.3 Annexure C – Final accounts equal or less than R1,500.00: R1 631.08
(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: R87 763.20

M Sweleni: Municipal Property transferred to new owner in August 2015 without rates clearance. This was municipal housing incorrectly allocated to M Sweleni since 2000 (R54 966-09).

BJ Aldridge: This is a final account and the account holder could not be traced.

FXT Property Trust: This Trust has been sequestrated.

N Jacobs: Passed away before property (Municipal Housing) could be transferred in his name. This is still municipal property

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7. Financial Implications

| Unique Key | Cost Account | Item Description |
|-------------------|---------------------|--|
| 20150612090736 | 4 02 0630 002 1 | Impair Rates: Bus & Commercial Prop |
| 20150612090781 | 4 02 0630 012 1 | Impair Rates: Residential Prop Develop |
| 20150612090790 | 4 02 0630 014 1 | Impair Residential Property Vacant |
| 20150612090826 | 4 02 0630 022 1 | Impair State Owned PT |
| 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 |

Provision 2016/2017 : R19 098 106.44

Spent to Date / Committed : R533 490.16

Balance Available : R18 564 616.28

Funding Required : R372 318.16

8. Staff Implications

N/A

9. Comments from other Departments, Divisions and Administrations

N/A

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

**AGENDA of the
Portfolio Committee: Finance
22 May 2017
(Also the agenda for the Mayoral Committee Meeting: 31 May 2017)**

RECOMMENDATION TO THE COUNCIL:

that the irrecoverable debt to the value of R372 318.16 as listed below, **be written off** as bad debt:

| | | |
|---|---|---------------------------|
| A | First time write off – Indigent Households | R 91 932.57 |
| B | Indigent water leakages irrecoverable | R190 991.31 |
| C | Final accounts equal or less than R1,500.00 | R 1 631.08 |
| D | Other irrecoverable Debt | R 87 763.20 |
| | TOTAL | <u>R372 318.16</u> |

RESPONSIBLE OFFICIAL :

EM HOONEBERG

TARGET DATE FOR IMPLEMENTATION :

08 JUNE 2017

**AGENDA of the
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22 May 2017
(Also the agenda for the Mayoral Committee Meeting : 31 May 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
22 MAY 2017, WHICH COMMITTEE RECOMMENDED AS FOLLOWS:**

RECOMMENDATION TO THE COUNCIL:

that the irrecoverable debt to the value of R372 318.16 as listed below, **be written off** as bad debt:

| | | |
|---|---|---------------------------|
| A | First time write off – Indigent Households | R 91 932.57 |
| B | Indigent water leakages irrecoverable | R190 991.31 |
| C | Final accounts equal or less than R1,500.00 | R 1 631.08 |
| D | Other irrecoverable Debt | R 87 763.20 |
| | TOTAL | <u>R372 318.16</u> |

RESPONSIBLE OFFICIAL :

EM HOONEBERG

TARGET DATE FOR IMPLEMENTATION :

08 JUNE 2017

FIRST TIME WRITE OFF: INDIGENT HOUSEHOLDS

| Account | Suburb | Debtor | Initial | Total |
|--------------|--------|---------------------|---------|------------------|
| 140000055010 | GBBOS | FOURIE | LP&JC | 5 647.57 |
| 144009590004 | GBP | VAN DER RADT | K&RM | 1 382.73 |
| 144024000005 | GBP | FORRY | D&HS | 3 684.65 |
| 900000251779 | HFH | ADHIKARI | TO | 10 926.24 |
| 205001460002 | HHW | MORRIS | W | 10 710.84 |
| 205002480003 | HHW | LANG | M | 1 800.47 |
| 205008380004 | HHW | SMITH | B S | 5 233.29 |
| 205009090005 | HHW | MONTAGUE | J&DMA | 1 493.48 |
| 900000320400 | HHW | SWARTZ | CSR&E | 198.95 |
| 201000002719 | HMP | JACOBS | ST | 4 082.25 |
| 900000085903 | HMP | FISHER | DB | 2 370.26 |
| 900000386998 | HZW | PHAMKWENI | W | 3 072.48 |
| 201000123832 | HZW | NOMKILA | MK&V | 39 156.38 |
| 327415000093 | KOH | MAYEKISA KB & KWEPI | | 2 172.98 |
| | | | | 91 932.57 |

