



# CITY OF HARARE

## FINANCE AND DEVELOPMENT COMMITTEE

### MINUTES OF A MEETING OF THE ABOVE COMMITTEE HELD IN THE COUNCIL CHAMBER, TOWN HOUSE ON TUESDAY, 11<sup>TH</sup> JUNE 2024 AT 11:12 AM

<b><u>MEMBERS PRESENT:</u></b> Councillors	:	C. Mande (Chairperson)
	:	J. Bhingari
	:	E. Dzinomurumbi
	:	M. Dutuma
	:	Z. Duri
	:	R. Jakopo
	:	B. K. Maburutse
	:	L. A. Madede
	:	D. Nyikadzino
	:	R. Pamire
	:	A. Sapa
	:	J. B. Shoko
	:	T. Utete

### **OFFICIALS PRESENT**

Eng. H. A. Chisango	:	Town Clerk
O. Mutonhori	:	Acting Chamber Secretary
B. Matengarufu	:	Acting Human Capital Director
E. Mushava	:	Acting Chamber Secretary's Department
B. T. Nhukarume	:	Acting Finance Director
Dr. M. Vere	:	Acting Director of Health Services
Dr. F. Machipisa	:	Acting Director of Housing and Community Services
Eng. K. Mapunzamoyo	:	Acting Director of Works
A. Nyamurova	:	Town Clerk's Office (Audit Manager)
D. Njanina	:	Chamber Secretary's Department (Committees Manager)
D. Mavalwane	:	Town Clerk's Office (Monitoring & Evaluation Division)
F. Mtawa	:	Town Clerk's Office
N. Karidza	:	Town Clerk's Office
S. Nhapi	:	Town Clerk's Office (Strategy & Grants Division)
C. Matumbike	:	Town Clerk's Office (Supply Chain Division)
S. Gama	:	Town Clerk's Office (Corporate Communications Manager)
C. Marodza	:	Town Clerk's Office (Corporate Communications Division)
C. Banga	:	Chamber Secretary's Department (Committees Division)
S.K. Chimbetete	:	Chamber Secretary's Department (Committees Division)
P. Chihururu	:	Chamber Secretary's Department (Committees Division)
T. Chigama	:	Town Clerks' Office (ICT) (Intern)
V. Ngwenya	:	Chamber Secretary's Department (Intern)

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**RECOMMENDATIONS** : 14 to 16

**RESOLUTIONS** : 1 to 13

**REPORTERS AND MOVERS** : **Councillors:** C. Mande, E. Ruzani.

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**1. PRAYERS (1)**

The opening and closing prayers were led by Councillors E. Dzinomurumbi and Z. Duri respectively.

**2. CONFIRMATION OF MINUTES (A.3)**

The Minutes of the Meetings of this Committee held on 30<sup>th</sup> April 2024 and 13<sup>th</sup> May 2024 respectively had been circulated with the Agenda.

**RESOLVED**

That the Minutes of the Meetings of this Committee held on 30<sup>th</sup> April 2024 and 13<sup>th</sup> May 2024 respectively be taken as read and confirmed.

*(Whereupon the Minutes were signed by the Chairperson, Councillor C. Mande)*

**3. SUBMISSION BY THE ACTING FINANCE DIRECTOR OF MONTHLY RECONCILIATION OF THE BALANCES OF THE ESTATE ACCOUNT TO DIRECTOR OF HOUSING AND COMMUNITY SERVICES (A.4)**

Arising from the previous Minutes, the Committee enquired on progress regarding the matter.

In response to the Acting Finance Director reported that the report would be submitted at the next meeting of the Committee.

**NOTED.**

**4. WELCOME OF COUNCILLOR L. A. MADEDE AS A MEMBER OF THE COMMITTEE.**

Councillor L. Madede had been appointed as a member of the Committee. The Chairperson now welcomed the Councillor and expressed optimism that she would add value to the Committee.

**NOTED.**

**5. CURRENT STATUS OF CITY OF HARARE AUDITED FINANCIAL STATEMENTS (A.4)**

Arising from Item 4 the Minutes dated 13 May 2024, the Committee enquired whether the City would achieve up to date Audited Financial Statements in 2024. It also questioned how the City could be IPSAS compliant when it was behind with its Audited Financial Statements.

