

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 WEDNESDAY, 22 MAY 2024 AT 4.48 P.M.

**PRESENT:** Councillor B. Muchokwa (Chairman)  
Councillor A. Time  
Councillor M. Madhuna  
Councillor R. Musekiwa  
Councillor S. Manyanga

**APOLOGY** Deputy Mayor Councillor D. Mberikunashe

**OFFICIALS:** Town Clerk  
Chamber Secretary  
Director of Housing and Social Services  
Finance Director  
Acting Director of Engineering Services  
Acting Deputy Finance Director  
Chief Internal Auditor  
Senior Health Officer  
Assistant Committee Officer

**132. CONFIRMATION OF MINUTES**

**RESOLVED**

THAT the minutes of the meeting held on 17 April 2024 be taken as read and confirmed as a correct record and signed.

***Proposed by Councillor S. Manyanga  
Seconded by Councillor A. Time***

**133. MATTERS ARISING**

On Minute 103 (A)(ii) on measures being undertaken to improve revenue efficiency, it was proposed that Council Beerhalls be subdivided and leased as a way of raising more revenue. The Finance Director advised that the Council employed a City Economic Development Officer and his task was to focus on revenue generation and Council liquor outlets would be included. It was reported that a report on potential income generating projects will be submitted to Council. A proposal was made for the for the City Economic Development Officer to attend Council Committee meetings.

Concern was raised on Council leased properties where the lessees were violating lease agreements by subletting the properties. The Finance Director advised that a report on all Council leased properties and status will be submitted to the next Finance and General Purposes Committee meeting.

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On minute 103 (c), the Committee felt they required familiarisation of the existing policy on designated parking zones in the Central Business District, which was clarified that Councillors should familiarise with Prepaid Parking By Laws. It was clarified that the whole Central Business District has been designated as a Prepaid Parking Zone.

The Committee highlighted the need for repair of parking bays in the Central Business District. The Town Clerk reported that repair of parking bays was work in progress and that funds from the Prepaid Parking Account were used to purchase a Towing Truck.

**134. REPORT OF THE FINANCE DIRECTOR**

**A. FINANCIAL PERFORMANCE.**

Consideration was given to the report of the Finance Director on financial performance covering total cumulative revenue and major sources of revenue for the period under review.

It was highlighted that the reporting would be made in ZiG currency for the month of April 2024, following a prescribed change from ZWL currency to ZiG currency by the Central Government. In this regard, reporting has been streamlined into two i.e. the period covering ZWL currency and the ZiG currency was put to use. The two periods were not merged to simply reporting early to avoid exchange rate complexities.

**(i) Revenue**

It was reported that the total cumulative revenue for the period up to 30 April 2024 amounted to ZiG 26,935,102.75. The total revenue realized during the period under review constituted 84% of the budgeted revenue for the period amounting to ZiG32,036,557.45. The major sources of revenue for the period were rental revenue amounting to 5%, fees licenses and levies 27%, other income 0%, rendering of services 37% and sales tariffs 31%.

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

It was reported that the inflationary pressures stood very high in the first quarter of the year 2024 and the USD billing introduced in the month of January managed to retain the value of debtors and foster resilience in terms of sustaining service delivery. In an effort to broaden revenue collection, electronic gadgets were procured to enhance effectiveness and efficiency in the administration of prepaid parking activities.

**(iii) Expenditure**

It was reported that the total expenditure for the period up to 30 April 2024 was ZiG 14,728,304.30 representing 55% of budgeted expenditure. The Committee

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highlighted the need to manage Travel and Subsistence within budget. The report was noted.

**(iv) Salaries**

The report of the Finance Director on staff salaries and other recurrent expenditure was considered. It was reported that the gross salary bill for the month of April 2024 was ZiG 7, 913, 513.27 for permanent employees and ZiG 1, 014, 543.40 for contract employees giving a total of ZiG 8,928,056.67. Net salaries for the month of April amounted to ZiG 4,607,451.76 and net salaries paid in USD amounted to USD 135,802.00 and ZiG salary component for the month were paid in the early days of May 2024. The report was noted.

**(v) Overtime**

Consideration was given to the report of the Finance Director on total overtime for the month of April 2024. It was reported that the cumulative overtime paid was ZiG 455, 567.99. It was reported that Management was working on strategies to reduce overtime. The report was noted.

**(v) Statutory Obligations**

The report of the Finance Director on Statutory obligations due as presented below was noted.

