



**ZIMRA**  
Zimbabwe Revenue Authority

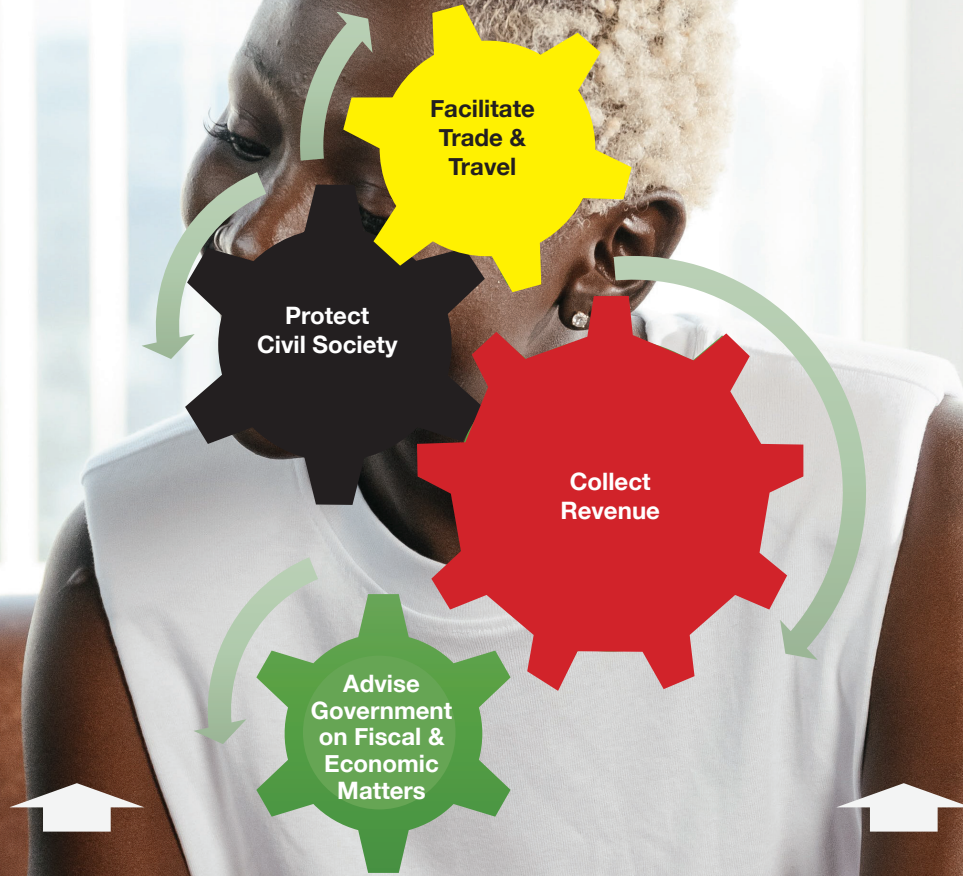
*We are here to serve...*

# ZIMRA 2023 ANNUAL REPORT



- Integrity
- Transparency
- Fairness
- Commitment
- Innovativeness





**INTEGRITY**

The Zimbabwe Revenue Authority values honesty, ethical conduct, and strong moral principles in all its operations and interactions with taxpayers and stakeholders.

**TRANSPARENCY**

The Zimbabwe Revenue Authority is committed to openness, accountability, and clear communication about its procedures, decision-making processes, and the rationale behind its actions.

**FAIRNESS**

The Zimbabwe Revenue Authority strives to treat all taxpayers and stakeholders equitably, without discrimination, and to administer the tax system in an impartial and just manner.

**COMMITMENT**

The Zimbabwe Revenue Authority is dedicated to fulfilling its mandate of revenue collection, compliance enforcement, and providing excellent service to the public, with a high level of professionalism and diligence.

**INNOVATIVENESS**

The Zimbabwe Revenue Authority embraces a culture of creativity, continuous improvement, and the adoption of new technologies and efficient practices to enhance its operations and better serve the evolving needs of taxpayers.

**VISION**

To be a beacon of excellence in the provision of fiscal services and facilitation of trade and travel.

**MISSION**

To mobilize revenue and facilitate sustainable compliance with fiscal and customs laws for the economic development of Zimbabwe.

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# List of Acronyms

AEO	Authorised Economic Operator	Development	
AfDB	African Development Bank	OPC	Office of the President and Cabinet
AFZ	Air Force of Zimbabwe	OSBP	One-Stop Border Post
AGM	Annual General Meeting	PAYE	Pay As You Earn
ASYCUDA	Automated Systems for Customs Data	PECOG	Public Entities Corporate Governance Act
ATAF	African Tax Administration Forum	PCA	Post Clearance Audit
CBN	Collective Bargaining Negotiations	PMU	Procurement Management Unit
CCTV	Closed Circuit Television	PPPs	Public-Private Partnerships
CGT	Capital Gains Tax	PRAZ	Procurement Regulatory Authority of Zimbabwe
CGWT	Capital Gains Withholding Tax	RBZ	Reserve Bank of Zimbabwe
CID	Criminal Investigations Department	RIB	Removal in Bond
CVR	Central Vehicle Registry	RTGS	Real Time Gross Settlement
DFIR	Dividends, Fees, Interest and Remittances	SADC	Southern African Development Community
ERM	Enterprise Risk Management	SAP	Systems Application and Product
EU	European Union	SI	Statutory Instrument
GDP	Gross Domestic Product	TaRMS	Tax and Revenue Management System
IAS	International Accounting Standards	TIP	Temporary Import Permit
ICT	Information Communication Technology	UNCTAD	United Nations Conference on Trade and Development
IFRS	International Financial Reporting Standards	VAT	Value Added Tax
IMF	International Monetary Fund	WTO	World Trade Organisation
IPSAS	International Public Sector Accounting Standards	ZACC	Zimbabwe Anti-Corruption Commission
IRBM	Integrated Results Based Management	ZDF	Zimbabwe Defence Forces
KPI	Key Performance Indicator	ZIMRA	Zimbabwe Revenue Authority
MoFEDIP	Ministry of Finance and Economic Development & Investment Promotion	ZIMSTAT	Zimbabwe National Statistics Agency
MOU	Memorandum of Understanding	ZINARA	Zimbabwe National Roads Administration
NDS1	National Development Strategy 1	ZNA	Zimbabwe National Army
NPA	National Prosecuting Authority	ZRP	Zimbabwe Republic Police
OECD	Organisation for Economic Co-operation and		





Mr. A. Mandiwanza  
**ZIMRA BOARD CHAIRMAN**

# Board Chairman's Foreword

I am pleased to present the Zimbabwe Revenue Authority's Annual Report and Audited Financial Statements for the year ended 31 December 2023. The report presents the results for 2023, which is the mid-point year in the ZIMRA's 5-year strategy journey running from 2021 – 2025.

### Operating Environment

The operating environment was marked by high inflation and a depreciating local currency. The USD to ZWL exchange rate depreciated from **US\$1: ZWL684.33** at the beginning of the year to **US\$1: ZWL6,104.72** at the end of the year. The monetary and fiscal measures introduced in June 2023 yielded positive results and brought about a more stable operating environment. The measures led to the tightening of liquidity with respect to the local currency and brought macroeconomic stability that halted excessive exchange rate depreciation and slowed down inflation. The rate of inflation fell from 53.00% in January 2023 to 26.52% at the end of the year. World commodity prices were depressed, affecting the Mining Sector's performance and export growth. The increased underground economy also exacerbated the situation. Despite, the downside pressures, continued national infrastructural developments by the Government spurred economic activity during the year which contributed to revenue growth.

### ZIMRA Performance

ZIMRA collected net revenue of **ZWL\$19.35 trillion** against a target of **ZWL\$22.30 trillion** resulting in a negative variance of **13.22%**. The aforementioned tough operating environmental factors largely influenced the revenue performance.

## Board Chairman's Foreword (continued)

“ *TaRMS replaced the Tax Revenue Management system, whose shortcomings had become a major pain point for the taxpayers.* ”

ZIMRA's digital transformation agenda was cemented by launching a major Domestic Taxes System in October 2023, the Tax and Revenue Management System (TaRMS). TaRMS replaced the Tax Revenue Management system, whose shortcomings had become a major pain point for the taxpayers. The new system, targeted to be fully rolled out by 31 December 2024, will deliver superior tax revenue administration and improved taxpayer experience.

In line with the Government's thrust of improving service delivery, ZIMRA is implementing various strategic projects. Key projects that recorded significant traction in 2023 were the Fiscalised Device Management System, Zimbabwe electronic Single Window, Contact Centre, Queue Management System, Command and Surveillance Centre, Scanners and the Drones Project.

ZIMRA continued to strengthen partnerships and collaborations with key Government Institutions, the private sector and development partners to enhance its systems and build capacity. To this end, strategic integrations were made with institutions such as the Registrar of Companies, the Civil Registry, banks, and other revenue administrations during the year. More integrations are lined up for completion in 2024.