The Acting Finance Director advised that drafts for 2023 Financial Statements would be ready by end of the year. He explained that the issue was on take-on balances. He expected auditing of 2021 Financial Statements to be completed by 3 July 2024. Take-on balances for the year 2021 would be rolled to 2023. He further reported that auditing of the 2022 Financial Statements was expected to start in September 2024.

The Acting Finance Director also reported that they had asked the Auditors to consider interim work which be carried out of which the Auditors had undertaken to submit their Audit Programme.

**NOTED.**

**6. PROGRESS ON PROCUREMENT OF TRAILERS FOR THE TRACTORS (B.6 (i))**

Under matters for which the Chairperson's consent had been obtained, members enquired progress on procurement of trailers for the tractors.

In response, the Acting Finance Director report that engagements had been done with the suppliers and the required specifications had been submitted to have trailers that were multi-functional. He assured the Committee that the matter was receiving due attention to facilitate expedited delivery of the trailers.

A member also reported that some tractors at District Offices did not have diesel. With regard to the absence of a tractor in Ward 6, the Local Councillor was requested to approach the Local Regional Manager. The Town Clerk also advised that (4) four tractors were allocated to Mbare, which covered Markets and Mupedzanhamo. The tractors were parked at Mbare District Office.

**RESOLVED**

That it be noted that procurement of trailers for the procured tractors was underway as detailed in the preamble above.

**ACTION: A/FD & TC: 12/06/2024**

**7. STATUS OF THE TENDER ON INSTALLATION OF TRACKING SYSTEMS ON COUNCIL VEHICLES (B.6 (ii))**

Arising from consideration of the report on the status of Transport Management Systems in Council referred to elsewhere in these Minutes, the Committee noted with concern, that a tender on installation of a tracking system on all Council vehicles had not yet been concluded.

During further discussions, the Committee agreed that all Council Vehicles be on tracker and enquired on update on this matter.

The Transport Manager reported that the City had gone to tender approximately the previous three years. The tender was awarded to Tel Track and the Contract cost was in the then RTGS currency. The Contractor had then required the Contract price to be stated in United States of America Dollars. The Supply Chain Manager also advised that the tender was advertised and there was subsequent variation in currencies.

The Committee pointed out the variations or changes in currencies were statutory and expressed the view that the prospective supplier of the tracking system was not expected to unilaterally change the conditions of the contract. The Supply Chain Manager advised that they were still negotiation with the Supplier.

The Committee discussed the matter further pointing out that the matter was critical to Council operations and requested the Supply Chain Manager to conclude the negotiations on the tender and submit a report to the Committee at its next meeting.

**RESOLVED**

That the Town Clerk (Supply Chain Manager) and Acting Chamber Secretary expedites resolving the outstanding issues of the tender for the vehicle tracking system and submits a status report to this Committee.

**ACTION: A/FD & TC: 12/06/2024**

**8. NEED FOR SEPARATION OF ROLES: PROCUREMENT OF FUEL AND FUEL DISTRIBUTION (B.5(i))**

Arising from consideration of a report on status of Transport Management Systems in Council referred to elsewhere in these Minutes, the Committee underscored the need for the Town Clerk to separate procurement and distribution of its fuel. The Committee was of the view that the current set-up required re-alignment to ensure accountability and efficiency on procurement and distribution of fuel in Council.

**RESOLVED**

That the Town Clerk expedites the separation of fuel procurement and fuel distribution functions between the Supply Chain Division and the Transport Services Division and report to this Committee.

**ACTION: TC AND A/CS: 12/06/2024**

**9. UPDATE ON THE STATUS OF FINANCE DEPARTMENT POLICIES (B.3 (i))**

On 4<sup>th</sup> March 2024, the Human Resources and General Purposes Committee under Item 8 had approved the attendance at a Workshop to validate policies to enable implementation of the IPSAS.

On 13<sup>th</sup> May 2024, the Finance and Development Committee under Item 3 had also authorised the Acting Chamber Secretary to organise workshops for the Committee and relevant officials for the purposes of finalising all outstanding policies.