<b>DESCRIPTION</b>	<b>AMOUNT(ZiG)</b>
SALARIES	4,607,451.76
ZIMRA (PAYE & AIDS LEVY)	1,600,460.71
NSSA	494,427.76
LAPF	2,055,835.08
ZIMDEF	188,430.51
STANDARDS LEVY	143,325.19
<b>TOTAL</b>	<b>9,089,931.01</b>

It was reported that the payment deadline for all statutory payments (10th of May for April obligations) were not met and payment plans were negotiated with the major creditor ZIMRA. The stop order facility with LAPF was still operational and a cumulative debit for the month of April amounted to ZiG 4802.86.

**B. CAPITAL EXPENDITURE**

It was reported that the total capital expenditure for the month amounted to ZiG 400, 575.87 and the expenditure increased following the procurement of a Refuse Truck. The report on the cumulative capital expenditure for the period under review was also noted.

**C. PRE-PAID PARKING ACTIVITIES**

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The report of the Finance Director on the revenue realised from Pre-Paid pParking activities for the month of April 2023 was considered. It was reported that revenue realised from pre-paid parking activities for the month of April 2024 amounted to ZiG 398,945.00 realised from the sale of 30180 discs, office sales of ZiG 15,365.00 whilst penalties amounted to ZiG 68.00 giving a total collection of ZiG 414,938.00 for the month.

It was reported that motorists were not used to the system billing hence quite often they resisted paying build amounts.

**D. CASHBOOK AND CASH FLOW PROJECTIONS**

The report of the Finance Director on the cashbook, payments made, cashflow projections and bank balances as at 30 April 2024 were noted.

**E. DEBTORS AND DEBT COLLECTION (RECEIVABLES MANAGEMENT**

The report of the Finance Director on the debtors and Debt collection was considered. It was reported that the collection efficiency of 62.72% was derived from a billing equivalent to USD1,678,605.88 and receipts amounting to USD 1,052,776.39 for billable properties. The proportional break down was Government 24%, Commercial 7%, Industry 10%, Residential High Density 23%, Residential – Medium Density 6%, Residential Low Density 18%, Land sales 9% and Institutions 3%.

**F. PAYABLES (CREDITORS) MANAGEMENT**

Consideration was given to the report of the Finance Director on creditors balance for the month of April 2024. It was reported that Council payables increased owing to liquidity challenges and economic hardships. Council made agreed payment plans with major creditors such as LAPF, ZIMRA, and ZESA where modalities for a set-off arrangement through Government intervention was made. The report was noted.

**G. TAXATION AND STATUTORY OBLIGATIONS**

Consideration was given to the report of the Finance Director covering taxation, statutory obligations such as value Added tax (VAT), Withholding Tax, Pay as You Earn (PAYE) and presumptive taxes. The report was noted.

**H. STORES AND ASSET MANAGEMENT**

The report of the Finance Director on Stores and Stores Management covering stock levels of critical consumables including water treatment chemicals, status of fuels and oils for the month of April 2024 was noted.

**I. 2024 BUDGET IMPLEMENTATION**

The report of the Finance Director on the 2024 Budget implementation was considered. It was reported that the 2024 Council budget was approved by the

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Minister of Local Government and Public Works in March 2024. It was reported that the budget inclined Council to adjust some of the tariffs. Following the concerns raised by stakeholders following the adoption of the new Valuation Roll and USD billing in January 2024, Management put on hold the approved tariff adjustments until after the first quarter budget review process where stakeholders would be appraised of the adjustments. It was recommended that that the first quarter budget review stakeholder engagement meetings be held on 27-31 May 2024 and implementation of tariff adjustments as per the 2024 approved Budget be done with effect from June 2024. The Committee adopted the recommendations. The motion was moved by Councillor R. Musekiwa and seconded by Councillor S. Manyanga.

**RESOLVED TO RECOMMEND**

1. THAT first quarter Budget Review stakeholder engagement meetings be held on 27-31 May 2024.
2. THAT the implementation of tariff adjustments as per the 2024 approved Budget with effect from 1 June 2024, be approved.

