

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 THURSDAY, 20 JULY 2023 AT 5.55 P.M.

PRESENT: Councillor B. Beta (Chairman)
Alderman S. Maridza
Councillor A. Chiteme

OFFICIALS: Finance Director
Chief Internal Auditor
Area Superintendent Rujeko
Assistant Administration Officer
Assistant Committee Officer

328. CONFIRMATION OF MINUTES

RESOLVED

THAT the minutes of the meeting held on 23 June 2023 be taken as read, confirmed as a correct record and signed.

*Moved by Alderman S. Maridza
Seconded by Councillor A. Chiteme*

329. 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 June 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 half up to 30 June 2023 amounted to ZWL\$ 17, 930, 690, 265.81. The total revenue realized constituted 77% of the budgeted revenue for the period amounting to ZWL\$ 23, 473, 480, 345.36 adjusted for exchange rate movements as per the approved budget.

The total cumulative revenue collected for the six-month period ending 30 June 2023 amounted to ZWL 9, 580, 148, 691.07 which represents 53.43% and 40% of amounts billed and budgeted respectively.

(ii). Measures being undertaken to improve revenue collection efficiency.

It was reported that statements which used to be distributed after the 25th of every month were now being distributed to rate payers on the 15th of every month thereby giving Council a good chance to maximise collections towards end of month.

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To improve on billing efficiency and accuracy, the smart meter reading solution will be implemented. On prepaid Parking and markets receipting, a tailor-made new system will be introduced with technical assistance from LADS Africa.

(iii). Expenditure

The Finance Director reported that the total cumulative expenditure up to end of June 2023 was ZWL\$ 7 874 504,303.79 representing 33.77% 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: ZWL5 739. 7961 as at end of June 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 ZWL\$4 098 639 369.46 which represented a 495% increase from then gross wage bill of ZWL\$ 827 304 313.00 paid in May 2023.

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

ITEM	AMOUNT (ZWL\$)
ZIMRA (PAYE & AIDS LEVY)	1, 598, 438, 362.39
NSSA	70, 252, 478.54
LAPF (Pension contributions)	595, 116, 182.01
ZIMDEF (Manpower Development Levy)	54 192, 212.13
Standards Development Levy	43 776 038.34
TOTAL	2, 361, 775, 273.41

(iv). Cashbook and cashflow projections

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

(v). 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 1, 180, 743, 503.65 with cumulative capital expenditure up to 30 June 2023 amounting to \$1, 340, 364, 172.65.

On prepaid parking activities it was reported that ZWL\$ 135, 659 381.00 was realised from the sale of 20,955 discs and penalties amounting to ZWL\$ 4 755 000.00 and ZWL\$93 221,965.00.

(vi). Devolution

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It was reported that ZWL\$ 103 000 000.00 was received for the period under review and that the Council has exhausted its balance for disbursement for the year 2023. It was reported that Council had received ZWL\$147 million to date for 2023 allocation.

(vii). Debtors and debt collection (Receivables) Management

The Committee considered the report of the Finance Director on debtors and debt collections (receivables and management) for the month of June 2023. Debtors balances as at 30 June 2023 amounted to ZWL\$ 12 327 252 924.00 an increase of 244% from the May 2023 balance.

A total of ZW\$ 3 086 163 266.87 was collected during the month translating to a collection efficiency of 29.77%. The report on debt collection activities for the month under review was noted.

(viii). 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 for the month of June 2023.

(ix). Statutory Obligations

It was reported that a daily stop order arrangement with the Local Authorities' Pension Fund (LAPF) has been agreed to discharge of the debt shown on item 1.3 above. During the month of June ZWL\$ 40,700,000.00 was deducted through the stop order facility.

A payment plan has been agreed to pay the amount owing to NSSA as per item 1.3 in two instalments. The report was noted.