The two (2) workshops were held in Mutare on 17<sup>th</sup> and 18<sup>th</sup> May 2024, as well as in Kadoma on 7<sup>th</sup> and 8<sup>th</sup> June 2024.

The Committee now considered a report (12<sup>th</sup> June 2024, copies laid upon the table) by the Acting Finance Director wherein he reported that the following policies had been considered: -

- ✚ Asset Management Policy;
- ✚ Revenue Generation and Collection Policy;
- ✚ Insurance and Risk Management Policy;
- ✚ Credit Control Policy;
- ✚ Creditors Policy;
- ✚ Tariff Policy;
- ✚ Water Meter Management Policy; and
- ✚ Inventory Management Policy.

The Business Charter and Business Policy were considered by the Business Committee.

The Acting Finance Director further reported that the policies formed part of the International Public Sector Accounting Standards (IPSAS) and that these would lead to formulation of the respective Standard Operating Procedures.

The Acting Finance Director also reported that the Department was still looking at possible areas of operation which required policies and these would be submitted for validation by the Committee.

The Committee then –

**RESOLVED**

- (1) That it be noted that in line with the International Public Sector Accounting Standards (IPSAS), Council is required to put in place policies that support the implementation matrix thereof.

- (2) That it be noted that ten (10) policies under the purview of the Finance and Development Committee have been considered by the Committee at the workshops detailed in the preamble above and are currently under validation.
- (3) That it be also noted that the policies will further be submitted to the Committee for approval and implementation.
- (4) That it be also noted that the Acting Finance Director will report to the Committee on possible areas of operation that require formulation of policies.

**ACTION: A/FD & A/CS: 12/06/2024**

**10. UPDATE ON PROVISION OF I. PADS TO COUNCILLORS AND RELEVANT OFFICIALS (A.4)**

Arising from the previous Minutes, the Committee noted with appreciation that all Councillors had been provided with Tablets and enquired on when the officials would receive theirs.

In response, the Acting Finance Director reported that the procurement processes were underway and that the Tablets were expected soon. The Committee underscored the need to prioritise allocation of these gadgets to officials in the Committees Division and the Legal Division on the grounds that these Divisions worked directly with Councillors.

**RESOLVED**

- (1) That the Committee appreciates progress made on the provision of Tablets to all Councillors.
- (2) That it be noted that the procurement processes are underway to acquire the remaining Tablets for issuance to relevant Council Officials.
- (3) That for the reasons stated in the preamble above, the Town Clerk ensures that officials in the Committees Division and Legal Division are prioritised for issuance of the Tablets.

**ACTION: TC (A/ICT MANAGER) : 12/06/2024**

**11. UPDATE ON IMPLEMENTATION OF THE INTERNATIONAL PUBLIC SECTOR ACCOUNTING STANDARDS (IPSAS) IMPLEMENTATION MATRIX AND ACTION PLAN (IMAP) MONITORING FRAMEWORK (B.3)**

The Committee considered a confidential report (7<sup>th</sup> May 2024, circulated with the Agenda) by the Acting Finance Director recommending noting the status of (IPSAS)

monitoring framework and the importance of policies, training and capacitation for implementation teams to keep abreast with changes in IPSAS.

The Acting Finance Director reported that IMAP was a contract between City of Harare and Ministry of Finance and Economic Development and Investment Promotion on the IPSAS migration processes which was approved on 28<sup>th</sup> March 2024. The IMAP would be shared with the Office of the Auditor General and would also be used by the Accountant General in monitoring and evaluation of IPSAS implementation processes. He further reported that Council was expected to report on all its assets on the balance sheet as stipulated in the valuation guidelines from the Ministry of Finance, Economic Development and Investment Promotion.

In his report, the Acting Finance Director reported that the valuation exercise would be undertaken within the period 1<sup>st</sup> May 2024 to 30<sup>th</sup> June 2024 on all Council assets except for infrastructural assets like roads, water and waste water which required more time to complete.

Attached to the Acting Finance Director's report was an Annexure detailing the implementation programme as well as progress made on the various activities.