**J. PROGRESS ON IPSAS IMPLEMENTATION**

The report of the Finance Director on the IPSAS Implementation Matrix progress and action plan was considered. The implementation report was presented as indicated in the table below;

<b>1</b>	<b>IPSAS Implementation Activity</b>	<b>Key Actions to be taken</b>	<b>Progress</b>
<b>1.1</b>	Approval of IPSAS Implementation Matrix and Action Plan (IMAP)	Submission of Draft Implementation plan to Management, Finance Committee and Full Council	Implemented
<b>1.2</b>	Communicate	Following approval of IMAP by Full Council, circulate it to the rest of the finance team and other line managers. The IMAP will also be shared with the line ministry and external auditors.	Implemented
<b>1.3</b>	IMAP Awareness	Awareness for Full Council and the Finance Committee – This will be done during the meeting that is expected to approve the IMAP. Awareness training for other relevant staff will be done though a special 1-day IPSAS planning event.	Implemented

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<b>2</b>	<b>Zimbabwe Financial Report Manual</b>		
<b>2.1</b>	Adopting the ZFRM by entity governance	Submission of the Zimbabwe Financial reporting manual to Management and Council for adoption.	Implemented
<b>2.2</b>	Training and Awareness on the ZFRM within the entity	Training and awareness of the ZFRM will be done together with the IMAP as detailed 1.2 and 1.3	Implemented
<b>3</b>	<b>ICT PFMS &amp; COA</b>		
<b>3.1</b>	Analysis of state of ICT to support IPSAS	The gap analysis will provide a risk-based approach so that key areas where there are significant challenges are identified and the strategy response to the identified gaps. The following key in the gap analysis- <ul style="list-style-type: none"> <li>- Documentation of key challenges that are currently being faced by the entity as it related to ICT</li> <li>- Documentation of expected challenges with the coming in of IPSAS related to ICT</li> <li>- Documentation of human factors that may be a hindrance to implementing ICT solutions.</li> <li>- Documentation of any other factors that may impose a hinderance on ICT</li> </ul>	In progress
<b>3.2</b>	Strategy to ICT	Setting strategic direction on how to achieve ICT related targets for Implementation based on the findings from the gap analysis as follows; <ul style="list-style-type: none"> <li>- The software or licences are fully leveraged to support implementation</li> <li>- Mobilisation of financial resources to ensure we have effective ICT</li> <li>- Adequate human skills to support ICT</li> </ul>	In progress
<b>3.3</b>	Engagement with providers (AXIS Solutions)	Submission of technical Requirements from the ERP service providers and stress the need for enough technical support	In progress

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3.4	Development of changeover plan	Putting in place detailed plan of any changes from the existing ICT set up with regards to Financial Reporting	In progress
3.5	Training and capacitation on ICT	Network Administrator leads in the capacitation on ICT skills with regards new ERP Changes	Outstanding
3.6	Business process documentation	Detailing of the new procedures and documentation work process flow brought about by the changes in the ERP	Partially
3.7	Procedure manual	Formulation of a Procedure manual to provide descriptive guidelines and protocols to be followed in the implementation of the ERP changes	In progress
3.8	Strategy on other ICT enablers	Assessment of the existing ICT environment to ensure all components are compatible with the demands of the new ICT process and formulation of plans to ensure all resources are available for smooth implementation	In progress
4	<b>Implementation tools and templates</b>		
4.1	Accounting Policies	Accounting policies need to be in accordance with the IPSAS Standards and the ZFRM. The following are the planned actions: <ul style="list-style-type: none"> <li>- A gap analysis of the current financials to get a comprehensive list of key financial statements items and areas where accounting policies will need to be developed.</li> <li>- Select technical resource staff and allocate them to each area identified above</li> <li>- The staff to develop accounting policies using the IPAS standards and the ZFRM</li> <li>- Following the development of accounting policies,</li> </ul>	Implemented

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		<p>approvals of the accounting policies will be sought from the Finance Committee</p> <ul style="list-style-type: none"> <li>- Auditors will also be asked to review the developed accounting polices before they are implemented.</li> </ul>	
<b>4.2</b>	Financial Statements template	<p>Adoption of IPSAS Statement for Financial Reporting considering the following.</p> <ul style="list-style-type: none"> <li>- IPSAS 1 Presentation of Financial Statements</li> <li>- IPSAS 2 Cashflow Statements</li> <li>- IPSAS 24 Presentation of Budget Information</li> <li>- IPSAS 10 Hyperinflation</li> <li>- Other Disclosure standards</li> <li>- ZFRM Requirement to produce an annual report.</li> </ul>	Implemented
<b>4.3</b>	Procedure manual	Adoption of Zimbabwe Financial Reporting Manual	Implemented
<b>4.4</b>	Risk Management matrix template	Formulation of Risk Management Matrix for Implementation risk identified in during the implementation process	Implemented
<b>4.5</b>	Change management plan template	<p>In developing the change management template, the following considerations will be considered:</p> <ul style="list-style-type: none"> <li>- Different stakeholders internal and external to be affected by the IPSAS migration</li> <li>- - Develop key action in addressing change management for each stakeholder.</li> </ul>	Outstanding
<b>5</b>	<b>Training and Capacitation</b>		
<b>5.1</b>	Gap analysis	Refer to Appendix 1	Implemented
<b>5.2</b>	Strategy for training and capacitation	Refer to Appendix 1	Implemented
<b>5.3</b>	Strategy for staff retention	Refer to Appendix 1	Implemented



