

**11.
NON-COLLECTABLE TRAFFIC FINES**

5/17/2

Rudi Fraser

(028) 313 8165

Hermanus Administration

21 August 2017

1. Executive Summary

The purpose of this report is to inform Council of impaired traffic fines, which have since become non-collectable traffic fines as cases have been withdrawn.

2. Service Delivery and Budget Implementation Plan - IGNITE

Protection & Security Services
Traffic, Law Enforcement & Task Team

3. Compliance with Strategic Priorities

Provision of democratic, accountable and ethical governance
Creation and maintenance of a safe and healthy environment

4. Delegated Authority

None

5. Legal Requirements

Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003)
National Road Traffic Act, Act 93/1996
National Land & Transport Act 5/2009

6. Background/Discussion/Evaluation/Conclusion

Background and Discussion

In 2010 a two year contract was awarded to TCS (Total Client Services). This contract expired on 30 June 2012. An extension of the contract was awarded until 31 August 2014 (SCD 2664/2013) for the use of their software program "Traffic Contravention System" for the capturing of section 341 and section 56 fines for the phasing out (run dry) period until 31 August 2015 for the finalising of existing fines loaded on the system prior to 31 August 2014.

The data of TCS could not be transferred to any other service provider because the system (or any other system) is designed around a specification. The specification describes the database structure, data types and many more details on how the system work and in what format the data is needed.

Tender SC1212/2012 was awarded to Syntell (Pty) Ltd for the period 1 July 2012 until 30 June 2015 for "Traffic Speed measuring, fixed cameras for speed violations, number plate recognition system and back office for fine collection".

The Opus software/system expected data in a specific format which comes from the back office. Images is captured in the back office and eventually the end product is the data in the format Opus needs to successfully import. Once it is imported into Opus it follows the logical design that are put in place.

This contract ended 30 June 2015. An extension of the contract for the phasing out (run dry) period was awarded from 1 July 2015 until 31 December 2016.

Tender SC1579/2015 was awarded to TMT Services & Supplies (Pty) Ltd for a period of 54 months starting from 1 March 2016 until 28 February 2018 whereafter they will only manage to secure payment of fines for an additional 18 months (run dry period) in order to stimulate income for Overstrand Municipality.

Evaluation

After the run dry period there were still cases on the system which belonged to Overstrand. This could not be transferred or recovered because the system is designed around a specification. Due to "house keeping" of the back office these cases were withdrawn and resulted in impairment.

See Annexure B relating to the explanation received from the Senior State Advocate of the office of the Director of Public Prosecutions.

Conclusion

The resultant recommended write-off of non-collectable traffic fines are as follows:

Recommended for write-off of non-collectable traffic fines

| | | |
|------------|----------------|--------------------------|
| Write-off | R25,566,555-00 | (Gross debtor) |
| Write-back | R14,488,381-95 | (Accumulated impairment) |

7. Financial Implications

| | | |
|------------|----------------|--------------------------|
| Write-off | R25,566,555-00 | (Gross debtor) |
| Write-back | R14,488,381-95 | (Accumulated impairment) |

8. Staff Implications

None

9. Comments from other Departments, Divisions and Administrations**Senior Manager: Financial Services, Mr BA King - (028) 313 8154**

We are in agreement with the write-off of the debt as the carrying and disclosing of the debt in the annual financial statements would inflate debtors and the impairment provision.

10. Annexures

Annexure A: Debtor report

Annexure B: Email from Director of Public Prosecutions

RECOMMENDATION TO THE COUNCIL:

1. that it be noted that according to the Director of Public Prosecutions, if a summons cannot be served on the registered owner or driver of the vehicle within 18 months, the case cannot be prosecuted;
2. that it be noted that, according to the Director of Public Prosecutions, warrants must also be carried out within 2 years after the date of authorisation or it must be returned to the magistrate for cancellation;
3. that it be noted that due to "house keeping" of the back office the cases in 1 and 2 above were withdrawn as the fines are non-collectable;
4. that an amount of R14 488 381.95, relating to the impairment of these traffic fines, be written back; and
5. that the amount of R25 566 555.00, relating to non-collectable traffic fines, be written off as irrecoverable debt.