### Outlook

The Board is optimistic about meeting the 2024 set revenue target. The optimism is anchored on the prospects of the macroeconomic interventions being implemented by the Government coupled with robust revenue collection and assurance strategies lined up as well as improved taxpayer services aimed at fostering a culture of voluntary tax compliance.

### Gratitude

I wish to express my gratitude to the ZIMRA Board, Management and Staff for their sterling efforts towards the collection of revenue, facilitation of trade and travel and protection of civil society for the benefit of the nation.

My profound appreciation also goes to the Minister of Finance, Economic Development and Investment Promotion, Honourable Professor M. Ncube, the Deputy Minister, Honourable D.K Mngangagwa, the Permanent Secretary, Mr. G.T Gumatanga, and the entire Ministry team for their continued support.

Finally, I express my special and utmost indebtedness to the valued compliant taxpayers. Your compliance, through paying taxes and duties on time and in full, is a key cog in the building of our beloved Nation, Zimbabwe.

I Thank You.



**Mr. A. Mandiwanza**  
**ZIMRA BOARD CHAIRMAN**



## THE BOARD



**Mr. Anthony S Mandiwanza**  
Board Chairperson



**Mrs Josephine Matambo**  
Vice Board Chairperson



**Dr. Grace Muradzikwa**  
Finance & Admin. Committee Chair



**Mr George Guvamatanga**  
Permanent Secretary Ministry of Finance, Economic Development & Investment Promotion



**Dr Ruth Ncube**  
Risk Committee Chair



**Mr Isaac Kwesu**  
Audit Committee Chair



**Mr Memory Nguwi**  
Human Resources Committee Chair



**Ms. Mutsa Remba**  
Operations Committee Chair



**Dr Bongani Khumalo**  
Board Member



**Dr Paradza Paradza**  
ICT Committee Chair



**Mr. John sai Dewah**  
Board Member



**Ms. Regina Chinamasa**  
Commissioner General





Ms. Regina Chinamasa  
**COMMISSIONER GENERAL**

## Commissioner General's Statement

I appreciate the honour and opportunity to share an overview of ZIMRA's strategic performance for the year ended 31 December 2023.

The year 2023 marked the mid-point in the implementation of ZIMRA's 2021 – 2025 Strategy. The five-year strategy which is being implemented using the Integrated Results Based Management system, focuses on the attainment of four key strategic outcomes, namely to Maximise Revenue Collection, Increase Voluntary Compliance, Enhance Trade Facilitation and Protection of Civil Society; and Strengthen Institutional Image. Through the above, I am pleased to advise that the Authority has made substantial progress in supporting Government's efforts to sustain Domestic Resource Mobilisation towards the attainment of the National Development Strategy (NDS -1) goals.

The primary strategic outcome which seeks to Maximise Revenue Collection, marginally missed the revised revenue target despite concerted efforts. The sub-optimal performance is largely attributed to the decline in manufacturing sector capacity utilisation and the informalisation of the economy characterised by high volumes of trade conducted outside traceable formal payment systems which made tax and duty collection challenging.

### Summary results of revenue collection

ZIMRA through its Domestic Resource Mobilization mandate, was able to contribute significantly to the nation's socio-economic development aspirations. The Authority managed to collect a net revenue of **ZWL\$19.35 trillion** against a target of **ZWL\$22.30 trillion** resulting in a negative variance of **13.22%**. Net revenue grew by **855.45%** in nominal terms and **1.46%** after adjusting for inflation. The real growth is an indication of the positive results brought about by revenue enhancement strategies adopted during the year.

The main contributors in 2023 by Revenue Head are as shown below:

“ **Significant border efficiency improvements were made following implementation of the Zimbabwe electronic Single Window and systems integration with the Zambia Revenue Authority (ZRA).** ”

Table 1: 2023 Top Revenue Contributors

TAX HEAD	% CONTRIBUTION	% REAL GROWTH
VAT	29.13%	20.01%
Individuals	18.72%	1.20%
Excise Duty	14.43%	8.92%
Other taxes	9.80%	-73.71%
Companies	10.87%	-24.34%
Customs Duty	9.57%	41.45%
IMTT	4.56%	-48.71%
Mining Royalties	2.93%	-1.37%
<b>Total Net Revenue</b>	<b>100.00%</b>	<b>1.46%</b>
<b>Total Gross Revenue</b>		<b>-0.21%</b>

### Key strategic projects

The Authority continued to leverage digital technology in its strategic planning, implementation and projects management. Various projects on digital transformation and business process innovation were implemented, notably the Tax and Revenue Management System (TaRMS), Fiscalisation Data Management System (FDMS), the Contact Centre, Zimbabwe electronic Single Window (ZeSW) and the drones project, which are meant to enhance service delivery.

The Tax and Revenue Management System (TaRMS) Release 1 was successfully launched in 2023 and the system started issuing automatic Tax Clearance Certificates for 2024 to compliant taxpayers as scheduled.

Significant border efficiency improvements were made following implementation of the Zimbabwe electronic Single Window and systems integration with the Zambia Revenue Authority (ZRA). The ZeSW Port Health module was rolled out at the Robert Mugabe International Airport and the ZIMRA/ZRA data Integration module was launched at Victoria Falls border post.

An International Standard Organisation, ISO – 9001:2015 Quality Management System certification project was

commenced to ensure ZIMRA systems and processes are certified to international quality standards.

### Outlook

ZIMRA remains committed to supporting national development initiatives through revenue mobilisation. The Authority remains flexible and responsive to policy changes introduced to grow the economy. As digital technology continues to be rolled out, the organisation is confident that internal processes will be seamless and service provision will improve significantly in the near future.

Service delivery remains a priority area and focus is on improving the customer experience through Tax Payer Education, a responsive Contact Centre, integration and digitalisation of systems.

Minimising revenue leakages is essential in ensuring domestic resource mobilisation. As such, the Authority will focus on projects aimed at safeguarding against revenue leakages which include the FDMS, scanners, drones and surveillance projects.

### Gratitude

I would like to extend my sincere gratitude to the Minister of Finance, Economic Development and Investment Promotion, Professor M. Ncube, Deputy Minister Honourable D. K Mngangagwa and the Permanent Secretary, Mr. G.T Guvamatanga for their continued trust, and the ZIMRA Board for their support and guidance along with my Executive Management team. I also acknowledge the important role of the ZIMRA Staff across all Divisions who are a key pillar in executing ZIMRA’s mandate of collecting revenue and facilitating trade. Finally, but certainly not least, to the compliant taxpayers, corporates, traders, and travellers, on behalf of the Authority, I wish to express my heartfelt gratitude.

Thank you.



**Ms. R. Chinamasa**  
**COMMISSIONER GENERAL**

# Executive Management



**Ms. Regina Chinamasa**  
Commissioner General



**Mr Misheck Govha**  
Commissioner, Domestic Taxes



**Mr Batsirai Chadzingwa**  
Commissioner, Customs and Excise



**Mr Edward Phiri**  
Acting Commissioner, Revenue Assurance



**Mrs Cynthia T. Mugwira-Jowa**  
Director, Legal Services



**Mr Phillip Lovemore Vanhuvaone**  
Director, Human Capital



**Mr Shami Moyo**  
Director, Information Communication Technology



**Mr Zabron Marowero**  
Director, Internal Audit



**Mrs Ethel Chitanda**  
Director, Finance, Infrastructure and Administration



**Mr Tapiwa Manyika**  
Director, Loss Control



**Dr Gift Mupunga**  
Acting Director, Strategy, Research and Innovation



**Mr Tonderai Shonhiwa**  
Director, Procurement



**Ms Ropafdzai Majaja**  
Corporate Secretary



**Mr Gladman Njanji**  
Corporate Affairs Executive



**Mr Ernest Masvavike**  
Corporate Risk & Compliance Executive





## THE 2023 OPERATING ENVIRONMENT

# THE 2023 OPERATING ENVIRONMENT

## Global Economic Developments

Globally, economic pressures continued to manifest through high inflation, high cost-of-living, capital outflows from emerging markets, and tighter monetary and financial conditions. These challenges and a general global economic slump were made worse by continued military tensions between Russia and Ukraine and Israel's war on Gaza. Disruptions in the export of energy, grains, oil seeds, and fertilizers from Russia, Ukraine, and Belarus had a knock-on effect on the global economy. The depressed world mineral prices further affected mineral resource-dependent countries like Zimbabwe, where 75% of export proceeds come from minerals. As a result, global economic growth for 2023 was limited to 2.6% against a January 2023 prediction of 3%. The World Bank projected a further decline to 2.4% in 2024.

