

To Council

REQUEST FOR A COUNCIL RESOLUTION TO WRITE OFF PAYMENTS INTO SUSPENSE ACCOUNT AND INACTIVE/CLOSE MUNICIPAL ACCOUNTS WITH CREDIT BALANCES OLDER THAN THREE (3) YEARS

1. Background

The purpose of this submission is to provide Council with a background and request a resolution regarding unallocated payments by residents or business paid into municipal bank accounts without indicating correct referencing (valid debtors account/vote numbers) to be written off, including inactive/closed municipal accounts with credit balances older than three (3) years.

2. Discussion

Every financial year, Cash Management division in finance department writes off all the unallocated payments by residents or business which are paid into municipal bank accounts without indicating correct referencing as per paragraph 55, see Annexure "A" of the financial regulation of the municipality.

- (a) The total amount of unallocated/unclaimed receipts into the suspense account that are older than three years (3 years) as of 31 March 2023 is **R 1 386 388.61**.
- (b) The total amount of all inactive/closed municipal accounts with unclaimed credit balances that are older than three years (3 years) is **R 32 175 566.54**.

3. Recommendations

- (a) That council approves the write-off of both the unallocated/unclaimed into the suspense account and unclaimed inactive/closed municipal account that are older than three years (3 years) this financial year 2022/23 amounting to a total of **R 33 561 955,10** be written off in Annexure "B" and
- (b) That it should be noted by council that this balance may be lower than the actual write-off that will be processed, depending on customers providing the municipality with proof of payment for allocation or transfer/claims of the credit balances from inactive/closed municipal accounts, after the 30 days public notice to be issued after soliciting council approval.

Recommended by:



L Denge
Act Chief Financial Officer

Supported by:




N Dumalisile 24/05/23
Acting Municipal Manager

Approved by:



G Nthatsi
Acting Executive Mayor

Rectified by:



G Malaza
NCR 30/05/2023

Financial Regulation

54. (Deleted by AN 233 of 1982 dated 1982/09/17)

"Annexure A"

GENERAL

55. All money in the Council's possession which is not claimed by the persons legally entitled thereto within a period of three years from the date upon which such money legally becomes payable, shall become forfeited to the Council. No claim for the payment of such money to any person shall thereafter be considered.
56. The City Treasurer shall apply to the Council's bankers for the reduction or increase as the case may be and as the need arises, of overdraft facilities, provided that a maximum of R4 million shall not be exceeded without reference to the Management Committee.
57. The Town Clerk may, in consultation with and/or on the recommendation of the City Treasurer, issue instructions and directions regarding the financial aspects of any matter.
58. (1) Recommendations dealing with existing or new sources of revenue, (which include any amendment in tariffs), shall be submitted to the City Treasurer by heads of divisions.
- (2) Departmental tariffs of distribution accounts and of vehicles and equipment shall be fixed by the City Treasurer from time to time.
59. Proposed reductions in tariffs or charges for services shall be submitted to the Management Committee only when the annual estimates are considered.
60. (1) Heads of divisions shall report irregularities involving theft, fraud or other financial aspects to the Town Clerk (with a copy to the City Treasurer), without delay and shall furnish full details.
- (2) All reports by the City Treasurer regarding irregularities involving financial aspects shall be considered by the Management Committee without delay.
61. The design and planning of new municipal administrative buildings, or of the alteration of existing buildings where money or supplies are or will be handled, shall be done in consultation with the City Treasurer.

TENDERS FOR STOCK OR SERVICES

62. No tenders are to be invited before the provisions of regulation 39 (1), where applicable, have been met. (Substituted by AN 103 of 1977 dated 1977/05/13)

LODGEMENT OF TENDERS

63. (a) Every tender must:
- (i) be lodged in a sealed holder, on which the tender number and the service or supply are clearly indicated;
- (ii) be deposited in the tender box not later than the closing date and time.
- (b) A tender forwarded by post, will be accepted for consideration by the Council only if such tender:
- (i) comply with the provisions of regulation 63. (a)(i) and is placed in a separate envelope addressed to the Town Clerk;