B. REQUEST FOR FUNDING: DANHIKO ANNUAL PARALYMPIC GAMES.

The report of the Finance Director on the request by Danhiko Annual Paralympic Games for a donation of USD135.00 for affiliation fees for the players was considered. It was reported that in promoting inclusivity of people with disabilities in all activities, the Social Services Department was seeking authority to fund the Danhiko Annual Paralympic Games, which will be held in Harare scheduled to commence on the 29th of September to the 2nd of October 2023. The breakdown of affiliation fees required was as follows

5 Officials @ 15/person	= USD \$ 75.00
12 Players @5/player	= USD \$ 60.00
Total	= USD \$135.00

The request was granted.

RESOLVED TO RECOMMEND

THAT the Finance Director be instructed to make a donation of USD135.00 to Danhiko 2023 Paralympic Games to be held on 29 September 2023 to 2nd of October 2023 in Harare to meet their affiliation fees for players and officials. **FD**

C. REQUEST FOR EXEMPTED PARKING SPACE

The report of the Finance Director on the request by Officials from the Immigration Department, for exempting a personal vehicle which is being used on Government business was considered. Council received a letter dated 25 April 2023 from the Department of Immigration Masvingo seeking exempted parking space for two vehicle one being privately owned as one of their Government vehicles was not functional. The registration numbers for the two vehicles were stated as follows:

1. GIMM69
2. AFP4039

The request was granted subject to monthly renewals.

RESOLVED TO RECOMMEND

THAT the request by the Immigration Department, for exemption of one personal vehicle being used as an official vehicle, AFP 4039, from paying prepaid parking fees be granted subject to monthly renewal of the exemption. **FD**

D. REPAIRS FOR BUSHMEAD WATER PUMP

The report of the Finance Director on the repair of standby pump for the Bushmead Water works was considered. It was reported that Bushmead water treatment works has been running without a functional stand-by pump following a breakdown of pump no. 5 two years ago. Quotations from suppliers approved under a framework agreement had been received as tabulated below.

ENTITY	QUOTED PRICE (USD)
GEC	47 772.22
OLIKEN ENGINEERING	48 275.49

Authority was being sought to repair the pump as it was crucial in ensuring service continuity in times of breakdowns.

RESOLVED TO RECOMMEND

THAT the Finance Director be authorized to fund for the repair of Pump number 5 for Bushmead Water Works following the normal procurement procedures. **FD**

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E. IMPLEMENTATION OF THE INTERNATIONAL PUBLIC SECTOR ACCOUNTING STANDARDS (IPSAS).

The report of the Finance Director on the implementation of the International Public Sector Accounting Standards (IPSAS) by the City of Masvingo was considered. It was reported that the Government of Zimbabwe had adopted the International Public Sector Accounting Standards (IPSAS) framework for the Public Sector. In line with this development, the Ministry of Finance had developed an implementation strategy which required entities to develop their Implementation Matrix Action Plan (IMAP) for submission by the 28th of July 2023. The Ministry of Finance and Economic Development also produced the Zimbabwe Financial Reporting Manual for public sector (ZFRM) which allows for the consolidation of the Government Sector Financial Statements. Council was therefore required to adopt the ZFRM as part of its accounting policies.

A copy the Zimbabwe Financial Reporting Manual (ZFRM) and the City of Masvingo Implementation Matrix Action Plan (IMAP) was considered by the Committee. The Committee adopted the (ZFRM) and the IMAP.

RESOLVED TO RECOMMEND

- 1 The Zimbabwe Financial Reporting Manual (ZFRM) be adopted as part of the Council's accounting policies. **FD**
- 2 The City of Masvingo International Public Sector Accounting Standards (IPSAS) Implementation Matrix Action Plan (IMAP) be adopted subject to adjustments that may be made by the Ministry of Local Government and Public Works. **FD**

F. ADOPTION OF THE COUNCIL'S ASSET MANAGEMENT AND INFORMATION COMMUNICATION TECHNOLOGY (ICT) POLICIES

The report of the Finance Director on the Asset Management and Information and Communication Technology (ICT) policies was considered. The proposed Asset Management Policy and the Information and Communication Technology Policies were considered by the Committee. It was reported that the two policies were important for the efficient and effective management of the Council's assets and information communication technology within the Council. The two policies were adopted by the Committee.