## Regional Developments

The Regional operating environment in the Southern African Development Community (SADC) was depressed with economic growth rate slowing down to 1.6%. Growth was weighed down by persistent sluggishness of the global economy, high inflation rates and high debt levels. The funding squeeze, rising global interest rates, and softening commodity prices put pressure on Sub-Saharan African currencies, complicating decision-making for policymakers, particularly in their efforts to combat inflation.

Although inflation in Sub-Saharan Africa declined from its peak of almost 10% in March 2023 to 7% in July 2023, it remained above pre-pandemic levels. Sub-Saharan Africa faced challenges with low revenue-to-GDP ratios compared to advanced markets, with tax revenue accounting for only 17% of GDP in the region, while it reached around 40% in advanced economies.

Zimbabwe's economic growth for 2023 was projected at 5.5%. The year opened with exchange rate of US\$1: ZWL684.33, reached its peak at 1US\$:ZWL6, 949.14 in June 2023 and closed the year at US\$1: ZWL6,104.72. The Monetary Policy Committee resolutions in June 2023 helped stabilise the exchange rate in the second half of the year. The month on month inflation was 0% in January 2023, reached its peak in June 2023 at 12.1% before decreasing to 4.7% at the end of the year. The year on year inflation rate was 53% in January 2023 and closed the year at 26.5%.

The country reached the halfway mark in terms of implementation of the National Development Strategy 1 (NDS1). It achieved significant milestones in the implementation of the NDS1, including successes in road rehabilitation, dam construction, and airport expansion. The Authority will continue championing domestic resource mobilisation to ensure that the country realises its vision of being an Upper Middle Income Country by the year 2030.

The nation held harmonised General Elections on the 23rd and 24th of August 2023. The period before, during and after the poll was marked by peace and tranquillity. The El Nino induced drought which was predicted mid-2023, affected purchases of agricultural inputs for the 2023/2024 agricultural season.

The Government commissioned an additional 600 megawatt at the Hwange power station in 2023. However, installed capacity was still insufficient to meet demand, and rolling blackouts significantly persisted negatively affecting production and productivity.

The economy had a high level of informalisation, estimated at 64.1% of all economic activity. Transactions in the informal sector were predominantly conducted in foreign currency, while the formal sector used both foreign and local currencies. The multi-currency regime was extended until 2030, providing certainty for business planning.

## Domestic Economic Overview



## 2024 Outlook

The SADC region is expected to rebound in 2024, with growth increasing to 3.2% from an initial 1.6%. Macroeconomic imbalances are expected to improve with inflation rates falling for most of the region, and public finances are gradually being put on a more sustainable footing. However, the rebound is not guaranteed, as a slowdown in reform efforts, rising political instability within the region, external downside risks such as slowdown in China, and natural shocks like the El Niño phenomenon could undermine growth.

China's growth, as the region's largest trading partner, is expected to decline to 4.6% in 2024 from 5.2% in 2023, which will have a negative impact on sub-Saharan Africa's exports and inward foreign direct investment from China which is the world's second largest economy. While the recovery is underway, economic divergences within the region are widening, in particular, per capita incomes whilst resource intensive economies remain unresponsive. Subdued commodity prices will continue to weigh down on exports for most resource-intensive economies, but overall growth will improve nonetheless, buoyed mainly by private consumption.

In the domestic arena, economic growth is expected to reduce to 3.5% in 2024 at the backdrop of the El Nino phenomenon which will push one of the major GDP contributors, the agriculture sector growth to decline. To meet the revenue targets for 2024, the Authority has developed sector-based strategies and aims to maximise revenue from the new taxes such as Special Surtax on Sugar Containing Beverages, increased tax base such as the Sugar Excise Tax and Property Tax as announced in the 2024 National Budget Statement. Despite the El Nino, the mining, accommodation and food services, and tourism are expected to contribute significantly to the country's GDP in 2024.



ZIMRA TaRMS Team





## ZIMRA BOARD MANDATE

# ZIMRA BOARD MANDATE

This report highlights the key activities and outcomes related to the ZIMRA Board’s mandate, governance practices, committees, meetings, evaluation, remuneration, executive appointments, disclosure, audit assurance, and tax reform initiatives. It provides transparency and demonstrates ZIMRA’s commitment to sound corporate governance and effective management.

## Governance

The ZIMRA Board operated under relevant laws, the Board Charter, and the approved Code of Ethics, which governance instruments defined the Board’s responsibilities and the standards of conduct for its members.

The ZIMRA Board was appointed in terms of Section 5 of the Revenue Authority Act [Chapter 23:11] and Section 11 of the Public Entities Corporate Governance Act [Chapter 10:31]. The Board consisted of 12 members, comprising 7 males and 5 females, 11 of which are Non - Executive Directors, and the Commissioner General who is an Ex- Officio member. The skills mix on the Board ranges in areas such as Accounting, ICT, Law, Business Management, Risk Management, Economics, and Human Resources Management.

## Board Composition

## Board Committees

The Board operated with the following Committees established in terms of the Revenue Authority Act as read with Part V of the Public Entities Corporate Governance (General) Regulations, 2018, and mandated through approved Terms of Reference:

Figure 1: Board Committees



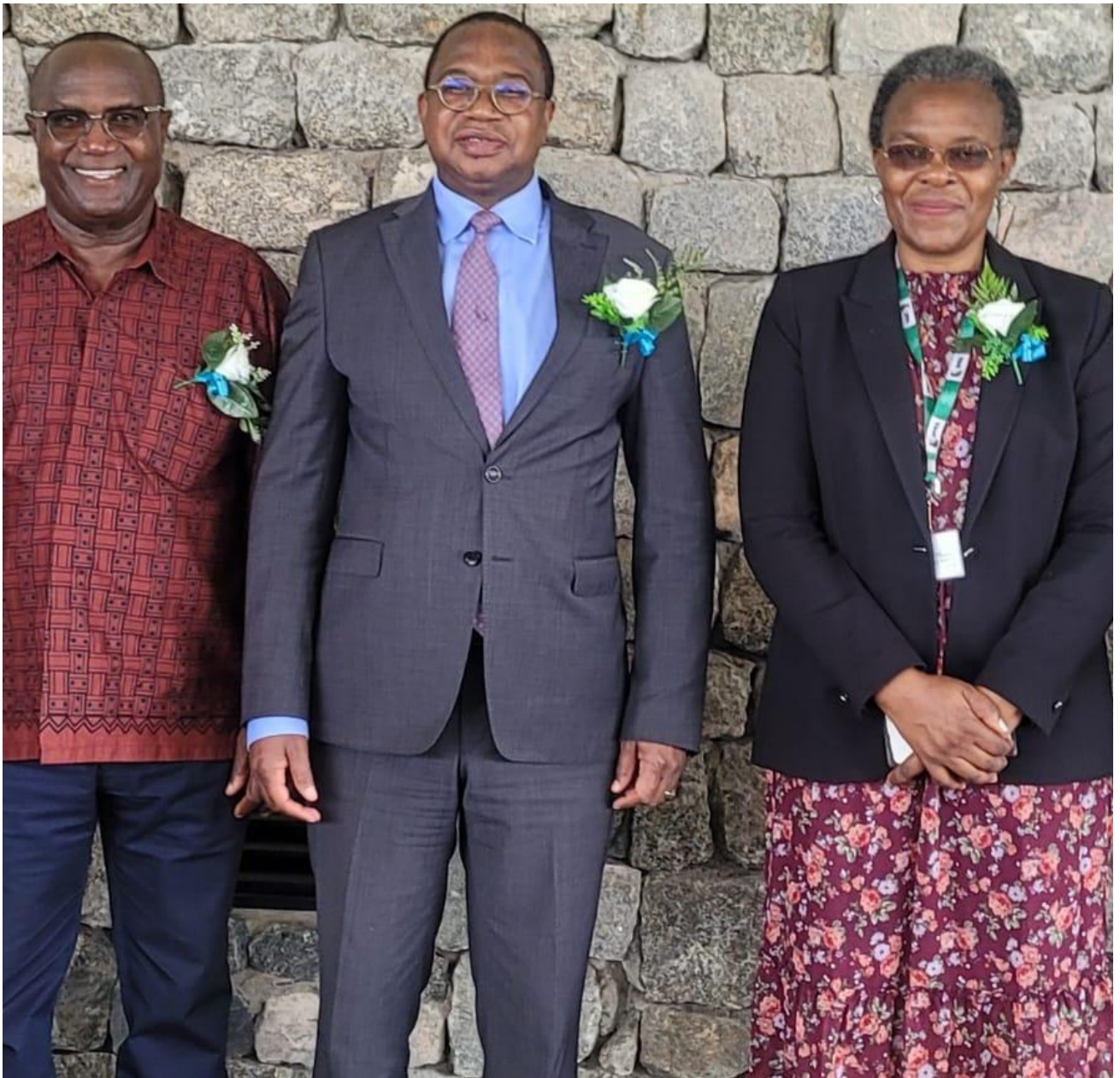


## ZIMRA BOARD MANDATE (continued)

While the Committees had specific responsibilities, the Board retained overall oversight responsibility over the affairs of the Authority. Non-Executive Directors chaired all the Committees, and reported Committee's activities to the Board quarterly.

