

**CITY OF MASVINGO**

**MINUTES OF THE PROCEEDINGS OF THE MEETING OF THE FINANCE AND GENERAL PURPOSES COMMITTEE HELD IN THE COMMITTEE ROOM, MUNICIPAL OFFICES ON FRIDAY, 23 JUNE 2023 AT 10.30 A.M.**

**PRESENT:** Councillor B. Beta (Chairman)  
Alderman S. Maridza  
Councillor S. Manyanga

**OFFICIALS:** Chamber Secretary  
Finance Director  
Chief Internal Auditor  
Senior Health Officer  
Acting Deputy Finance Director  
Assistant Area Superintendent  
Committee Officer

**274. CONFIRMATION OF MINUTES**

**RESOLVED**

THAT the minutes of the meeting held on 22 and 30 May 2023 be taken as read, confirmed as correct records and signed.

*Moved by Alderman S. Maridza  
Seconded by Councillor S. Manyanga*

**275. REPORT OF THE FINANCE DIRECTOR**

**A. FINANCIAL PERFORMANCE**

Consideration was given to the report of the Finance Director on the financial performance of Council. The report covered bills raised for the month of May 2023, revenue category and collected amounts and the percentage of billed amount to collections made, strategies for enhancing revenue collection, expenditure incurred including recurrent and capital expenditure.

**i) Revenue**

It was reported that the total cumulative revenue for the first quarter up to 30 May 2023 amounted to ZWL\$ 7,408,250,657. The total revenue realized constituted 60% of the budgeted revenue for the quarter amounting to ZWL\$ 12,297,552,720 adjusted for exchange rate movements as per the approved budget.

The total cumulative revenue collected for the four-month period ending 31 May 2023 amounted to ZWL 5,884,287,481 which represents 79% and 48% of amounts billed and budgeted respectively. The Finance Director highlighted on revenue distribution sources for the month being 33% from services rendered, sales and tariffs 40%, fees, penalties and licenses constituting 20%, rental revenue from facilities 5% with other income and grants constituting 1% respectively.

**Minutes- Finance & General Purposes Committee 23 June 2023**

**ii) Expenditure**

The Finance Director reported that the total cumulative expenditure up to end of 31 May 2023 was ZWL\$ 5,329,630,345.46 representing 43% of budgeted expenditure. It was reported that the inflationary pressures in the economy persisted as evidenced by the sharp movement in the interbank exchange rate from USD 1: ZWL 738.4115 as at end of January 2023 to USD 1: ZWL 2557.0564 as at end of May 2023. It was reported that some suppliers were not taking Zimbabwean dollar payments for services notably suppliers of water treatment chemicals and firms repairing electric motors.

With regards to expenditure distribution, it was reported that employee costs amounted to 61.15%, capital expenditure 2.99%, general expenses 30.3%, repair and maintenance 2.97% and purchases 2.46%. The Committee noted the increase in the travel and subsistence budget and the need to manage same. The Committee noted the decrease in overtime for the month under review which was attributed to increased supervision and work scheduling.

The Committee considered the funds owing to statutory bodies which were presented as follows;

<b>ITEM</b>	<b>AMOUNT (ZWL\$)</b>
ZIMRA (PAYE & AIDS LEVY)	72,728,924.00
NSSA	33,021,784.00
LAPF (Pension contributions)	215,766,696.00
ZIMDEF (Manpower Development Levy)	9,182,225.00
Standards Development Levy	24,012,396.00
<b>TOTAL</b>	<b>354,712,025.00</b>

**iii) Cashbook and cashflow projections**

The report of the Finance Director on the cashbook balances and cashbook projections was noted.

**iv) Capital expenditure**

The report of the Finance Director on capital expenditure for the month under review was noted. Total capital expenditure for the month amounted to ZWL 29,354,431 with cumulative capital expenditure up to 31 May 2023 amounting to \$159,620,669.

On prepaid parking activities it was reported that ZWL\$ 32,065,439 was realised from the sale of 20,355 discs and penalties amounting to ZWL\$ 693,000 and ZWL 9,252,662 representing a decrease in sales of 30% as compared to revenue raised in April 2023.