The Committee discussed the matter underscoring the need to urgently address the risk and legacy issues detailed in the report with the view to reduce these. In response, the Town Clerk advised that all Heads of Department had been tasked to deal with the risk and legacy issues under the purview of their respective Departments with the reports being submitted to the Committee.

The Committee then –

**RESOLVED**

- (1) That the update of implementation of the International Public Sector Accounting Standards (IPSAS) Implementation Matrix and Action Plan (IMAP) monitoring framework as detailed on the Annexure to the Acting Finance Director's report dated 7<sup>th</sup> May 2024 be noted.
- (2) That the Town Clerk takes action to address risk and legacy issues detailed in the Acting Finance Director's report with the view to reduce such issues and report on action taken to this Committee.

**ACTION: TC & ALL HEADS : 12/05/2024**



**12. UPDATE ON RE-SUBMISSION OF THE COUNCIL BUDGET FOR THE YEAR 2024 TO THE MINISTRY OF LOCAL GOVERNMENT AND PUBLIC WORKS IN ALIGNMENT TO THE "CALL TO ACTION" NO COMPROMISE TO SERVICE DELIVERY (A.4)**

Arising from the previous Minutes, the Committee enquired progress made towards approval of the 2024 City of Harare Budget by the Ministry of Local Government and Public Works.

In response, the Town Clerk reported that all the required information had been submitted to the Ministry except for Shareholding Certificates for the Harare Quarry (Pvt) Ltd and Rufaro Marketing (Pvt) Ltd. He reported that action was being taken to prepare the Letters of Condonation for the two (2) companies for submission to the Ministry.

During discussion, the Committee expressed concern on the negative impact of Council operating without an approved budget and underscored the need to engage the Ministry drawing its attention to the seriousness of the matter and request for urgent approval of the same. The year was halfway without an approved budget of which situation was detrimental to provision of services.

**RESOLVED**

- (1) That it be noted that the City of Harare has submitted all the required information that has been requested by the Ministry of Local Government and Public Works to facilitate the approval of the 2024 Council Budget.
- (2) That it be also noted that action was being taken to prepare Letters of Condonation for the Harare Quarry (Pvt) Ltd and Rufaro Marketing (Pvt) Ltd as part of submissions to the Ministry of Local Government and Public Works.
- (3) That the Town Clerk further engages the Ministry of Local Government and Public Works with the view to bring its attention to the negative impact of Council operating without an approved Budget.

**ACTION: TC: 12/06/2024**

**13. STATUS REPORTS ON MANAGEMENT OF TRANSPORT SYSTEMS IN CITY OF HARARE (B.5(i))**

The Committee considered a report (dated 6<sup>th</sup> February 2024 circulated with the Agenda), by the Acting Chamber Secretary on the status of transport systems in City of Harare.

In his report the Acting Chamber Secretary had highlighted various issues that required re-alignment and reconsideration as well as inclusive and exhaustive consultations so as to come up with an effective transport system in the City. He had also reported on the achievements that had been made by the Division towards meeting its objectives of which were appreciated by the Committee. The Acting Chamber Secretary had also recommended the need for the Town Clerk to lead the review and re-alignment of the various activities highlighted in the report.

The Committee discussed the matter and enquired the scope of Council vehicles. The Transport Manager advised that transport provision and management covered all Council Departments and that the fleet had become old to an extent that 60% could be sold in the event of following approved standards.

The Committee also enquire the reported vehicle at a garage pending repairs and maintenance as indicated at this meeting. The Transport Manager advised that he was following up on the vehicle in question which was being held due to currency variations.

During further discussion, the Committee expressed concern that the Supply Chain Manager was allegedly letting Council down. It expected procurement terms which favored interest of Council and residents. It also expressed concern that the Supply Chain Manager was not submitting monthly reports on their operations. It cited the problem of legacy issues such as those in connection with Conplant (Pvt) Ltd to be reported on in-order to keep the Committee abreast with what was happening. The Committee also pointed out fuel shortages in Council and further asserted not to delay the tracking systems referred to elsewhere in these minutes.