### Meetings of the Board

The Board and its Committees held various meetings throughout the year in accordance with Section 33 of the Public Entities and Corporate Governance Act [Chapter 10:31]. The meetings included, quarterly scheduled meetings, special meetings, statutory meetings with the Minister and the Annual General Meeting. Special meetings were primarily convened by the Human Resources Committee for Executive Management recruitments and by the ICT Committee and Operations Committee to oversee the rollout of the new TaRMS launched in December 2023.



*The Chairman of the ZIMRA Board (left) and the Commissioner General (Right) with the Hon. Minister of Finance, Economic Development and Investment Promotion, Prof. Mthuli Ncube  
Executing ZIMRA's mandate together*



Table 2:2023 Board Attendance Statistics

Name of Board Member	Ad-Hoc Meetings		Board Meetings		Human Resources Committee		Audit Committee		Risk Committee		Finance & Administration		ICT Committee		Operations Committee	
	No. Held	No. Attended	No. Held	No. Attended	No. Held	No. Attended	No. Held	No. Attended	No. Held	No. Attended	No. Held	No. Attended	No. Held	No. Attended	No. Held	No. Attended
Anthony Mandiwanza (Chairman)	1	*	14	14	19	19	6	*	4	*	5	*	10	*	7	*
Josephine Matambo (Vice-Chairman)	1	1	14	13	19	*	6	6	4	*	5	*	10	10	7	*
Memory Nguwi	1	*	14	14	19	19	6	*	4	*	5	5	10	*	7	*
Isaac. Kwesu	1	*	14	8	19	*	6	5	4	4	5	*	10	*	7	*
Paradza Paradza	1	1	14	14	19	*	6	*	4	4	5	*	10	10	7	7
Ruth B. Ncube	1	1	14	14	19	*	6	*	4	4	5	5	10	*	7	7
Mutsa M. J. Remba	1	1	14	11	19	7**	6	*	4	*	5	*	10	*	7	7
Grace Muradzikwa	1	1	14	13	19	18	6	*	4	4	5	5	10	*	7	*
George. Guvamatanga	1	*	14	9	19	*	6	3	4	*	5	*	10	*	7	1
Johnsai Dewah	1	*	14	14	19	*	6	6	4	*	5	*	10	10	7	*
Bongani Khumalo	1	*	14	14	19	12***	6	*	4	*	5	5	10	10	7	7
Regina Chinamasa	1	*	14	13	19	19	6	*	4	4	5	5	10	10	7	7

\*Not a member

\*\*Ceased to be a member of the HR Committee from Q3 2023 and did not attend the rest of the Committee meetings from Q3 2023

\*\*\*became a member of the HR Committee in Q2 2023 and did not attend the Q1 Committee Meetings

### Annual Board Evaluation

An external Consultant coordinated the evaluation exercise, identifying strengths and areas for improvement. The outcomes of the evaluation informed training and development programmes for the Board for 2024.

### Remuneration and Allowances for the Board

Board fees and allowances were paid in accordance with the remuneration framework set by the Office of the President and Cabinet, Corporate Governance Unit.

### Executive Appointments

Mrs Constance Shumbayawonda was appointed Commissioner Revenue Assurance with effect from 01 January 2024 while Mr Zabron Marowero was appointed Director Internal Audit with effect from 01 December 2023.

### Management Committees

The ZIMRA Executive Management, led by the Commissioner General, was responsible for the day-to-day operations and strategy execution. Executive Management, through the various established Management Committees ensured focused attention to various matters.

### Disclosure and Transparency

ZIMRA upheld the principles of transparency and disclosure, and its performance was regularly communicated to the public. Revenue performance reports were published in the press and posted on the ZIMRA website. The following key governance documents were made available on the Authority's website:

- i) 2021 to 2025 Strategic Plan
- ii) 2022 Annual Report and Audited Financial Statements
- iii) Board Charter
- iv) Code of Ethics
- v) Governing Legislation
- vi) Clients' Charter

Resolutions made by the Board were submitted to the Minister and to the Office of the President and Cabinet, Corporate Governance Unit as required by the law.

ZIMRA has an independent Internal Audit function that reports to the Audit Committee functionally and to the Commissioner General administratively. The Internal Audit function operated in accordance with the Internal Audit Charter and adhered to globally accepted Internal Auditing Standards. It played a critical role in improving internal controls and the control environment by providing value-adding audit recommendations.

Audit assurance was given through the execution of the Board approved 2023 Risk-Based Internal Audit Plan which was a product of input from engagements with various stakeholders among them the Authority's External Auditors.

The Internal Audit function also performed several Value for Money audits on procuments in 2023.

Overall, the control environment within the Authority remained generally sound except for control weaknesses highlighted in the audit reports. The Audit Committee reviewed quarterly reports from Internal Audit and provided necessary guidance.

The Auditor General audited the 2023 Financial Statements and Statutory Returns in compliance with applicable laws and standards. The audited Financial Statements and the Auditor's Report were submitted to the Ministry of Finance, Economic Development, and Investment Promotion.

### Audit assurance

# 2023 TAX REFORMS

## Tax Reforms

In 2023, ZIMRA advised on 21 legislative changes that were implemented through the Ministry of Finance, Economic Development and Investment Promotion mainly to protect revenue, streamline taxes, add clarity where there were ambiguities and simplify certain regulations. The table below summarises the legislative changes made in 2023.

Table 3: Substantive Reforms

PERIOD COVERED	NO. OF PROPOSALS MADE	NO. IMPLEMENTED	NOT CONSIDERED	PERCENTAGE IMPLEMENTED
2023 Mid Term	11	4	7	36.36%
2024 Budget	33	17	16	51.52%
<b>TOTAL</b>	<b>44</b>	<b>21</b>	<b>23</b>	<b>47.73%</b>