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<b>6</b>	<b>Chart of accounts</b>		
<b>6.1</b>	Implementation of the COA	Ensure integration of COA into the existing ERP	In progress
<b>6.2</b>	Validation of COA	Verification of successful integration of the COA	Pending
<b>7</b>	<b>Legacy Issues</b>		
<b>7.1</b>	Survey on state of Legacy Issues	Review of previous areas of non-compliance with IPSAS	Implemented
<b>7.2</b>	Plan on clearing legacy issues (entity level)	Formulate clear and concise plans to address previously identified areas of non-compliance	Pending

<b>8</b>	<b>IPSAS Implementation</b>		
<b>8.1</b>	PPE (Excluding Infrastructure assets) & Investment property		Implemented
<b>8.1.1</b>	Updating the asset register		Implemented
<b>8.1.2</b>	Opening balances of PPE		Implemented
<b>8.1.3</b>	Configuring depreciation in system		Pending
<b>8.1.4</b>	Validation of PPE opening balances		Implemented
<b>8.1.5</b>	Documentation of PPE process		Pending
<b>8.1.6</b>	Training on PPE process		Pending
<b>8.1.7</b>	Go live on PPE		Pending
<b>8.2</b>	<b>Inventory</b>		
<b>8.2.1</b>	Updating the inventory register		Implemented
<b>8.2.2</b>	Opening balances of Inventory		Implemented
<b>8.2.3</b>	Validation of opening balances		Implemented
<b>8.2.4</b>	Documentation of inventory process		Implemented
<b>8.2.5</b>	Training on inventory process		Implemented
<b>8.2.6</b>	Go live on Inventory Store Controller and Creditors		Implemented
<b>8.3</b>	<b>Intangible assets</b>		
<b>8.3.1</b>	Updating the asset register		Implemented
<b>8.3.2</b>	Opening balances		Implemented
<b>8.3.3</b>	Validation of take on balances		Implemented
<b>8.3.4</b>	Documentation of business process		Pending
<b>8.3.5</b>	Training on business process		Implemented
<b>8.3.6</b>	Go live		Implemented
<b>8.4</b>	<b>Investments</b>		
<b>8.4.1</b>	Updating the asset register		Implemented
<b>8.4.2</b>	Opening balances		Implemented
<b>8.4.3</b>	Validation of take on balances		Implemented
<b>8.4.4</b>	Documentation of business process		Implemented
<b>8.4.5</b>	Training on business process		Implemented
<b>8.4.6</b>	Go live		Implemented
<b>8.5</b>	<b>Accounts and other receivables</b>		
<b>8.5.1</b>	Updating the accounts receivable register		Implemented

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8.5.2	Opening balances	Implemented
8.5.3	Validation of take on balances	Implemented
8.5.4	Documentation of business process	Pending
8.5.5	Training on business process	Pending
8.5.6	Go live	Implemented
8.6	<b>Other Assets</b>	
8.6.1	Updating the asset register	Implemented
8.6.2	Opening balances	Implemented
8.6.3	Validation of take on balances	Implemented
8.6.4	Documentation of business process	Pending
8.6.5	Training on business process	Pending
8.6.6	Go live	Pending
8.7	<b>Liabilities</b>	
8.7.1	Updating the Liabilities schedules	Implemented
8.7.2	Opening balances	Implemented
8.7.3	Validation of take on balances	Implemented
8.7.4	Documentation of business process	Pending
8.7.5	Training on business process	Pending
8.7.6	Go live	Pending
8.8	<b>Revenue Lines including Exchequer trust revenue</b>	
8.8.1	Update revenue recognition policy	In progress
8.8.2	Configure system inline with policy	In progress
8.8.3	Validate the system ability to process revenue	Pending
8.8.4	Documentation of business process	Pending
8.8.5	Training on business process	Pending
8.8.6	Go live	Pending
8.9	<b>Expenditure Lines</b>	
8.9.1	Update recognition and measurement policy	Pending
8.9.2	Configure system inline with policy	In progress
8.9.3	Validate the system ability to process expenditure	Pending
8.9.4	Documentation of business process	Pending
8.9.5	Training on business process	Pending
8.9.6	Go live	Pending
8.10	<b>Infrastructure assets</b>	
8.10.1	Updating the asset register	In progress
8.10.2	Opening balances	In progress
8.10.3	Configuring depreciation in system	Pending
8.10.4	Validation of opening balances	Pending
8.10.5	Documentation of process	Pending
8.10.6	Training on process	Pending
8.10.7	Go live on Infrastructure assets	Pending