The Committee was also concerned that it was not informed about the recent purchase of five refuse trucks which were commissioned at Rufaro Stadium and the hook loaders being purchased. The Committee was also concerned with the reported cannibalization of spare parts from broken down vehicles. It asserted that spare parts be procured once a vehicle breaks down. The Director of Works and Town Clerk (Harare Metropolitan Police) were tasked to put full-proof measures to enhance security on Council property at the Auto-motive workshops and Kelvin Road (Mugombi) Workshops.

The Committee also tasked the Town Clerk to expedite the separation of fuel procurement and distribution between Supply Chain Division and Transport Division as outlined elsewhere in these minutes. The Committee the stated the need for it to

appreciate the Transport Policy and review the fuel management policy. It also referred the reported structural deficiencies in the Transport Division to the Human Resources and General Purposes Committee.

After some discussions the Committee –

**RESOLVED**

- (1) That the Status of Transport System in Council as detailed in the Acting Chamber Secretary's report dated 6<sup>th</sup> February 2024 be noted.
- (2) That the Committee also notes that in order to come up with an effective and efficient Transport System, there is need for inclusive and exhaustive consultations to be undertaken in Council to review and re-align various transport activities as detailed in the Acting Chamber Secretary report dated 6<sup>th</sup> February 2024.
- (3) That the Town Clerk be authorised to lead the review and re-alignment of the Transport Management Systems in the City of Harare as detailed in the Acting Chamber Secretary's report dated 6<sup>th</sup> February 2024 and report to the Committee.
- (4) That the achievements that had been achieved by the Transport Division towards attaining its objectives as detailed in the Acting Chamber Secretary's report dated 6<sup>th</sup> February 2024 be noted.
- (5) That the Acting Chamber Secretary (Transport Manager) pursues the vehicle reportedly held at the garage named at this meeting and report on progress.
- (6) That the concern of the Committee over operations of the Supply Chain Division as detailed in the preamble above be addressed.
- (7) That the Town Clerk (Supply Chain Manager) submits monthly reports on operations of the Division including all purchases of movable assets and other supplies as indicated in the preamble above.
- (8) That the Town Clerk and Acting Finance Director resolves the shortage of fuel in Council and report to this Committee.
- (9) That the Structural deficiencies in the Transport Division as outlined in the Acting Chamber Secretary's report be referred to the Human Resources and General Purposes Committee.

- (10) That the Director of Works (Automotive Workshops) and Town Clerk (Supply Chain Manager) ensures immediate stoppage of cannibalization of vehicle spares and that spares be procured for broken down vehicles.
- (11) That the Director of Works and Town Clerk (Harare Metropolitan Police) addresses security problems at the Automotive Workshops including at the Kelvin Depot (Mugombe) with updates reports being submitted to the Environmental Management Committee.
- (12) That the Town Clerk, Acting Chamber Secretary and the Acting Human Resources Manager expedites formulation of a policy on the proposal to separate procurement and distribution of fuel in Council and report to the Committee.
- (13) That the Acting Chamber Secretary (Transport Manager) submits the Transport Policy to this Committee for its appreciation.

**ACTION: TC AND A/CS: 12/06/2024**

**14. VERIFICATION AND VALUATION OF COUNCIL ASSETS (B.2)**

The Committee considered a report (18<sup>th</sup> May 2024, circulated with the Agenda) by the Acting Finance Director recommending approval verification and valuation of Council Assets inclusive of those held by the Council Business Entities.

The Acting Finance Director reported that the Central Government of Zimbabwe through Statutory Instrument 41 of 2019 and Treasury Circular 4 of 2022 had mandated Councils to adopt the IPSAS framework. He also reported that the 2020 Financial Year Audit had identified the non-revaluation of Council Assets since the year 2009, as a component with significant bearing on the City's financial statements.

In order to address this, an IPSAS Implementation Team was formulated and had come up with Valuation Teams from across Council's Departments and would be assisted by external experts to carry out the valuation exercise. The City's Valuation and Estates Division was going to produce the valuation report at the end of the exercise. The Acting Finance Director also reported that the exercise would be prioritised and adequately funded in order to meet the deadline of 30<sup>th</sup> October 2024.