RESOLVED TO RECOMMEND

THAT the City of Masvingo Asset Management Policy and the City of Masvingo Information Communication Technology Policy be adopted.

G. EXTENSION OF THE COUNCIL INSURANCE POLICY

The report of the Finance Director on the Council's Insurance Cover for year 2023 was considered. It was reported that Council's Insurance cover expired in March 2023 and a tender was duly flighted to engage a new insurer for the next two years. When the tender was submitted to the Procurement Regulatory Authority of Zimbabwe (PRAZ) for scrutiny by the Special Procurement Oversight Committee (SPOC) as per regulations, the Authority advised that prior approval by the Secretary for Finance and Economic Development was required.

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Council had since written to the parent Ministry who are also surprised by this new requirement from PRAZ. Management had extended the initial contract to 30 June 2023 pending finalisation of the procurement process.

Authority was being sought to extend the contract with Zimbabwe Insurance Brokers Limited (ZIB) up to end of December 2023 pending the finalisation of the engagement of a new insurer under the following terms,

i. United States Dollars Policy

Quarterly premium US\$18,641.04
Risks covered: Electronic Equipment, Motor Fleet, Motor Excess Buy Back, Motor Staff, Motor Staff Excess Buy Back & Council Schools

ii. Zimbabwean Dollar Policy

Sum Insured US\$
Quarterly premium ZWL\$84,293,400.18
Risks Covered: Assets All Risks, Machinery Breakdown, Fidelity Guarantee, Group Personal Accident Executives, Group Personal Cash In Transit Crew, Group Personal Accident Councillors, House Owners, Employers Liability, General Public Liability, Staff Home Comprehensive Scheme.

RESOLVED TO RECOMMEND

- 1 THAT extension of the Council's Insurance Policy contract with ZIB from April to June 2023 be ratified. **FD**
- 2 THAT the extension of the Insurance Policy contract with ZIB from June 2023 to December 2023 be granted whilst the process of engaging an insurer for year 2024 to 2025 was underway. **FD**

H REQUEST FOR A LAPTOP AND PRINTER: DISTRICT DEVELOPMENT COORDINATOR-MASVINGO DISTRICT.

The report of the Finance Director on the request by the District Development Coordinator for Masvingo District, for a Laptop Computer and a Printer to facilitate work in the office was considered. It was reported that the District Development Coordinator's office sometimes relied on kiosks for typing services which compromised the confidentiality of the information which the office handles. The District Development Coordinator's office is a crucial link between local authorities and the Ministry of Local Government and Public Works and other Government Departments in the District.

The Committee appreciated the request but raised sentiments that it was not proper for higher tier of Government to seek that kind of assistance from a lower tier of Government. It was therefore suggested and agreed that the Town Clerk may identify a suitable Laptop and Printer from the existing pool of office equipment in Council and second same to the District Development Coordinator's Office for use.

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RESOLVED TO RECOMMEND

THAT the Town Clerk be instructed to identify a suitable Laptop and Printer from the existing pool of office equipment in Council and second same to the District Development Coordinator's Office for use. TC

I. 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.

330. REPORT OF THE ACTING DIRECTOR OF HOUSING AND SOCIAL SERVICES

A. REVIEW OF RENTALS FOR KUBATANA PRE-SCHOOL: STAND NUMBER 21 CHARUMBIRA STREET, MUCHEKE MASVINGO.

Consideration was given to the report of the Acting Director of Housing and Social Service on the review of rentals for Kubatana Pre-School situated at Stand Number 21 Charumbira Road, Muccheke. It was reported that a private Valuer had been engaged by Council to determine the fair market rentals. It was reported that the property was being leased to a group of women and that the current use is a school. The property in question stands on 2 977m² and is located 3km from the Central Business District (CBD).