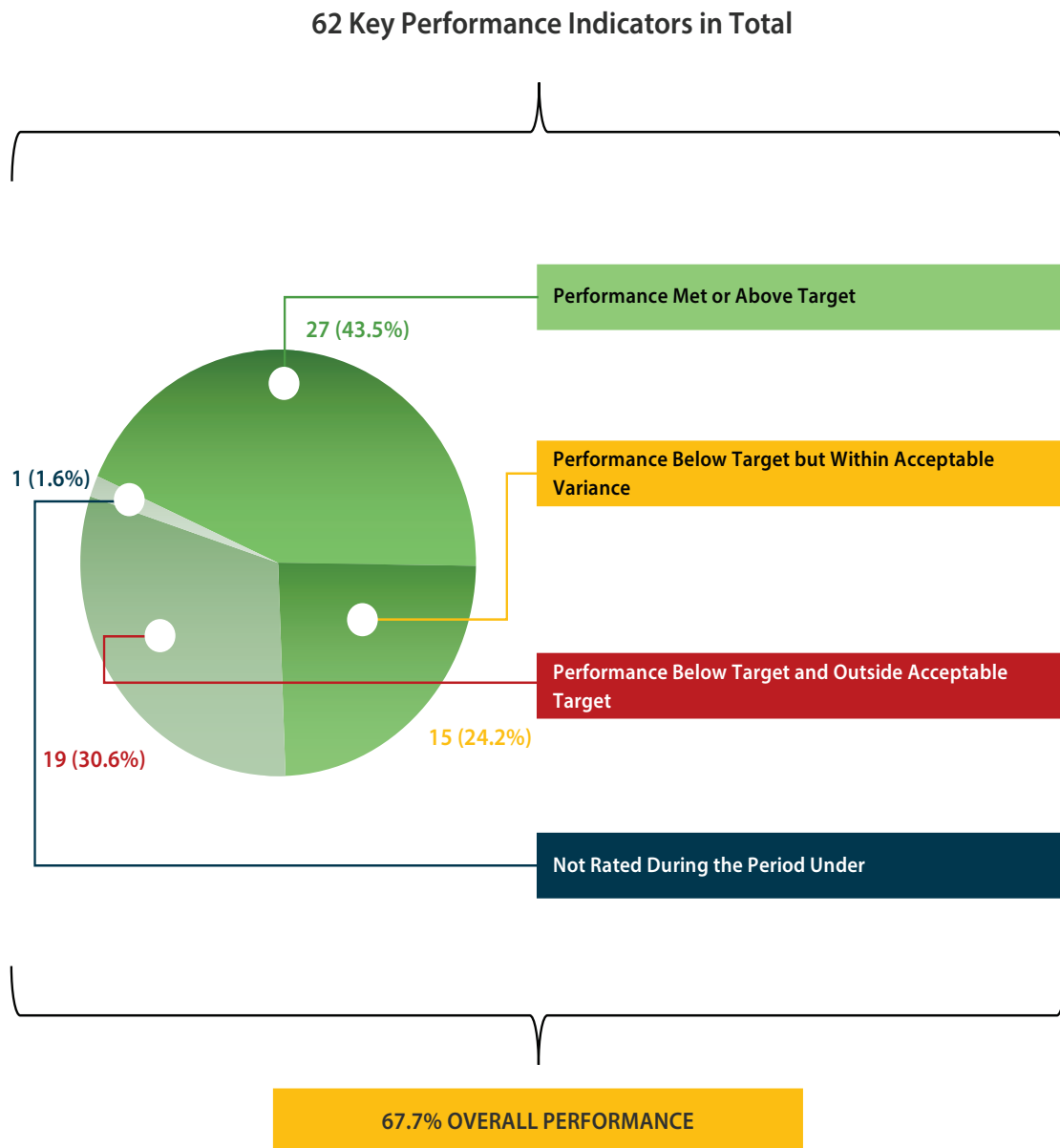
## ZIMRA'S STRATEGIC PERFORMANCE

# 2023 Strategy Performance

## 2023 Strategy Performance

The Strategy Performance Matrix below shows the summary of all Key Performance Indicators. The overall success rate was 67.7% and this entail that either the targets were exceeded or performance was within acceptable tolerance levels (within acceptable variance).

Fig 4: Strategy Performance Evaluation Statistics for 2023



## STRATEGY OUTCOME 1 : IMPROVED REVENUE COLLECTION

### Revenue

Despite a challenging operating environment, net revenue collections amounted to ZWL19.35 trillion missing the target of **ZWL 22.30 trillion** by **13.22%**. In nominal terms, revenue grew by 855.45% from the **ZWL2.03 trillion** collected in 2022, while growth in real terms was **1.46%**. Refunds during the year were **ZWL707.61 billion** from a gross collection of **ZWL20.06 trillion**.

The table below shows the revenue collected in 2023 against revenue targets.

Table 5: 2023 Collections against Targets

REVENUE HEAD	2023 TARGET \$	2023 ACTUAL \$	% VARIANCE	REAL COLLECTIONS	2022 ACTUAL \$	% NOMINAL GROWTH	% REAL GROWTH
Individuals	4,695,503,145,515.83	3,622,367,994,630.77	-22.85%	384,656,593,348.61	380,094,109,323.16	853.02%	1.20%
Companies	2,467,272,394,087.89	2,103,071,888,533.70	-14.76%	223,323,657,179.41	295,172,841,207.79	612.49%	-24.34%
Gross VAT L/Sales	3,161,684,977,464.95	3,408,548,311,140.47	7.81%	361,951,238,408.37	374,074,898,920.69	811.19%	-3.24%
Less VAT Refunds		701,833,728,558.50		74,527,207,485.44	108,371,354,998.01	547.62%	-31.23%
Net VAT L/Sales	3,161,684,977,464.95	2,706,714,582,581.97	-14.39%	287,424,030,922.93	265,703,543,922.68	918.70%	8.17%
VAT on Imports	2,320,466,502,110.64	2,931,739,536,657.78	26.34%	311,319,265,305.94	233,205,133,252.48	1157.15%	33.50%
Gross Customs Duty	1,708,490,865,054.67	1,856,722,572,696.29	8.68%	197,164,004,503.53	139,234,945,036.92	1233.52%	41.61%
Less Customs Refunds		-5,165,488,664.83		-548,519,442.46	620,572,346.76	-932.37%	-188.39%
Net Customs Duty	1,708,490,865,054.67	1,851,557,084,031.46	8.37%	196,615,485,061.07	138,614,372,690.16	1235.76%	41.84%
Excise Duty	2,697,563,739,223.58	2,792,828,062,292.80	3.53%	296,568,358,002.91	272,289,095,948.96	925.68%	8.92%
Mining Royalties	965,249,664,561.69	567,729,675,359.99	-41.18%	60,286,796,700.55	61,071,264,337.06	829.62%	-1.28%
Less Refunds		-465,612,809.61		-49,443,081.83			
Net Mining Royalties	965,249,664,561.69	567,264,062,550.38	-41.23%	60,237,353,618.72	61,071,264,337.06	828.86%	-1.37%
WHT on Contracts	101,465,844,653.87	202,213,404,993.37	99.29%	21,472,892,762.27	28,884,745,973.52	600.07%	-25.66%
IMTT	2,046,447,277,356.53	882,795,494,121.69	-56.86%	93,743,404,285.73	182,775,260,707.68	383.00%	-48.71%
Other Taxes	273,890,487,852.52	64,211,576,210.22	-76.56%	6,818,580,054.59	25,938,620,132.95	147.55%	-73.71%
CGT & CGT Withholding	112,762,619,872.86	112,104,879,665.83	-0.58%	11,904,334,726.33	14,774,571,590.69	658.77%	-19.43%
Tobacco Levy	66,840,726,146.47	32,892,406,221.62	-50.79%	3,492,820,426.58	4,411,638,025.29	645.58%	-20.83%
Carbon Tax	294,943,211,960.15	289,207,311,012.09	-1.94%	30,710,711,664.39	27,493,340,219.44	951.92%	11.70%
DFIR	218,227,338,301.77	192,200,096,242.16	-11.93%	20,409,586,870.07	33,740,402,831.05	469.64%	-39.51%
Gross Non Tax	1,170,613,872,381.48	1,003,220,465,058.47	-14.30%	106,531,243,385.26	80,814,006,835.92	1141.39%	31.82%
Less Rummage Sale Expenses		-141,567,632.92		-15,032,962.83	123,287,125.83	-214.83%	-112.19%
Net Non-Tax	1,170,613,872,381.48	1,003,078,897,425.55	-14.31%	106,516,210,422.44	80,690,719,710.08	1143.12%	32.01%
<b>Total Net Revenue</b>	<b>22,301,422,666,544.90</b>	<b>19,354,247,277,171.40</b>	<b>-13.22%</b>	<b>2,055,213,284,651.98</b>	<b>2,025,673,450,257.01</b>	<b>855.45%</b>	<b>1.46%</b>
<b>Total Gross Revenue</b>	<b>22,301,422,666,544.90</b>	<b>20,061,853,674,837.30</b>	<b>-10.04%</b>	<b>2,130,353,487,624.53</b>	<b>2,134,788,664,727.61</b>	<b>839.76%</b>	<b>-0.21%</b>



## Revenue Collected by Revenue Head

Table 6: 2023 Revenue Collections by Revenue Head

TAX HEAD	2023 MOF TARGET ZWL	2023 ACTUAL ZWL	% VARIANCE	% CONTRIBUTION	% REALGROWTH
	TRILLIONS	TRILLIONS			
VAT	5.48	5.64	2.85%	29.13%	20.01
Individuals	4.69	3.62	-22.85%	18.72%	1.20%
Companies	2.47	2.1	-14.76%	10.87%	-24.34
Excise Duty	2.7	2.79	3.53%	14.43%	8.92
Other taxes	2.23	1.90	-15.38%	9.80%	-73.71
Customs Duty	1.71	1.85	8.37%	9.57%	41.45
IMTT	2.05	0.88	-56.86%	4.56%	-48.71
Mining Royalties	0.97	0.57	-41.23%	2.93%	-1.37
<b>Total Net Revenue</b>	<b>22.30</b>	<b>19.35</b>	<b>-13.23%</b>	<b>100.01%</b>	<b>1.46</b>
<b>Total Gross Revenue</b>	<b>22.30</b>	<b>20.06</b>	<b>-10.04%</b>		<b>-0.21</b>

## 2023 Analysis by Revenue Head

### VALUE ADDED TAX (VAT)

The revenue head contributed the most to 2023 revenue at 29.13%, an increase from 25% contribution in 2022. It surpassed its target by 2.85%. VAT on imports contributed the most to VAT (52.00%). The positive performance was influenced by increased use of fiscal devices, enforcement and compliance activities.

### INDIVIDUALS

Contribution to revenue was 18.72%, compared to 18.85% in 2022. The revenue head missed its target by 22.85%. The negative performance is attributed to fluctuations in exchange rates.

### EXCISE

Excise duty surpassed its target by 3.53% contributing 14.43% to revenue compared to 13.62% in 2022. Fuel imports contributed 74.92% to the revenue head. Enhanced enforcement measures, contributed to the positive performance of this revenue head.

### CORPORATE INCOME TAX

The revenue head contributed 85.24% towards its target, representing 10.87% contribution to total revenue. Despite stringent efforts by the Authority to harness Corporate Income Tax, the negative performance of 14.76% against 15.40% in 2022 was impacted by a growing informal sector that is controlling more than 60% of activities in the economy.