The Committee discussed the matter and requested the Acting Finance Director to submit a report detailing the various clusters of the assets and progress made on the verification and valuation exercise.

The Committee then –

**(A) RESOLVED**

That the Acting Finance Director submits a report detailing the various clusters of assets and progress made on the verification and valuation of the Council assets.

**(B) RESOLVED TO RECOMMEND**

- (1) That Council notes that as part of IPSAS Implementation, an Implementation Action Plan (IMAP) was approved and adopted by Council in 2023 and was subsequently approved by the Ministry of Finance and Economic Development.
- (2) That Council also notes that the Acting Finance Director through the IPSAS Implementation Team, has developed standards templates for the valuation exercise by making reference to IPSAS, the Zimbabwe Financial Reporting Manual (ZFRM) and Valuation Guidelines issued by Treasury.

- (3) That Council notes that the 2023 and 2024 Council Budgets have a provision to cover the cost of the respective training, capacitation and engagements necessary to achieve the implementation target set by Government.
- (4) That Council approves the verification and valuation exercise for all Council Assets inclusive of assets held by the Council's business entities.
- (5) That Council notes that the deadline for completion of the verification and valuation exercise of Council Assets is 30<sup>th</sup> October 2024.

**ACTION: A/FD : 12/06/2024**

**15. DISPOSAL OF ONE HUNDRED AND THREE (103) UNCLAIMED MOTOR VEHICLE TOWED AWAY BY CITY OF HARARE FOR VIOLATING HARARE PARKING BY-LAWS. (B.4)**

The Committee considered a report (28<sup>th</sup> May 2024, circulated with the Agenda) by the Town Clerk recommending approval of the disposal by public auction of one hundred and three (103) unclaimed motor vehicles that had been towed-away by the City of Harare for violating Harare Parking By-Laws.

The Town Clerk had provided procedures that were followed after the vehicles had been clamped as provided for in the Harare (Clamping and Tow-Away) By-Laws. Attached to the report was an annexure detailing the (103) unclaimed motor vehicles.

During discussion, the Committee noted that one hundred and forty-two (142) vehicles had been published in the Press for disposal yet his report indicated one hundred and three (103) vehicles and enquired on the variance.

In response an official from the Supply and Chain Division advised that the difference of thirty-nine (39) vehicles were still under-going some verification processes and that a report on these would be submitted to the Committee. The Committee however, agreed to conduct a visit of inspection of the vehicles.

The Committee then -

**(A) RESOLVED**

That the Committee undertakes a visit of inspection of the one hundred and forty-two (142) vehicles towed away for violating Harare (Clamping and Tow-Away) By-Laws.

**(B) RESOLVED TO RECOMMEND**

- (1) That Council notes that a total of (142) one hundred and forty-two vehicles were towed away for violating Harare (Clamping and Tow Away) By Laws and the vehicles were published in the local press as they were not claimed.
- (2) That in terms of Statutory Instrument 104 of 2005 Section 5(2) and the Harare (Clamping and Tow Away) By-Laws, Council approves the disposal by Public Auction of unclaimed one hundred and three (103) motor vehicles listed on the Annexure to the report dated 28<sup>th</sup> May 2024, by the Town Clerk which were impounded for violating the Harare (Clamping and Tow Away) By-Laws.
- (3) That Council notes that Messrs. Glow Track Investments (Pvt) Ltd who already have a contract with City of Harare will conduct the Public Auction of the vehicles.

**ACTION: TC AND A/CS : 28/6/2024**

**16. FINANCIAL REPORT FOR THE PERIOD 1<sup>ST</sup> JANUARY 2024 TO 31<sup>ST</sup> MARCH 2024 (B.1)**

The Committee had before it, a confidential report (10<sup>th</sup> April 2024, circulated with the Agenda) by the Acting Finance Director on the financial position of Council for the period 1<sup>st</sup> January 2024 to 31<sup>st</sup> March 2024.