**Minutes- Finance & General Purposes Committee 23 June 2023**

The increase in revenue was attributed to inflation rather than an increase in sales of parking discs. The Committee noted the expenditure associated with operating the Prepaid Parking Section.

The need to install adequate signage in the prepaid parking zone area was highlighted.

**v) Devolution**

It was reported that ZWL\$ 32,700,000 was received for the period under review and that the Council has exhausted its balance for disbursement for the year 2023.

**vi) Debtors and debt collection (receivables) and Management**

The Committee considered the report of the Finance Director on debtors and debt collections (receivables and management) for the month of May 2023. Debtors balances as at 31 May 2023 amounted to ZWL\$ 5,047,211,293 an increase of 14% from the April 2023 balance. The distribution of debtors by category was noted with Government constituting 29%, commercial 16%, industry 7%, institutions 6%, low density residential 17%, medium density residential 4% and high density residential 21% respectively.

A total of ZWL\$ 1,532,376,617.93 was collected against a total billing of ZWL\$ 2,136,901,453.98 translating to a collection efficiency of 71.71% as compared to 66.32% realised on April 2023. The report on debt collection activities for the month under review was noted.

**vii) Stores and Asset Management**

The Committee noted the report of the Finance Director on stores and stores management covering the stock levels of critical items such as fuels, water treatment chemicals and procurement of protective clothing.

**viii) Payables (creditors) Management**

The report of the Finance Director on creditors as at 30 April 2023 was considered. It was noted that the Zimbabwe Electricity Distribution Company (ZETDC) debt had been paid off with a payment plan in place. It was reported that Council had been taken to court by GEC and Chimbo Ventures over a dispute wherein they supplied goods to Council at prices which were deemed to be above the market prices following a due diligence exercise as guided by the Ministry of Finance. The court case was currently at pre trial stage. The Committee noted the report.

**ix) Taxation and statutory Insurance**

The report of the Finance Director on taxation and statutory insurance covering balances and payments for Pay as you Earn (PAYE), Value Added Tax (VAT), Presumptive Tax and Withholding tax up to 31 May 2023 was noted.

**Minutes- Finance & General Purposes Committee 23 June 2023**

**B. ACQUISITION OF CORPORATE BANK CARD FOR PAYMENT OF PETTY CASH EXPENSES**

The Committee gave consideration to the report of the Finance Director on the request to acquire a corporate bank card for use in paying for petty cash expenses. The request was approved, and the Finance Director was instructed to put in place adequate control mechanisms.

**RESOLVED TO RECOMMEND**

THAT the Finance Director be instructed to acquire a corporate bank card for the purposes of paying for petty cash expenses. **FD**

**C. REQUEST FOR AUTHORITY TO APPOINT ACTING DEPUTY FINANCE DIRECTOR AS SIGNATORY FOR COUNCIL BANK ACCOUNTS: MR. B. A MHLLOLO.**

The Committee gave consideration to the report of the Finance Director on the request to appoint the Mr. A. B Mholo, Acting Deputy Finance Director Grade 15, as a signatory for Council accounts to facilitate the smooth performance of his official duties. The request was approved.

**RESOLVED TO RECOMMEND**

THAT Mr. A.B. Mhlolo, Acting Deputy Finance Director Grade 15, be appointed a signatory of Council accounts to facilitate the performance of his official duties. **FD**

**D. APPEAL FOR DONATIONS TOWARDS OFFICIAL OPENING OF KAMUNGOMA NATIONAL MONUMENTS**

The Committee considered the report of the Finance Director on the appeal for donations by the Honourable Minister of State for Provincial Affairs and Devolution Honourable E. Chadzamira towards the commissioning of Kamungoma National Monuments ceremony to be held on 30 June 2023. The Committee approved a donation of ZWL \$ 500,000.

**RESOLVED TO RECOMMEND**

THAT the Finance Director be instructed to process a donation amounting to ZWL 500,000 being Council's contribution towards the commissioning of Kamungoma National Monuments to be held on 30 June 2023. **FD**

**E. Adoption of Report**

**RESOLVED TO RECOMMEND**

THAT the report of the Finance Director be approved and adopted subject to the resolutions passed in relation thereto.