### CUSTOMS DUTY

The revenue head achieved 108.37% of its 2023 target. It contributed 9.57% towards the total revenue which is an increase from the 8% it contributed in 2022. Enforcement activities and the use of high-speed scanners contributed towards the increased compliance levels.

### INTERMEDIATED MONEY TRANSFER TAX (IMTT)

IMTT made 4.56% contribution to total revenue falling short of the 9% contribution in 2022. The revenue head was 56.86% shy of the target due to the reduction in foreign currency IMTT from 2% to 1% and more usage of cash when transacting.

### MINING ROYALTIES

Depressed world metal prices contributed to failure of the revenue head to meet its target by 41.23% with a 2.93% contribution to revenue which is almost the same as the 3% of 2022.

### OTHER TAXES

Other Taxes comprise of revenue heads shown in the table below. The taxes contributed 9.80% to total revenue as compared to 6% contribution in 2022. Other Taxes were 15.38% below target. .

Table 7: Breakdown of Other Taxes

TAX HEAD	2023 MOF TARGET ZWL BILLIONS	2023 ACTUAL ZWL BILLIONS	% VARIANCE	Contribution
Withholding tax on Contracts	101.47	202.21	99.28%	20.34%
Capital Gains Tax	112.76	112.1	-0.59%	11.28%
Other Indirect Taxes	275.76	64.99	-76.43%	6.54%
Tobacco Levy	66.84	32.89	-50.79%	3.31%
Carbon Tax	294.94	289.21	-1.94%	29.10%
Dividends, Fees, Interest & Remittances	218.23	192.2	-11.93%	19.34%
Net Non-Tax	1170.61	100.37	-91.43%	10.10%
<b>Total</b>	<b>2,240.61</b>	<b>993.97</b>	<b>-55.64%</b>	<b>100.00%</b>

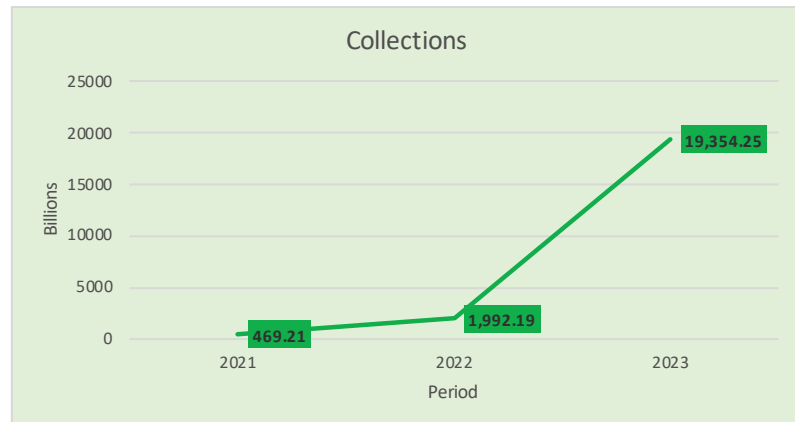
### Revenue Trend Analysis

Annual nominal revenue collections were ZWL469.21 billion in 2021, grew to ZWL 1 992.19 billion in 2022 and 2023 recorded collections of ZWL19 354.25 billion.

Table 4 below shows the revenue trend from 2021 to 2023.

Table 8: 2021-2023 Revenue Trend

Year	Nominal Target (ZWL' Billions)	Nominal Collections (ZWL' Billions)	% Variance
2021	387.40	469.21	21.12%
2022	1,604.86	1,992.19	24.13%
2023	22,301.42	19,354.25	-13.22%



### Revenue Forgone

Total revenue foregone in 2023 (Up to November-The December figures could not be extracted from Tarms)

Table 9: Revenue Forgone

Type	Amount
<b>VAT on Local Sales</b>	1 118 099 23 621.91
<b>VAT on Imports</b>	1 454 207 872 790.22
<b>Customs Duty</b>	2 628 416 885 977.53
<b>Total</b>	<b>5 200 723 994 389.66</b>

Debt increased in all revenue heads due to increased tax audits and enforcement work. The other factors influencing the debt movement in the year were the exchange rate variations and inflationary pressures.

### Debt Position

Table 10: 2023 Debt Position

Revenue Head	31-Dec-23	31-Dec-22	Increase/(Decrease) \$	% Change
<b>VAT</b>	560,951,132,343	23,837,749,733	537,113,382,610	95.75%
<b>Individuals</b>	214,479,212,816	35,773,894,812	178,705,318,004	83.32%
<b>Companies</b>	221,355,005,089	10,110,576,027	211,244,429,062	95.43%
<b>WHT/CGT/PTAX/ Other</b>	181,511,543,414	12,029,110,107	169,482,433,307	93.37%
<b>Customs</b>	101,358,398,448	4,726,216,429	96,632,182,019	95.34%
<b>Total</b>	<b>1,279,655,292,110</b>	<b>86,477,547,109</b>	<b>1,193,177,745,001</b>	<b>93.24%</b>

Strategies implemented to reduce debt included follow-ups, debt prioritisation, payment plans, garnishee orders and set offs against refunds.



## STRATEGIC OUTCOME 2 – INCREASED VOLUNTARY COMPLIANCE

### Taxpayer Registrations

The Block Management System that was implemented resulted in tax base expansion by 30,689 new registrants which contributed ZWL19.93billion. The Authority managed to increase the revenue base through the following enforcement and compliance activities.

Table 11: 2023 Taxpayer Enforcement and Compliance Initiatives

Taxpayer Engagements Workshops	Enforcement & Compliance Initiatives		Quantity
		Prosecutions	
	Taxpayer Education Workshops		420
	Stakeholder Engagements		230
	Taxman’s Articles and Public Notices		89

The total number of returns received for the year was 248,710, which fell short of the target of 740,858, resulting in a submission rate of 33.6%. However, of the total returns received, 75,806 were filed on time resulting in a compliance rate of 10%. This represents an improvement compared to the 9.57% compliance rate in 2022. The Authority implemented the TaRMS which is expected to minimise challenges. However, the year-end statistics were affected as reports could not be extracted during the 4th quarter. The transition period after the implementation of TARMS. Furthermore, some taxpayers were still onboarding during the period.

### Filing/Returns Compliance

### Payment/Remittance Compliance

The remittance rate measures the percentage of taxpayers who successfully settle their tax obligations. In 2023, total remittances received were 248,710, which was lower than the expected remittances of 950,793. This resulted in a remittance rate of 31%, down from 58.68% in 2022. The remittance rate was affected by system change over from SAP to TaRMS since reports could not be extracted during migration period. Furthermore, some taxpayers were still onboarding during the period.

### Tax Disputes Resolution.

Legislation provides that where a taxpayer is aggrieved by any decision of the Commissioner General made in terms of the various specified Acts, they are entitled to appeal to the Special Court for Income Tax Appeals (Special Court). The table below displays the resolution of tax disputes in 2023;

Table 12: 2023 Tax Dispute Resolutions Statistics

	Objections	Appeals at Fiscal & Special Court	Advance Tax Rulings
Opening balances 01.01.2023	8	29	0
Add New Cases	69	1	4
Less Finalised cases	56	3	3
Less withdrawn	3	0	0
Closing balances as at 31.12.2023	<b>18</b>	<b>27</b>	<b>1</b>

### International Taxation Initiatives

#### Global Forum & Africa Initiative

Zimbabwe joined the Global Forum on Transparency and Exchange of Information for Tax Purposes (Global Forum) on 11 April 2023 and thereby became the 167<sup>th</sup> member of the Global Forum. Zimbabwe will participate like all Global Forum members, on an equal footing and commits to combatting tax evasion through the implementation of the internationally agreed standards of transparency and exchange of information for tax purposes.

#### OECD Forum on Tax and Crime (FTC)

The Authority participated in the Sixth Conference, a gathering of the Heads of Tax Crime Investigation Agencies/Units from around the world, together with other key stakeholders in the fight against tax crime.

#### Tax Inspectors Without Borders

Criminal Investigations (TIWB – CI) – This initiative commenced in October 2023 to enhance criminal investigations on tax evasion and illicit financial flows.

## STRATEGIC OUTCOME 3 – ENHANCED TRADE FACILITATION & PROTECTION OF CIVIL SOCIETY

### Trade Statistics

ZIMRA has maintained its crucial role in facilitating trade, safeguarding civil society, and promoting ease of doing business through efficient cross-border movement of goods.

#### Trade Statistics

The total value of imports amounted to ZWL31.60 trillion, while exports reached ZWL28.56 trillion, resulting in a trade deficit of ZWL3.04 trillion (10.65%). Comparatively, in 2022, imports were valued at ZWL3.51 trillion, exports at ZWL2.89 trillion, and the trade deficit at ZWL0.61 trillion (21.23%). This indicates a decline in the trade deficit by 10.58 percentage points from 2022 to 2023. The growth rate of exports outpaced that of imports in 2023, leading to a reduced trade deficit.