The Acting Finance Director had reported that the total revenue inflow for the period (1<sup>st</sup> January 2024 to March 2024) amounted to ZWL 528.85 billion (equivalent to ZiG 211.65). For the month of March 2024 the City collected ZWL 278.07 billion (equivalent to 111.28 million) against a potential of ZWL908.38 billion (equivalent to ZiG 362.33 million). Included in these inflows was a health donation amounting to ZWL 301 million (equivalent to ZiG 0.12 million), ZiNARA grant of ZWL 8.59 billion (equivalent to ZiG 3.43 million) and City Parking (Pvt.) Ltd. fees amounting to ZWL 3.06 billion (equivalent to ZiG 1.22 million).

From the consolidated bill, current obligations and legacy debts, the City collected ZWL 198.23 billion (equivalent to ZiG 79.37 million) from a potential of ZWL 817.68 billion (equivalent to 327.24 million). The balance of ZWL 79.73 billion (equivalent to ZiG31.91 million) was collected from non-billed income driven predominantly by income from plan approvals, building permits and business licenses. The Acting Finance Director reported that the huge billing potential was as a result of implementation of

the new General Valuation Roll using the 2023 tariffs while awaiting the approval of the 2024 Budget. He further reported that the City remained hamstrung in cashflow as consumers were resisting payments citing non provision of services.

Debtors stood at ZWL 2.34 trillion (equivalent to 940.15 million) as at 31<sup>st</sup> March 2024 from the 1<sup>st</sup> January 2024 balance of ZWL 783.18 billion (equivalent to ZiG 313.43 million).

The debt configuration was as follows-

✚ Commerce and industry	53.86%
✚ Domestic	41.07%
✚ Government	2.87%
✚ Dormitory Towns	2.20%

The Acting Finance Director also reported that creditors stood at ZWL 584.44 billion (equivalent to (ZiG 219.48 million) as at March 2024 from the 1<sup>st</sup> January 2024 balance of ZWL 274.72 billion (equivalent to ZiG 109.44 million) as Council was facing constrained cashflow challenges. The major drivers to the creditors position were as follows:

✚ Statutory obligations	23.26%
✚ Electricity charges	35.47%
✚ Trade Creditors	14.32%
✚ Net salaries	7.02%
✚ Water chemicals	19.90%

He further advised that the continued increase in salaries due to exchange rate gain had a significant increase in statutory obligations. The City had also an outstanding obligation of US\$68.583 million loan facility from China EXIM Bank for Morton Jaffray Waterworks rehabilitation.

During discussion, the Committee noted the position on legacy debts and urged the Acting Finance Director to put measures to collect all owed revenue and utilize such funds for service delivery matters.

The City of Harare discussed the matter noting that the Could not bill and collect revenue in hard currency in order to preserve value of the revenue to compare monthly statements. It tasked the Town Clerk and Acting Finance Director to engage Government on the matter. The Acting Finance Director also advised on the existence of a Statutory Instrument (S.I.) on the matter.

The Committee also enquired why Financial Statement for April 2024, were not available and agreed to set 15<sup>th</sup> to 20<sup>th</sup> of every month as timeframes for submission of Financial Statements for the preceding month.



following discussion, the Committee –

**(A) RESOLVED**

- (1) That the financial report for the period 1<sup>st</sup> January 2024 to 31<sup>st</sup> March 2024 as detailed in the Acting Finance Director's report dated 10<sup>th</sup> April 2024 be noted.
- (2) That the Acting Finance Director ensures that all future financial reports shall include a United States of America dollars provision for comparative purposes.
- (3) That the Acting Finance Director submits at the next meeting of the Committee the Statutory Instrument that gave guidelines on billing of services by Local Authorities in Zimbabwe.

**(B) RESOLVED TO RECOMMEND**

- (1) That as a matter of Policy and also to enable timely consideration of the City's financial position, the City of Harare Financial Report shall be submitted to the Finance and Development Committee on or before the 15<sup>th</sup> of every month.
- (2) That the Town Clerk and Acting Finance Director resuscitates engagements with Government for permission to bill charges in both the local and foreign currency with rate payers having option to pay in currencies of their choice as a strategy to preserve value of Council revenue and comparison of Financial Statements.

**ACTION: A/FD**

*SKC/om*

**THE MEETING ENDED AT 1:05PM**

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