**Minutes- Finance & General Purposes Committee 23 June 2023**

**276. REPORT OF THE ACTING DIRECTOR OF HOUSING AND SOCIAL SERVICES**

**A. LIQUOR SECTION REPORT**

The report of the Acting Director of Housing and Social Services on the Liquor Section for the month of May 2023 for the three outlets covering sales by brand, profit and appropriations was noted. It was reported that the outlets recorded a net profit of ZWL19,352,679.31. The Committee noted the need to source a vehicle for the liquor section to enhance its operations.

**B. Adoption of Report**

**RESOLVED TO RECOMMEND**

THAT the report of the Acting Director of Housing and Social Services be approved and adopted.

**277. REPORT OF THE CHAMBER SECRETARY**

**A. ZIMBABWE ELECTRICITY AND TRANSMISSION DISTRIBUTION COMPANY VERSUS CITY OF MASVINGO: HCHC 173/22: UNPAID ELECTRICITY BILLS**

Consideration was given to the report of the Chamber Secretary on the outcome of the case Zimbabwe Electricity and Distributions Company (ZETDC) and City of Masvingo over unpaid electricity bills amount to ZWL 205 million. It was reported that the Commercial Court ruled as follows;

*"IT IS ORDERED THAT;*

- 1. The Plaintiff's claim for interest and collection commission be and is hereby dismissed*
- 2. The claim for costs of suit succeeds only to the extent that costs shall be recovered at the ordinary scale"*

The Committee approved the payment of the costs submitted by the Plaintiff relating to the court case.

**RESOLVED TO RECOMMEND**

THAT the Finance Director be instructed to pay the cost of the case Zimbabwe Electricity and Distributions Company (ZETDC) versus the City of Masvingo in the case over unpaid electricity bill amounting to ZWL 205 million HCHC 173/22, in compliance with the Court Order that; *"The claim for costs of suit succeeds only to the extent that costs shall be recovered at the ordinary scale"*.

**FD**

**Minutes- Finance & General Purposes Committee 23 June 2023**

**B. Adoption of Report**

**RESOLVED TO RECOMMEND**

THAT the report of the Chamber Secretary be approved and adopted subject to the resolution passed in relation thereto.

**278. REPORT OF THE TOWN CLERK**

*[The Finance Director presented the report of the Town Clerk].*

**A. PURCHASE OF CONDITIONS OF SERVICE VEHICLES FOR SENIOR EMPLOYEES**

The Committee gave consideration to the report of the Town Clerk on the request for authority to procure two conditions of service vehicles for the Chamber Secretary and Senior Health Officer.

It was reported that in August 2022 Council resolved to purchase the vehicles in phases and so far under phase 1, vehicles for the Acting Director of Engineering Services and Chief Environmental Health Officer have been bought. Authority was therefore sought to purchase conditions of service vehicles for the Chamber Secretary and the Senior Health Officer under phase 2 as follows;

- Toyota Hilux 2.8 GD6 4x4 Executive Double cab at estimated cost of US\$69 380.00 for Chamber Secretary and
- Toyota Hilux 2.4 GD6 Standard Double cab at estimated cost of US\$60 000.00 for the Senior Health Officer

The request was granted.

**RESOLVED TO RECOMMEND**

THAT Council purchases conditions of service vehicles for Chamber Secretary and Senior Health Officer and respectively being Toyota Hilux 2.8 GD6 4x4 Executive Double Cab at estimated cost of US\$69 380.00 for Chamber Secretary and Toyota Hilux 2.4 GD6 Standard Double Cab at estimated cost of US\$60 000.00 for the Senior Health Officer.

**B. Adoption of Report**

**RESOLVED TO RECOMMEND**

THAT the report of the Town Clerk be approved and adopted subject to the resolution passed in relation thereto.

**Minutes- Finance & General Purposes Committee 23 June 2023**

The meeting ended at 12.56 a.m

**CONFIRMED THIS**

**DAY OF**

**2023**

**CHAIRMAN**

**TOWN CLERK**