In nominal terms, imports increased by approximately 800.33% in 2023 compared to 2022, while exports grew by 886.37% in the same period. Adjusted for inflation, the real growth rate for imports was -4.39%, indicating a decrease, whereas exports experienced a real growth rate of 4.74%. The figure below shows a visual representation of the trade values in 2022 and 2023.

Figure 2: 2023 & 2022 Trade Values



South Africa remains Zimbabwe’s dominant trading partner, contributing 42.16% in terms of the total value of imports. The United Arab Emirates topped the list in terms of exports, accounting for 27.37%. The top 20 trading partners collectively accounted for 92.05% of gross imports and 96.44% of gross exports.

**Trading Partners:  
For Year 2023**

### Imports per Trade Agreement: For Year 2023 vs 2022

In 2023, imports under trade agreements amounted to ZWL\$4.22 trillion, a significant increase from ZWL585.69 billion in 2022. This represents a growth rate of 620.59% in imports under trade agreements, primarily influenced by exchange rate fluctuations. The majority of imports under trade agreements were sourced from the Southern African Development Community (SADC) trade agreement, while the Bilateral Economic Partnership Agreement (BEPA) accounted for the least imports in both 2023 and 2022.



Table 13: Imports Per Trade Agreement: 2023 vs. 2022

Trade Agreement	Trade Agreement Code	Import Value 2023 ZWL	Import Value 2022 ZWL
SADC (ZA)	SDC	3,103,882,234,545.36	434,826,350,728.41
SADC (Diff Offer)	SADC	548,856,683,962.75	58,637,845,217.53
COMESA	CSA	474,715,798,532.90	72,462,896,967.03
Mozambique Bilateral	MZA	36,733,002,186.60	11,116,711,674.89
Economic Partnership Agreement	EPA	28,797,004,415.55	3,806,710,220.78
Trade Economic Group	TAG	27,337,424,610.23	4,841,457,933.56
Bilateral Economic Partnership Agreement	BEPA	125,209,303.84	7,751.67
<b>Grand Total</b>		<b>4,220,447,357,557.24</b>	<b>585,691,980,493.87</b>

### Trade Facilitation Initiatives

#### Trade Facilitation Initiatives

The following modernisation and digitalisation initiatives were implemented during the year.

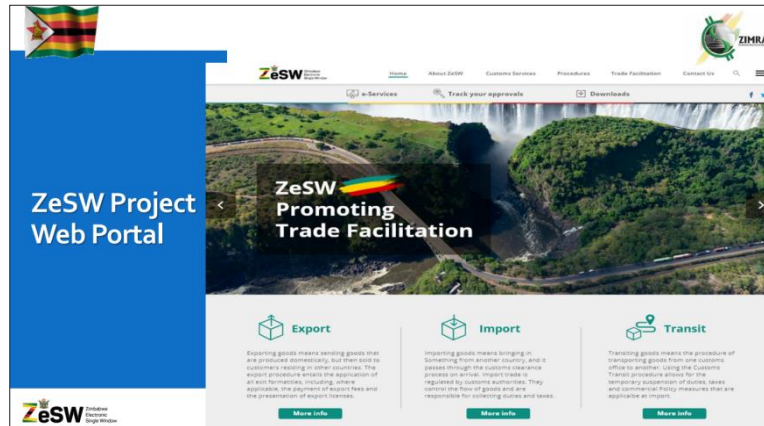
#### Zimbabwe electronic Single Window (ZeSW):

ZeSW is an electronic platform that allows registered users to submit import and export trade documents to the Government of Zimbabwe. The implementation of ZeSW aims to streamline trade by eliminating paperwork of the numerous border agents with an interest in international trade and operating at various border ports. It allows electronic information to be submitted once for fulfilment of all regulatory agencies with a single response being provided to the clients electronically. This reduces transaction costs, and improves processing time. The program was initially rolled out at Forbes Border Post and R.G. Mugabe International Airport, with plans for expansion to other ports of entry in 2024.

## Purpose and Benefits of ZeSW

**Cost Reduction:** The program aims to reduce transaction costs associated with trade by eliminating the need for paper-based processes, courier services, and manual document handling.

**Streamlined Trade:** ZeSW aims to simplify and expedite trade procedures by eliminating manual paperwork and reducing the need for physical document submissions.



**Improved Efficiency:** ZeSW facilitates quicker processing and clearance of trade documents, leading to faster cargo release and improved overall efficiency in cross-border trade operations.

**Transparency and Accountability:** The electronic platform enhances transparency in trade processes, as all relevant stakeholders can access and track the status of trade documents and transactions.

**Data Accuracy:** By minimising manual data entry and automating data validation, ZeSW helps ensure accurate and consistent trade data, reducing the risk of errors and discrepancies.

**Authorised Economic Operators (AEO) :** The AEO program recognises traders who demonstrate compliance with Customs regulations and procedures. By the end of 2023, twelve (12) traders had received accreditation as AEOs. The program was upgraded to Zimbabwe National AEO Programme to encourage wider participation.

The data exchange initiative on Cross Border Clearance facilitates paperless transactions for imports, transit, and export declarations, improving customs clearance efficiency. It seeks to establish a Customs-to-Customs network that promotes the seamless movement of goods through secure international trade supply chains.

- ZIMRA signed an agreement with the Zambia Revenue Authority (ZRA) in December 2023 to implement the Data Exchange Program. The signing of the ZIMRA/ZRA Agreement on Data Exchange culminated in the successful implementation of the ZIMRA/ZRA system integration on declaration data interchange. Victoria Falls became the pilot station for the data interchange which has positively affected the clearance of commercial cargo movement between the two countries. The Data Exchange initiative improves efficiency in declaration processing and enhances compliance levels as it adopts the concept of Your Export My Import (YEMI).
- The project will extend to other Customs Administrations, creating an international “e-Customs” network for seamless and real-time flows of information.

**Data Exchange**

High-speed scanners were installed at Beitbridge, Plumtree, and Nyamapanda Border Posts to enhance border efficiency. In 2023, a total of 166,685 commercial cargo items were scanned, representing a high-risk cargo scan rate of 51.84%, an increase from 34.69% in 2022

**Scanners**

*Figure 7: Electronic Queue Management System*

**Electronic Queue Management System**



Electronic boom gates were installed at Nyamapanda Border Post as part of the Electronic Queue Management System. The installation of electronic motor vehicle boom gates and the Electronic Queue Management System at various ports of entry has improved efficiency and will be commissioned and handed over.





## Border Posts Modernisation

The upgrade of Beitbridge Border Post was completed. The modernised border post and staff accommodation were handed over. The focus has now shifted to the modernisation of Forbes and Chirundu Border Posts.



Figure 8: An aerial night view shot of one of the terminals at the upgraded Beitbridge Border Post



Figure 9: New Staff Housing Units at Beitbridge Border Post

**Protection of Civil Society**

ZIMRA continued to implement border and inland initiatives to curb smuggling of prohibited, harmful and illegal goods in order to protect the civil society. The K9 Unit played a pivotal role in this regard as shown by the number of interceptions in the table below:

*Table 14: 2023 Canine Interceptions*

Description	Value of Contraband (USD)
0.5kg Heroin	500,000
1123kg Cannabis	112,349
Pharmaceuticals	104,012
Skin lightening creams	9,062
<b>Total value</b>	<b>725,423</b>



*KP9 Unit conducting searches at RGM International Airport*



## STRATEGY OUTCOME 4 – INSTITUTIONAL IMAGE

### MANAGING STAKEHOLDER RELATIONSHIPS

#### International Partnerships

ZIMRA received a total of US\$3,264,075.24 in donor funds, in the form of technical assistance work shops and foreign travel support from various international partners. The partners included African Development Bank (AfDB), European Union (EU), World Customs Organisation(WCO), International Monetary Fund (IMF), African Tax Administration Forum (ATAF), United Nations Development Programme (UNDP), Organisation for

Economic Cooperation and Development (OECD), United Nations Conference for Trade and Development (UNCTAD), Germany Agency for International Cooperation (GIZ), Technical Assistance for Zimbabwe Economic Partnership Support Project (TA ZEPA) and His Majesty Revenue and Customs (HMRC). The support provided by these donors and partnerships was instrumental in the successful implementation of projects such as TaRMS, ASYCUDA upgrade, leadership development and capitalisation in critical venue administration areas.