RESPONSIBLE OFFICIAL :**N MICHAELS
R FRASER****TARGET DATE FOR IMPLEMENTATION :****31 AUGUST 2017**

| | 2014/2015 | | | | 2015/2016 | | | | 2016/2017 | | | | GRAND TOTAL | | | | R | | | | | |
|----------------------------------|--------------|---------------|------------|---------------|--------------|--------------|------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|----------------|----------------|---------------|---------------|---------------|---------------|---------------|
| | TCS | SYNTELL | PROV | Total | TCS | SYNTELL | PROV | Total | TCS | SYNTELL | PROV | Total | TCS | SYNTELL | PROV | Total | TMT | PROV | Ave | TMT | Ave | Total |
| Total Fines Issued | 6,520,000.00 | 25,692,150.00 | 710,050.00 | 33,922,000.00 | 3,622,550.00 | 872,000.00 | 405,250.00 | 4,900,000.00 | 3,165,400.00 | 27,715,100.00 | 27,390,000.00 | 46,985,950.00 | 3,622,550.00 | 71,427,250.00 | 3,257,200.00 | 68,989,800.00 | 171,054,300.00 | 3,257,200.00 | 22,532,300.00 | 21,519,850.00 | 17,806,550.00 | 17,806,550.00 |
| Fines issued - Notice 56 | 3,710,050.00 | - | 710,050.00 | 4,420,100.00 | 1,727,700.00 | - | 405,250.00 | 2,132,950.00 | 3,165,400.00 | 21,519,850.00 | 21,519,850.00 | 3,622,550.00 | 71,427,250.00 | 3,257,200.00 | 4,112,250.00 | 21,232,800.00 | 4,112,250.00 | 1,032,450.00 | 2,151,950.00 | - | - | - |
| Fines issued - Notice 341 | 2,810,750.00 | 29,682,150.00 | - | 32,502,900.00 | 2,545,850.00 | 872,000.00 | - | 24,546,700.00 | 24,546,700.00 | 55,595,250.00 | 55,595,250.00 | 43,357,700.00 | 71,427,250.00 | - | - | 64,877,550.00 | 148,821,530.00 | 21,519,850.00 | - | - | - | - |
| Total Fines Reduced | 592,500.00 | 1,220,975.00 | 20,480.00 | 1,834,955.00 | 255,000.00 | 19,450.00 | 9,400.00 | 859,850.00 | 859,850.00 | 1,917,870.00 | 1,917,870.00 | 1,347,750.41 | 2,389,325.00 | 65,438.39 | 1,349,035.02 | 6,329,485.41 | 1,347,750.41 | 612,290.00 | - | - | - | 4,973,755.00 |
| Reduction Amount - Notice 56 | 402,080.00 | - | 20,480.00 | 422,560.00 | 123,150.00 | - | 9,400.00 | 132,550.00 | 132,550.00 | 245,100.00 | 245,100.00 | 328,817.21 | 1,173,190.00 | 65,438.39 | 424,358.82 | 1,662,927.21 | 328,817.21 | 105,550.00 | - | - | - | 1,334,110.00 |
| Reduction Amount - Notice 341 | 190,500.00 | 1,220,975.00 | - | 1,411,475.00 | 128,850.00 | 18,450.00 | - | 859,850.00 | 859,850.00 | 1,672,770.00 | 1,672,770.00 | 1,018,932.20 | 2,389,325.00 | - | 1,924,686.20 | 4,658,558.20 | 1,018,932.20 | 505,730.00 | - | - | - | 3,658,925.00 |
| Total Cancelled Fines | 789,600.00 | 13,750,200.00 | 124,100.00 | 14,663,900.00 | 329,250.00 | 54,400.00 | 169,100.00 | 553,750.00 | 553,750.00 | 1,220,400.00 | 1,220,400.00 | 1,282,853.95 | 37,408,975.00 | 608,353.13 | 16,540,740.81 | 63,229,268.95 | 1,282,853.95 | 5,349,550.00 | - | - | - | 51,927,855.00 |
| Cancelled Fines - Notice 56 | 281,400.00 | - | 124,100.00 | 405,500.00 | 273,950.00 | - | 169,100.00 | 443,050.00 | 443,050.00 | 866,400.00 | 866,400.00 | 1,370,882.86 | 2,638,500.00 | 608,353.13 | 1,694,193.73 | 5,139,032.86 | 1,370,882.86 | 429,300.00 | - | - | - | 3,768,150.00 |
| Cancelled Fines - Notice 341 | 487,200.00 | 13,750,200.00 | - | 14,237,400.00 | 55,300.00 | 54,400.00 | - | 4,694,600.00 | 5,034,300.00 | 5,034,300.00 | 9,921,971.08 | 5,026,530.00 | 37,408,975.00 | 37,408,975.00 | - | 14,846,571.08 | 58,081,176.08 | 4,924,800.00 | - | - | - | 48,159,205.00 |
| Total Payments Received | 1,105,000.00 | 5,899,645.00 | 91,820.00 | 7,096,465.00 | 325,000.00 | 164,500.00 | 44,150.00 | 533,650.00 | 533,650.00 | 1,220,400.00 | 1,220,400.00 | 7,670,610.00 | 15,182,100.00 | 417,827.00 | 13,117,130.00 | 37,715,647.00 | 7,670,610.00 | 5,466,770.00 | - | - | - | 30,044,837.00 |
| Payments received - Notice 56 | 763,040.00 | - | 91,820.00 | 854,860.00 | 273,950.00 | - | 44,150.00 | 318,100.00 | 318,100.00 | 520,550.00 | 520,550.00 | 451,250.00 | 3,714,080.00 | 417,827.00 | 613,250.00 | 4,745,157.00 | 451,250.00 | 202,450.00 | - | - | - | 4,283,907.00 |
| Payments received - Notice 341 | 342,000.00 | 5,839,645.00 | - | 6,181,645.00 | 251,050.00 | 164,500.00 | - | 5,694,800.00 | 5,694,800.00 | 700,000.00 | 700,000.00 | 7,219,360.00 | 11,468,020.00 | - | 12,503,880.00 | 32,970,490.00 | 7,219,360.00 | 5,264,320.00 | - | - | - | 25,759,930.00 |
| Initial Recognition Amount | 5,159,640.00 | 14,720,950.00 | 555,470.00 | 20,436,060.00 | 3,297,800.00 | 799,150.00 | 227,750.00 | 4,324,700.00 | 4,324,700.00 | 20,914,770.00 | 20,914,770.00 | 34,342,343.63 | 16,799,390.00 | 31,629,950.00 | 2,893,358.46 | 101,579,633.63 | 34,342,343.63 | 18,590,070.00 | - | - | - | 67,169,290.00 |
| Total Payments Received - per F1 | 1,367,520.00 | 6,201,165.00 | 65,320.00 | 7,634,005.00 | 1,078,180.00 | 1,617,820.00 | 46,250.00 | 2,742,250.00 | 2,742,250.00 | 5,899,170.00 | 5,899,170.00 | 9,526,310.00 | 17,510,955.00 | 374,327.00 | 12,136,130.00 | 36,375,132.00 | 9,526,310.00 | 2,668,920.00 | - | - | - | 29,706,212.00 |
| Payments received - Notice 56 | 876,440.00 | - | 65,320.00 | 941,760.00 | 707,360.00 | - | 56,250.00 | 83,450.00 | 83,450.00 | 647,080.00 | 647,080.00 | 556,550.00 | 3,344,030.00 | 374,327.00 | 554,150.00 | 4,272,507.00 | 556,550.00 | 83,450.00 | - | - | - | 3,735,957.00 |
| Payments received - Notice 341 | 491,080.00 | 6,201,165.00 | - | 6,692,245.00 | 370,820.00 | 1,617,820.00 | - | 4,641,800.00 | 4,641,800.00 | 5,252,090.00 | 5,252,090.00 | 8,969,760.00 | 14,166,925.00 | - | 11,581,980.00 | 31,102,625.00 | 8,969,760.00 | 2,785,470.00 | - | - | - | 22,114,855.00 |
| Payment | 2,919,961.73 | 5,140,920.65 | 418,935.54 | 8,538,828.92 | 1,458,250.00 | 1,687,250.00 | 139,250.00 | 5,204,750.00 | 5,204,750.00 | 11,729,140.92 | 11,729,140.92 | 19,043,564.63 | 7,940,869.42 | 5,947,312.93 | 1,832,710.25 | 44,617,826.45 | 19,043,564.63 | 9,284,626.53 | - | - | - | 25,212,613.98 |
| % payment collected | 0.21 | 0.40 | 0.16 | 0.34 | 0.16 | 0.21 | 0.19 | 0.33 | 0.30 | 0.33 | 0.33 | 0.22 | 0.36 | 0.57 | 0.16 | 0.26 | 0.22 | 0.18 | 0.33 | 0.33 | 0.45 | 0.45 |

