

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, 21 SEPTEMBER 2023 AT 4.46 P.M.

PRESENT: Her Worship the Mayor (Councillor S.Y Chiwara)
Councillor R. Musekiwa
Councillor M. Madhuna
Councillor A. Tabe
Councillor B. Muchokwa
Councillor S. Manyanga

OFFICIALS: Town Clerk
Chamber Secretary
Finance Director
Chief Environmental Health Officer
Chief Internal Auditor
Senior Health Officer
Acting Deputy Finance Director
Parks Superintendent
Committee Officer
Assistant Committee Officer

369. ELECTION OF CHAIRMAN OF THE FINANCE AND GENERAL PURPOSES COMMITTEE

After reading the notice convening the meeting, Her Worship the Mayor called for nominations for filling of the post of Chairperson of the Finance and General Purposes Committee.

IT WAS MOVED BY Councillor R. Musekiwa seconded by Councillor M. Maduna that Councillor B. Muchokwa be elected Chairperson of the Finance and General Purposes Committee.

There being no countermotion it was;

RESOLVED

THAT Councillor B. Muchokwa be appointed Chairperson of the Finance and General Purposes Committee.

370. ELECTION OF VICE CHAIRMAN OF THE FINANCE AND GENERAL PURPOSES COMMITTEE

Her Worship the Mayor called for nominations for filling of the post of vice Chairperson of the Finance and General Purposes Committee.

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IT WAS MOVED BY Councillor R. Musekiwa seconded by Councillor M. Madhuna that Councillor A. Tabe be appointed Vice Chairperson of the Finance and General Purposes Committee.

There being no countermotion it was;

RESOLVED

THAT Councillor A. Tabe be appointed Vice-Chairperson of the Finance and General Purposes Committee.

After presiding over the elections of the Chairperson and Vice Chairperson of the Finance and General Purposes Committee, the Mayor handed over the Chairmanship to the Chairman elect- Councillor B. Muchokwa to take over the chairing of proceedings.

371. REPORT OF THE FINANCE DIRECTOR

A. TERMS OF REFERENCE OF THE FINANCE AND GENERAL PURPOSES COMMITTEE

Consideration was given to the report of the Finance Director on the terms of reference of the Finance and General Purposes Committee covering the functions of the Committee, summary of statutes regulating the functions of the Committee, status of by-laws formulated and challenges faced by Council.

It was reported that in terms of Section 96 (2) Every council shall appoint a finance committee which shall be responsible for regulating the financial affairs of the council in accordance with the standing orders and by-laws of the council.

Council By-laws

It was reported that in the year 2023, Council reviewed and drafted fifty-four By-laws (54) to regulate activities within the Council jurisdiction. Twenty-nine (29) of these By-laws were awaiting final gazetting by the Attorney General's Office and the other 25 By-laws undergoing final validation by the parent Ministry's Legal Department.

The Finance Director highlighted that fees and penalties for various violations were provided for in the Council by-laws and they acted as the legal basis for all the revenue lines charged by Council. It was noted that the gazetting of the By laws would provide a legal basis for Council to regulate various activities within the city and penalise any violations.

The Finance Director reported that the principal laws that govern the financial matters of Council were as follows;

- i. The Constitution of Zimbabwe
- ii. The Public Finance Management Act CAP 22:19
- iii. The Urban Councils Act CAP 29:15

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- iv. Public Debt Management Act CAP 22:21
- v. Statutory Instrument 135 of 2019
- vi. Statutory Instrument 144 of 2019

Contents of the Finance Report

It was reported that the report of the Finance Director covered the following areas;

- Income and expenditure report
- Cashflow statement
- Trade receivables summaries
- Payables summaries
- Itemised expenditure for the month
- Bank reconciliation statements
- Notes and interpretations to the report
- Devolution report
- Capital Expenditure summary
- Stores report
- Strategies proposed and their implementation
- Adhoc items that require Council approval

Compliance issues

The Finance Director explained that the major compliance issue for the Finance and General Purposes Committee was to improve transparency through the production of Audited Financial Statements as well as submission of quarterly reports.

It was reported that according to the Public Finance Management Act (PFMA) Chapter 22:19, local authorities were required to submit their Financial Statements within 60 days to the Auditor General's Office and submit quarterly reports to the Ministry within 14 days of the end of the respective quarter. It was reported that the City of Masvingo was complying with these provisions.

Budget submission

It was highlighted that according to section 47 of the Public Finance Management Act, budgets should be submitted not less than 3 months before the start of the financial year unless otherwise agreed by the Minister and the Council. The Finance Director emphasised that a public entity which is required to submit a budget in terms of subsection 1 may not budget for a deficit unless it obtains a prior written approval of the Treasury thus Council was required to prepare a balanced budget.

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Challenges being faced by Council

The Finance Director reported that Council was facing liquidity challenges as a result of a ballooning debt mainly attributable to the current economic environment in the country.

It was noted that high levels of inflation had wiped the value of debtors and this had directly affected Council capacity to settle commitments and capitalisation needs and also led to high employee turnover.

It was reported that Council was generating very low levels of foreign currency and our markets have migrated to the use of foreign currency, According to Reserve Bank of Zimbabwe (RBZ) and Zimstat 60% of the market transactions are traded in foreign currency. This had negatively impacted Council operations as suppliers demanded payments in foreign currency. The few suppliers which accept local currency indexed their prices at exorbitant rates resulting in uneconomic prices hence Council losing value for money. Notwithstanding the above Council had managed to sustain a decent level of service delivery.

The Finance Department organisational structure

The Committee noted the report of the Finance Director on the Departmental Organogram.

B. 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.

The meeting ended at 5.12 p.m

CONFIRMED THIS

DAY OF

2023

CHAIRMAN

TOWN CLERK