9	<b>Communication and Change management</b>		
9.1	Communication and Change	Formulation of communication	In progress

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	management frameworks	plan and change management strategies to be used in the implementation process	
<b>9.2</b>	Rollout of the frameworks	Submission of the frameworks	Implemented
<b>10</b>	<b>Reporting and Monitoring</b>		
<b>10.1</b>	Reporting to Governance structure	Updating of Management and councillors on the implementation progress	In progress
<b>10.2</b>	Reporting to PIE Quarterly	Document quarterly progress reports	In progress
<b>10.3</b>	Project half year report	Prepare a half yearly report on developments of the IPSAS implementation project.	Pending
<b>10.4</b>	Project Annual Report	Preparation of Project implementation activities for the whole year for implementation	Pending
<b>10.5</b>	2023 Financial Statements	Preparation of IPSAS compliant financial statements	Implemented

**RESOLVED TO RECOMMEND**

THAT the report of the IPSAS Implementation Matrix progress and action plan be adopted.

**K. 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.

**135. REPORT OF THE DIRECTOR OF HOUSING AND SOCIAL SERVICES**

**A. LIQUOR SECTION REPORT**

The report of the Director of Housing and Social Services on Council liquor outlets covering total sales, profit realised and challenges for the month of April 2024 was considered. It was reported that the section recorded total sales of ZiG 215,524.69 and a net profit of ZiG 81,890.08. The Committee emphasised the need for the Liquor Section to have an operations vehicle.

**B. Adoption of Report**

**RESOLVED TO RECOMMEND**

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

**136. REPORT OF THE TOWN CLERK**

**A. REQUEST FOR EDUCATIONAL LOAN: MUNYARADZI MUTAMBASERE (METER READER GRADE 7) COMP. NO. 120033.**

Consideration was given to the report of the Town Clerk on the application by Mr Munyaradzi Mutambasere (Meter Reader Grade 7) Comp. No. 120033, for an educational loan amounting to US\$ 270 paid in ZiG at the prevailing interbank rate, to pursue a Bachelor of Commerce Degree in Accounting with Great Zimbabwe University. The application was granted subject to availability of funds in the educational loan revolving fund. The application was granted

**RESOLVED TO RECOMMEND**

THAT the application by Mr Munyaradzi Mutambasere (Meter Reader Grade 7) Comp. No. 120033, for an educational loan amounting to US\$270, paid in ZiG at the prevailing interbank rate, to pursue a Bachelor of Commerce Degree in Accounting with Great Zimbabwe University be granted subject to availability of funds in the educational loan revolving fund and conditions governing study loans.

**B. INVITATION TO ATTEND THE INTERNATIONAL SMART CITIES, SMART GOVERNMENT, MINING AND TRADE INVESTMENT FORUM IN DUBAI 24 TO 28 JULY 2024.**

Consideration was given to the report of the Town Clerk on the request for the Mayor and Town Clerk to attend the International Smart Cities, Smart Government, Mining and Trade Investment Forum to be held in Dubai from 24 to 28 July 2024 running under the theme, "Investment Opportunities In Africa". It was reported that the forum was a business and networking platform which is good for attracting investments to the City of Masvingo through interactions with and presentations from African Development Bank, Dubai Finance House, Eximbank of India, Development Bank of South Africa and Investors from UK, India, Italy, Rwanda and Australia.

The cost implications were as itemised below;

<b>ITEM</b>	<b>COST (USD)</b>
Visas, forum meetings, cocktails, teas, smart city tours	4500
Air Tickets	1790
Accommodation	2320
Meals	2016
Subsistence	9408
Contingency	672
<b>TOTAL</b>	<b>20706</b>

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The travel was granted. [*Councillor B. Muchokwa dissociated himself from the decision made by the Committee.*]

**RESOLVED TO RECOMMEND**

THAT His Worship the Mayor and Town Clerk be authorized to attend the International Smart Cities, Smart Government, Mining and Trade Investment Forum to be held in Dubai from 24 to 28 July 2024, at a cost of USD 20706 for Air Travel including Air Tickets, Visas, Tours, Meals, Accommodation, Contingency and Travel and subsistence allowances.

**C. Adoption of Report**

**RESOLVED TO RECOMMEND**

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

The meeting ended at 6.17 p.m.

**CONFIRMED THIS**

**DAY OF**

**2024**

**CHAIRMAN**

**TOWN CLERK**