

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

18 May 2021

I N D E X

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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
18 May 2021
(Also the agenda for the Mayoral Committee Meeting: 26 May 2021)**

**1.
WRITING OFF OF IRRECOVERABLE DEBT**

5/17/1

**SG Reyneke-Naudé
19 April 2021**

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

Annexure A - First Time Write Off Indigent Households R57 864.40 (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: R430 456.20

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: R3 070.24
(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: R24 394.48

Mr WJ & AR Petersen – Account 9000 0060 3334 – R6 256.48

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 in respect of 2019/2020 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.

Mr PM & NC Sizani - Account 2010 0008 4517 - R6 957.00

The house burned down and the fire destroyed the meter and cable. For the power to be restored, owner has to pay for a new service connection, R6 957.00 (Vat included). The household is classified as an indigent household.

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Mr KP Chere – Account 2010 0351 0002 – R4 224.00

The house burned down and the fire destroyed the meter and cable. For the power to be restored, owner has to pay for a service connection, R4 224.00 (Vat included). The household is classified as an indigent household.

Mr E Ponoane – Account 9000 0015 7826 – R6 957.00

The house burned down and the fire destroyed the meter and cable. For the power to be restored, owner has to pay for a new service connection, R6 957.00 (Vat included). The household is classified as an indigent household.

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	: R40 486 176.79
Spent to Date/Committed	: R 390 052.31
Contribution to Provision	: R 671 973.75
Balance Available	: R40 768 098.23
Funds Required	: R 515 785.32

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

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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 R515 785.32 as listed below, be written off as bad debt:

A	First time write off – Indigent Households	R 57 864.40
B	Indigent water leakages irrecoverable	R 430 456.20
C	Final accounts equal or less than R1 500.00	R 3 070.24
D	Other Write offs	R 24 394.48
	TOTAL	<u>R 515 785.32</u>

RESPONSIBLE OFFICIAL :

EM HOONEBERG

TARGET DATE FOR IMPLEMENTATION :

31 MAY 2021

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**1.
WRITING OFF OF IRRECOVERABLE DEBT**

5/17/1

**SG Reyneke-Naudé
19 April 2021**

Director: Finance

(028) 313 8040

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

RECOMMENDATION TO THE COUNCIL:

that the irrecoverable debt to the value of R515 785.32 as listed below, be written off as bad debt:

A	First time write off – Indigent Households	R 57 864.40
B	Indigent water leakages irrecoverable	R 430 456.20
C	Final accounts equal or less than R1 500.00	R 3 070.24
D	Other Write offs	R 24 394.48
	TOTAL	<u>R 515 785.32</u>

RESPONSIBLE OFFICIAL :

EM HOONEBERG

TARGET DATE FOR IMPLEMENTATION :

31 MAY 2021

ANNEXURE A

OVERSTRAND MUNICIPALITY: Indigent First Time Write-Off Indigent Households				
Account	Erf	Suburb	Debtor	Total
201000033607	885	HZW	M NASUMPA	561.24
900000644599	314	HZW	N MAMI	14 298.14
900000646546	2003	HZW	K NELANI	2 195.50
900000646553	930	HSB	TM & BT ADAMS	1 046.44
900000646560	7856	HMP	EE FORTUIN (GEORGE)	1 506.45
900000650989	213	HHW	GJ & TJ LITTLE	6 314.00
900000651461	1627	HHW	EST MK MAY	2 833.63
900000653298	1727	HSB	AP&HJ GOTZE & BESTER	3 109.21
900000653308	2155	HHW	LB KRUGER	1 133.50
900000653487	332	HHW	NC&M MARSHALL	1 222.50
900000653724	777	HZW	N CESEMBA	3 500.96
900000653755	11642	HMP	HI&S PIETERSEN & PIETERSE	5 987.59
900000653762	778	HZW	S MAGWADLA	4 066.44
900000657058	7430	HMP	G& ZI ANTHONY & ORAAI	5 360.18
900000657113	7933	KKM	A SCHMIDT	4 728.62
TOTAL				57 864.40