INDIGENT WATER LEAKAGES WRITE OFF

| Account number | Erf | Suburb | Debtor's Name | Total |
|----------------|-------|----------------|-----------------------|-------------------|
| 450000012402 | 1594 | Stanford | F & N Lahlani | 6 377.53 |
| 451000004426 | 2176 | Stanford | S &NF Gobeni | 392.77 |
| 201000112650 | 8487 | Zwelihle | LO Tamsanqa | 5 991.38 |
| 450000014480 | 1462 | Stanford | V Booyesen | 1 298.79 |
| 450000012488 | 1620 | Stanford | K & MF Prins | 1 075.62 |
| 451000004653 | 2246 | Stanford | M Titus | 4 796.98 |
| 201000112667 | 9341 | Zwelihle | NP Xhayimpi | 3 458.37 |
| 900000357514 | 589 | Zwelihle | S &N Madlavu & Gwanya | 12 307.47 |
| 201000079238 | 8627 | Zwelihle | V Nggele | 5 463.36 |
| 200865850006 | 6585 | Mount Pleasant | AA Visser | 363.68 |
| 900000414842 | 1139 | Zwelihle | N Kana | 981.18 |
| 201000106332 | 9584 | Zwelihle | M Mqhinga | 6 298.25 |
| 201015190003 | 1519 | Zwelihle | A Mtsaza | 1 177.26 |
| 201000126804 | 9628 | Zwelihle | KA Dyantyi | 5 974.17 |
| 201015280001 | 1528 | Zwelihle | AT Khala | 3 244.51 |
| 201000031894 | 941 | Zwelihle | CS Shai | 5 043.77 |
| 900000406704 | 9066 | Zwelihle | EI Phillips | 13 784.65 |
| 201007380003 | 738 | Zwelihle | ST Mcinjana | 5 622.56 |
| 201000056086 | 871 | Zwelihle | N Mbusi | 4 132.30 |
| 145007080001 | 708 | GFK | DM Immelman | 1 261.19 |
| 144021040002 | 2104 | GBP | M Tobias | 638.70 |
| 201000080599 | 8882 | Zwelihle | M Vinindwa | 1 180.42 |
| 201014980007 | 1498 | Zwelihle | JL Baartman | 470.62 |
| 140000019025 | 3167 | GBP | FJ & F September | 689.19 |
| 318654800016 | 6548 | KPR | D Rheynicke | 5 720.65 |
| 201007170000 | 717 | Zwelihle | NN Nogqala | 2 976.69 |
| 327436000029 | 7436 | Kleinmond | M Platjies | 2 312.17 |
| 201000111271 | 9057 | Zwelihle | N Matsila | 13 222.71 |
| 201005660000 | 566 | Zwelihle | T Sitolotolo | 8 072.98 |
| 201000056347 | 977 | Zwelihle | NR Rhilityana | 1 749.20 |
| 900000264465 | 9023 | Zwelihle | L & TC Bojana | 9 359.81 |
| 900000118371 | 9044 | Zwelihle | TB Nyatela | 7 866.12 |
| 201000115127 | 1732 | Zwelihle | BE Mbaba | 6 331.31 |
| 900000385832 | 11940 | Mount Pleasant | MK Prins | 121.08 |
| 205008490000 | 849 | Hawston | W & A Moses | 3 332.50 |
| 201000111082 | 9092 | Zwelihle | MM Ntlapo | 25 655.76 |
| 201001590008 | 159 | Zwelihle | T Mtomile | 189.50 |
| 201000115196 | 1749 | Zwelihle | WZ Mjeje | 1 729.22 |
| 149025470004 | 2547 | GMAS | M Gqubetu | 7 133.11 |
| 201014660008 | 1466 | Zwelihle | AT Silosinye | 3 193.78 |
| TOTAL | | | | 190 991.31 |

WRITE OFFS: FINAL ACCOUNTS UNDER R1 500,00

| Account | Suburb | Debtor | Initial | Total |
|--------------|--------|----------|---------|-------------------|
| 140000031719 | GFK | THOMSON | GJ&JA | 733.68 |
| 149018900004 | GMAS | MAPUKATA | N&N | 124.57 |
| 206004150101 | HFH | BULL | GF | 132.17 |
| 900000104323 | HON | DE JONGH | FC | 284.01 |
| 201000227156 | RCAL | MILNE | JS | 356.65 |
| | | | | R 1 631.08 |

WRITE OFF OTHER IRRECOVERABLE DEBT

| Account | Suburb | Debtor | Initial | Total | Comment |
|--------------|--------|---|---------|------------------|---|
| 900000289509 | GMAS | SWELENI (MUN) (Handed over Account 13/03/2014) | M | 36 642.80 | Debt of Previous account holder: Municipal Property transfer to the new owner. |
| 900000313600 | GMAS | SWELENI (MUN) (Handed over Account 08/08/2014) | M | 4 396.73 | |
| 900000327713 | GMAS | SWELENI (MUN) (Handed over Account 10/12/2014) | M | 3 752.21 | |
| 900000352863 | GMAS | SWELENI (MUN) (Handed over Account 27/05/2015) | M | 4 952.04 | |
| 900000427954 | GMAS | SWELENI (MUN) (Handed over Account 30/01/2017) | M | 5 222.31 | |
| 900000238651 | HON | ALDRIDGE | BJ | 4 043.03 | No Trace after full Debt Collection Process was followed |
| 900000331383 | HWC | FXT PROPERTY TRUST | | 11 952.05 | Sequestered |
| 900000226739 | KBB | JACOBS | N | 16 802.03 | Municipal Housing: Account holder passed away before property could be transferred in his name - still Municipal Property |
| | | | | 87 763.20 | |