Debtor to be disclosed before writ 3,792,120.00 8,919,790.00 500,150.00 12,812,000.00 2,219,620.00 (818,670.00) 171,500.00 13,753,150.00 2,289,071.48 38,351,877.17 66,137,003.65

ANNEXURE B1/2

Rudi Fraser - RE: BOETES

From: Christhenus Van Der Vijver <cvandervijver@npa.gov.za>
To: Rudi Fraser <rfraser@overstrand.gov.za>
Date: 2017/08/18 01:42 PM
Subject: RE: BOETES

Hello Rudi,

Indien 'n dagvaarding nie binne 18 maande op die geregistreerde eienaar of bestuurder van die voertuig gedien kan word nie, is dit die einde van die saak. Jy kan slegs herdagvaar mits dit nog steeds binne die 18 maande tydperk is.

Lasbrief moet ook binne 2 jaar na datum van magtiging uitgevoer word anders moet dit teruggaan na die landdros vir kansellasie. Die 18maande tydperk is 'n vereiste van die vervolgingsgesag en die 2 jaar is 'n besluit van die landdroste.

Groete

Adv Christh enus van der Vijver
Senior State Advocate
Director of Public Prosecutions
CAPE TOWN
Tel: 021 4877045
Cell: 0824429350

From: Rudi Fraser [rfraser@overstrand.gov.za]
Sent: 18 August 2017 10:57 AM
To: christhenus@gmail.com; Christhenus Van Der Vijver
Subject: BOETES

Goeie m re Advokaat

Graag word verneem of u dalk uitklaring kan gee rondom :

- * boetes op stelsel na 18 maande droogloop wat geen waarde het
- * 2 jaar lasbrief situasie

Groete

β2/2

R.J. Fraser**Chief: Traffic, Law Enforcement & Task Team****Directorate: Protection Services****T: +27 (0) 28 313 8165 | F: +27 (0) 28 313 2042****E: rfraser@overstrand.gov.za**

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