

PORTFOLIO COMMITTEE :

FINANCE

Chairperson :

Cllr R de Coning

Committee Members :

**Cllrs L Ntsabo, G Cohen,
S Tebele, X Msweli and B Molefe**

PORTEFEULJEKOMITEE :

FINANSIES

Voorsitter :

Rdl R de Coning

Komiteelede :

**Rdle L Ntsabo, G Cohen,
S Tebele, X Msweli and B Molefe**

FINANCE PORTFOLIO COMMITTEE
FINANSIES PORTEFEULJEKOMITEE

20 November 2018

I N D E X

ITEM

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OPENING

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
20 November 2018
(Also the agenda for the Mayoral Committee Meeting: 28 November 2018)**

**1.
WRITING OFF OF IRRECOVERABLE DEBT**

5/17/1

**EM Hooneberg
22 October 2018**

(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 R28 069.90 (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: R251 673.78

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 Other Irrecoverable Debt – Amatenda 710 CC, erf 2430 Sandbaai, Account Number 2010 0028 5691: R6 432.38

Amatenda 710 CC is an insolvent company which is de-registered. The only member, GG Sneyders is deceased. The zoning has now been confirmed as open space and is therefore exempt from property rates.

7. Financial Implications

Business - Key	Cost Account	Item Description
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
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
20170525140713	4 02 0630 034 1	Impair Water

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Provision 2018/2019	:	R21 773 613.63
Spent to Date / Committed	:	R0.00
Balance Available	:	R21 773 613.63
Funding Required	:	R286 176.06

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

RECOMMENDATION TO THE COUNCIL:

that the irrecoverable debt to the value of R286 176.06 as listed below, **be written off** as bad debt:

A	First time write off – Indigent Households	R 28 069.90
B	Indigent water leakages irrecoverable	R251 673.78
C	Other Irrecoverable Debt (refer par 6.2.3)	R 6 432.38
	TOTAL	R286 176.06

RESPONSIBLE OFFICIAL :

EM HOONEBERG

TARGET DATE FOR IMPLEMENTATION :

07 DECEMBER 2018

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**1.
WRITING OFF OF IRRECOVERABLE DEBT**

5/17/1

**EM Hooneberg
22 October 2018**

(028) 313 8149

Corporate Head Office

**THIS MATTER SERVED BEFORE THE JOINT PORTFOLIO COMMITTEE ON
20 NOVEMBER 2018, WHICH COMMITTEE RECOMMENDED AS FOLLOWS:**

RECOMMENDATION TO THE COUNCIL:

that the irrecoverable debt to the value of R286 176.06 as listed below, **be written off** as bad debt:

A	First time write off – Indigent Households	R 28 069.90
B	Indigent water leakages irrecoverable	R251 673.78
C	Other Irrecoverable Debt (refer par 6.2.3)	R 6 432.38
	TOTAL	R286 176.06

RESPONSIBLE OFFICIAL :

EM HOONEBERG

TARGET DATE FOR IMPLEMENTATION :

7 DECEMBER 2018

ANNEXURE A

WRITE OFF INDIGENT HOUSEHOLDS - 1ST TIME WRITE OFF

Account number	Suburb	Debtor's Name	Initials	Total
201000027286	HHW	Petersen	RP & H	4 062.96
205003070009	HHW	Appel	JJ & CE	8 509.35
205007070001	HHW	Moses	PN & PE	3 581.19
317587602010	KPR	Pedro	LSD	7 691.73
900000487374	GBP	Erasmus	S	4 224.67
TOTAL				28 069.90

OVERSTRAND MUNICIPALITY: Indigent Water Leakages Irrecoverable

Account	Erf	Suburb	Debtor	Total
900000522705	930	Blompark	DAMON (MUN) D	7 147.41
900000524185	913	Blompark	DICKSON B&LM	4 191.44
900000525832	925	Blompark	DAMON J&A	7 752.82
900000526400	961	Blompark	HILL F&IF	5 102.10
900000476570	38	De Kelders	EKSTEEN AC&HP	1 496.29
900000509498	193	De Kelders	LE ROUX JH	12 272.74
900000520129	606	De Kelders	BARNARD SS&JD	4 736.00
900000522664	1044	De Kelders	LUCAS GS&JC	1 627.42
900000526527	1267	De Kelders	MATTHEE JH&MI	1 376.78
900000509766	290	Gansbaai	JOUBERT MHW	4 093.20
900000526936	80	Gansbaai	WERTH AM	1 614.84
900000528756	2738	Hawston	JULIUS RR	1 170.22
900000528763	879	Hawston	GILLION CT&SF	99.03
900000528787	2726	Hawston	HENDRICKS LC&M	2 113.72
900000528873	151	Hawston	SWARTZ CSR&E	42 658.90
900000528880	2769	Hawston	PLAATJIES JJ&EF	3 187.33
900000528907	1214	Hawston	JOHNSON A	16 927.59
311303480009	3034	Kleinmond	VAN NIEKERK AJM	9 441.74
311415808009	4158	Kleinmond	SMAL PJH	6 952.43
312681708002	6817	Kleinmond Uitb 6	DREYER ML(EST) & KA	1 637.29
900000455454	2027	Masakhane	MREDLANA M	3 519.28
900000525894	2012	Masakhane	MANGALI VA	399.47
900000531325	1897	Masakhane	HLAZIYA T	630.73
900000528804	6972	Mount Pleasant	JOHNSON (MUN) W	4 228.27
900000528842	7472	Mount Pleasant	GALANT LD&EJ	6 591.17
900000528897	7759	Mount Pleasant	PHILANDER & ANDER A&C	608.38
900000528914	6364	Mount Pleasant	SMITH(DANIELS) E&M	344.09
327271008004	7271	Overhills	MAHASHE SS	885.65
327324080001	7324	Overhills	ARRIES O&ML	13 992.05
900000521670	1992	Pearly Beach	MANGALISO SS	639.93
900000523919	2050	Pearly Beach	MARTINS (MUN) S	1 512.58
451000062112	621	Stanford	TITUS E&JE	4 821.01
451000140717	1407	Stanford	PLAATJIES AK	1 576.58
451000141615	1416	Stanford	SIDLO N	2 230.06
451000143507	1435	Stanford	SIKOLAKE G	9 995.19
451000144917	1449	Stanford	ARENDSE UJ&JM	984.85
451000148519	1485	Stanford	BOOYSEN & ARENDSE W&EC	1 553.95
451000154710	1547	Stanford	VALIKO & NCAMENI S&Z	469.20
451000162913	1629	Stanford	MACKLEIN E	2 099.27
451000224514	2245	Stanford	PHILLIPS M	1 655.62
900000528725	8495	Zwelihle	DUBULA B	2 163.76
900000528732	8971	Zwelihle	KHAMBI MS	2 220.04
900000528749	9287	Zwelihle	NONE S	1 485.50
900000528770	9243	Zwelihle	MYABLALA SN	31 799.98
900000528794	9460	Zwelihle	MASIKITI FN	2 838.17
900000528811	1741	Zwelihle	MDUTYULWA M	7 305.38
900000528828	147	Zwelihle	MAJAVU J	868.65
900000528859	9325	Zwelihle	TSHAKA B&M	4 135.37
900000528921	9632	Zwelihle	MALIWA X	4 520.31
TOTAL				251 673.78