ANNEXURE B

OVERSTRAND MUNICIPALITY: Indigent Water Leakages Irrecoverable

ilz

Account	Erf	Suburb	Debtor	Total
31852140000	5214	KKM	E & ROETS	409.70
451000061922	619	STAN	S & P WILLIAMS	1 297.55
451000062727	627	STAN	WM & MM GILLION	513.22
451000063618	636	STAN	NJ & JC SIKWEXU	1 555.03
451000064925	649	STAN	HS DREYER	6 872.75
451000066226	662	STAN	M PILLAY	1 889.75
451000078021	780	STAN	KD & EA DREYER	25 954.61
451000082426	824	STAN	CT & HC VOLSCHENK	967.06
451000084521	845	STAN	A BOOYSEN	1 645.73
451000112327	1123	STAN	FH & WC DUNSDON	2 758.46
451000137911	1379	STAN	CJ ADENDORF	6 184.56
451000142427	1424	STAN	AB MSOMI	580.01
451000142726	1427	STAN	N NOCEPHE	4 076.32
451000152622	1526	STAN	FH PHILLIPS & B ROOI	3 037.84
451000153025	1530	STAN	NN NTLEKI	3 234.13
451000158525	1585	STAN	WH & AP DUNSTAN	655.46
451000161156	1611	STAN	D & E OCTOBER	479.23
451000220321	2203	SSN	L & ML SETLOBOKO	132 378.02
900000224988	871	HZW	N MBUSI	2 543.21
900000282203	851	HZW	S MAJAVU	154.21
900000283974	58	HZW	P TUBIU	4 205.23
900000338043	2224	HON	JR & GA FERREIRA	1 884.01
900000535659	38	GDK	AC & HP ESTEEN	1 520.49
900000574805	190	HZW	A KEPKEY	6 186.16
900000580848	9430	HZW	EN XEGO & P NGXANDESHE	3 099.71
900000592722	1600	HHW	SM BARENDS	689.90
900000628155	323	GFK	ER AYLWARD	1 105.67
900000632103	2033	GMAS	TM SISWANA & G KUTU	1 502.81
900000633214	2027	GMAS	M MREDLANA	1 676.22
900000642724	2031	GMAS	E & NL NKELENJANE	481.33
900000642748	158	GGB	EJ BYRNE	1 188.65
900000645796	1034	GBP	FJ & EC MATTHEWS	3 401.85
900000646742	901	GBP	D & WC VALENTINE	980.07
900000651313	3324	GMAS	BS MAVELELSHONA	5 897.31
900000651382	2843	GPB	M NONTLANTANE	7 933.70
900000651588	1983	GMAS	M & KE KUTU	5 112.18
900000656789	2156	HHW	HF PLAATJIES & MB MUSHFELDT	7 678.65
900000656796	958	HHW	DA & JC ADAMS	2 402.35
900000656806	2026	HHW	EK ADAMS	1 364.79
900000656813	7885	HMP	HK KOOPMAN	423.45
900000656820	2097	HHW	SJ SEBASTIAAN	2 481.57
900000656837	6362	HMP	EK BARON	1 795.45
900000656844	602	HZW	XK NGWENDU	1 894.19
900000656851	696	HHW	C JACOBS	5 622.32
900000656868	7807	HMP	RGC & A MATINKA	2 950.15
900000656875	1781	HZW	T MVAMVEKI	24 903.50
900000656882	619	HZW	P MAQOMA	1 823.86

2/2

900000656899	9342	HZW	N MAFEVUKA	5 077.28
900000656909	2800	HHW	KI WILLEMSE	174.63
900000656916	6441	HMP	LJ PETERSEN	618.71
900000656923	9054	HZW	NF MQINO	8 159.34
900000656930	9759	HZW	KW MAKI	2 797.38
900000656947	2765	HHW	GG & NE MANUEL	758.75
900000656954	2077	HHW	JM JOB	2 481.72
900000656961	8497	HZW	N MNYAKA	3 725.09
900000656978	2137	HHW	EA BOOYSEN	2 623.83
900000656985	982	HHW	J & EM CEASAR	39 736.96
900000656992	9647	HZW	NG MANGCATSHA	2 450.68
900000657003	9220	HZW	NE DOLF	10 468.59
900000657010	9322	HZW	ND NCANASA	22 558.29
900000657027	1737	HZW	MW MBONA & NG NZIWENI	3 420.02
900000657034	66	HZW	L NONQANE	5 524.09
900000657041	6743	HMP	JB & B WILLIAMS	6 240.03
900000657072	223	HZW	J NYANGINTSIMBI	6 406.50
900000657089	9137	HZW	S MAQUBELA	7 725.10
900000657096	2020	HHW	EL GIBSON	2 116.79
TOTAL				R 430 456.20

ANNEXURE C

OVERSTRAND MUNICIPALITY

WRITE OFFS: FINAL ACCOUNTS UNDER R1500,00

Account number	Suburb	Debtor's Name	Initial	Total
140000043820	GPB	KEYSER	C&E	208.50
201000033607	HZW	NASUMPA	M	561.24
201000055140	HEC	ANCKETILL	BH	238.40
201000105685	HZW	TAKANE	JV	49.82
201000115763	HZW	QAMPIE	LL	141.75
201000117208	HZW	ZENZILE	P	396.38
201000124905	HZW	GWAGWASHE	NKP	248.62
201000270264	HZW	SITEMELA	NC	333.48
312646200017	KRP	BOSMAN	L	231.98
361015280505	KPRB	HAWORTH	ME & D	54.65
451000007962	STAN	ERASMUS	M	248.15
900000386644	HSB	DIEPRAAM	CM	357.27
			TOTAL	3 070.24

OVERSTRAND MUNICIPALITY: WRITE OFF OTHER IRRECOVERABLE DEBT (W/OFF OTHER)

Account number	Suburb	Debtor's Name	Initials	Total	Comments
900000603334	KBB	PETERSEN	WJ&AR	6,256.48	Incentive measure, in accordance with the CC,CC,DC Policy for the pay off of the total outstanding amount older than two years.
201000084517	HZW	SIZANI	PM&NC	6,957.00	Indigent Household - House burned down and fire destroyed the meter and cable.
201003510002	HZW	CHERE	KP	4,224.00	Indigent Household - House burned down and fire partially damaged the meter and cable.
900000157826	HZW	PONOANE	E	6,957.00	Indigent Household - House burned down and fire destroyed the meter and cable.
TOTAL				R 24,394.48	