It was reported that in terms of the current agreement of the lease, rentals are USD\$550.00 per month. It was reported that clause 3.1 of the lease agreement provided that, 'the rentals shall be subject to increase considering market rates which will be prevailing at the time or as Council deems fit'. It was reported that the property consisted of three buildings being used by the tenant as classroom blocks. It was proposed and agreed that the monthly rentals be raised to USD1000.00 as per the valuer's assessment detailed in the table below.

Property description	Use	Size in m² (sqm)	Rate/m²	Market rentals
Block 1	Class	24.85m ²	\$3/m ²	\$74.55
	Office	10.5m ²	\$6/m ²	\$63.00
Block 2	Office	9.5m ²	\$6/m ²	\$57.00
	Classroom	77.6m ²	\$5/m ²	\$388.00
Block 3	9Classroom	42.57m ²	\$5/m ²	\$212.85
	Classroom	42.57m ²	\$5/m ²	\$212.85
TOTAL				\$1008.25 \$1000.00

It was highlighted that rentals should be exclusive of VAT. It was also indicated that rates and water bills be paid exclusively by the occupants.

RESOLVED TO RECOMMEND

THAT monthly rentals for Stand Number 21 Charumbira Road, Mucheke be reviewed from USD550.00 per month to USD1000.00 with effect from 1 August 2023, excluding Value Added Tax (VAAT. rates and Water bills.

ADHSS

B. VALUATION AND DISPOSAL OF STAND 16986 RUNYARARO SOUTH WEST TOWNSHIP, MASVINGO.

Consideration was given to the report of the Acting Director of Housing and Social Service on the valuation of stand 16986 Runyararo South West, Masvingo to determine the Open Market Value (OMV) for the stand. It was reported that the stand measured One Thousand Five Hundred and Nine square metres (1 509m²) and was located approximately 4km South West of the Central Business District (CBD) with neighbouring properties which included Runyararo South West Shopping Centre and a church under construction.

It was reported that the piece of land was serviced with sewer. water and roads and was a high-density institutional land and the proposed use for the land is a Magistrate Court. The public notice was issued by Council in the press and to abutting properties by Council regarding the disposal of the piece of land, and no objections had been received.

According to the valuation report, the estimated open market price had been pegged at US\$25 600.00. In terms of utilities, Zimbabwe Electricity Transmission and Distribution Company (ZETDC) would provide electricity. The Committee accepted the valuation report and resolved that the stand be disposed of to the Judicial Service Commission (JSC) at the open market value of USD25 600.00.

RESOLVED TO RECOMMEND

THAT Stand 16986 Runyararo South West, Masvingo, Measuring 1 509m² be disposed of to the Judicial Service Commission (JSC) at the open market value of USD25 600.00. for the construction of a Magistrate's Court.

ADHSS

C. APPLICATION FOR PERMISSION TO DISPOSE OF OBSOLETE COMPUTERS AND A NON-RUNNING SCHOOL BUS: VUROMBO PRIMARY SCHOOL.

Consideration was given to the report of the Acting Director of Housing and Social Services on the request by Vurombo Primary School, for permission to dispose of their old and obsolete computers as well as a non- running school bus through public auction. The request was granted subject to the school following the normal procedures for disposal of assets.

RESOLVED TO RECOMMEND

THAT the request by Vurombo Primary School, for permission to dispose of their old and obsolete computers as well as a non- running school bus be granted subject to the school following laid down procedures for disposal of assets.

D. LIQUOR SECTION REPORT

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The report of the Acting Director of Housing and Social Services on the Liquor Section for the month of June 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 ZWL 19 395 942.64.

E. Adoption of Report

RESOLVED TO RECOMMEND

THAT the report of the Acting Director of Housing and Social Services be approved and adopted subject to the resolution passed in relation thereto.

The meeting ended at 5.50 p.m.

CONFIRMED THIS

DAY OF

2023

CHAIRMAN

TOWN CLERK