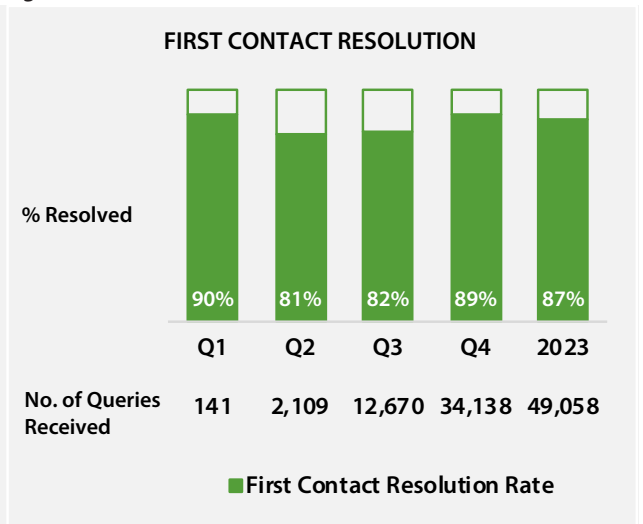
Figure 3: ZIMRA Management with HMRC Representatives

Integrity | Transparency | Fairness | Commitment | Innovativeness

Figure 4: Contact Centre First Contact Resolution Statistics

#### Customer Service

The Contact Centre operated from March 2023 and played a significant role in enhancing customer experience through improved service delivery. By the end of the year, it addressed a total of 49,058 queries and the average First Contact Resolution stood at 85.5%. The Contact Centre operated from 8 am to 5 pm and provided various touchpoints for customer interaction, including Voice, Email, WhatsApp, Facebook, Twitter, and LinkedIn.







### Tax Education

ZIMRA delivered taxpayer education in vernacular languages, primarily through radio channels. Advertisements and DJ mentions were utilised extensively on national and regional radio stations, while television stations such as ZTV, 3K TV, and ZTN featured programming and adverts. Print media was also leveraged, with ZIMRA organising the placement of client-specific content and advertisements in leading newspapers. In terms of physical engagements, the Authority actively participated in 18 countrywide exhibitions, effectively showcasing the ZIMRA brand and its services to clients. Furthermore, ZIMRA engaged in the “Catch Them Young” initiative, participating in career guidance programmes and delivering public lectures at tertiary institutions.

### Stakeholder Engagements

ZIMRA maintained its commitment to effective stakeholder engagement throughout the reporting period. Several notable events and collaborations took place, including:

- International Customs Day celebrations.
- Official launch of the Virtual Reality Assisted Training for the inspection of imported goods in collaboration with WCO and South Korea Customs.
- AEO meetings and workshops funded by the EU-TAZEPA bringing together ZIMRA, Cross Border Regulatory Agencies and the Private sector entities which included the Clearing Agents Associations, AEO companies and Zimbabwe National Chamber of Commerce (ZNCC)
- JICA facilitated training on OSBP operations at Chirundu-OSBP involving ZIMRA, ZRA Officers, government agencies, clearing agents and transporter representatives.
- African Tax Administration Forum (ATAF) training on Research Methods.

These events and collaborations reaffirmed ZIMRA's commitment to engaging with stakeholders and fostering meaningful partnerships for the benefit of the institution and its stakeholders.



*ZIMRA Commissioner General Ms Regina Chinamasa and Zambia Revenue Authority Commissioner General Mr Dingani Banda after signing Memorandum of Agreement on data exchange*

## STRATEGIC INITIATIVES TO COMBAT CORRUPTION

### Management Integrity Committee

The ZIMRA Management Integrity Committee was established in 2019 with the primary objective of initiating anti-corruption strategies and promoting integrity. In 2023, the ZIMRA Integrity Committee (ZICO), in collaboration with ZACC, facilitated the establishment of sixteen (16) Integrity Committee structures in other parastatals and organisations. It has become a point of reference for other State Owned Entities seeking to establish Integrity Committees.

### Integrity Awareness Campaigns

Integrity Awareness Campaigns were a key component of ZIMRA's strategic initiatives to combat corruption. The campaigns aimed to raise awareness among the public, stakeholders, and employees about the importance of integrity and the need for a zero-tolerance approach towards corruption. The campaigns were conducted through various channels, including business expos, trade fairs, agricultural shows, radio, television, social media, and print media.

### I'mForZero Desk

To advocate for zero tolerance towards corruption, the Authority operated the I'mForZero desk at eight business expos, trade fairs, and agricultural shows nationwide. These campaigns were also extended to radio, television, social media, and print media.

### Collaborative Efforts to fight Corruption

ZIMRA collaborated with ZACC and other law enforcement agents in the continued fight against corruption.

The campaigns aimed to increase awareness and understanding of the detrimental effects of corruption on society and the economy. They also aimed to influence attitudes and behaviours towards corruption. Through promoting the values of integrity and emphasising the benefits of ethical conduct, ZIMRA sought to encourage individuals to resist and report corrupt practices.

### Asset Recovery and Forfeiture

Two houses estimated at US\$570 thousand were identified for asset recovery and possible forfeiture.





### Surveillance and Monitoring Command Centre

The Surveillance and Monitoring Command Centre project was at ninety percent (90%) completion as at 31 December 2023. CCTV and biometric access control systems were installed at ZIMRA Head Office, Robert Gabriel Mugabe International (RGMI) Airport and Charles Prince Airport.

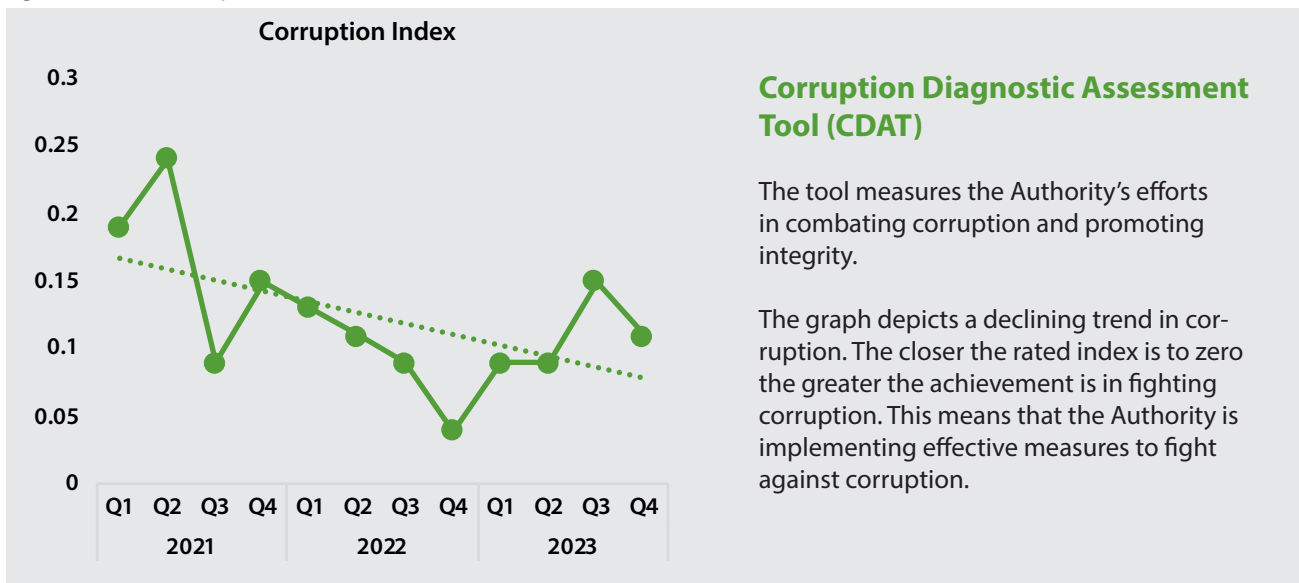
The establishment of a centralized Surveillance and Monitoring Command Centre has facilitated real time intelligence gathering critical in fighting corruption.

Figure 5: ZIMRA surveillance and Monitoring Command Centre Housed in Harare.

#### Control Room



Figure 6: CDAT Corruption Index



#### Corruption Diagnostic Assessment Tool (CDAT)

The tool measures the Authority's efforts in combating corruption and promoting integrity.

The graph depicts a declining trend in corruption. The closer the rated index is to zero the greater the achievement is in fighting corruption. This means that the Authority is implementing effective measures to fight against corruption.



# EMBRACING THE DIGITAL ECONOMY

The digitalisation of strategic initiatives supported ZIMRA's transformational strategic objectives. Digitalisation initiatives focused on four main pillars;

Integrity | Transparency | Fairness | Commitment | Innovativeness



## INFRASTRUCTURE AND ICT SYSTEMS

The digitalisation of strategic initiatives supported ZIMRA's transformational strategic objectives. Digitalisation initiatives focused on four main pillars; (i) Digital infrastructure, (ii) Digital Business Solutions (iii) Cyber Security and Governance and (iv) Systems integration.

### Digital Infrastructure

- **Modernise Digital Infrastructure** - The Authority continued to enhance its technological platform in line with current technological trends. In 2023, the Authority procured additional computing power and storage for internal systems.
- **Data Centres Upgrade** – ZIMRA implemented an infrastructure solution that ensures high availability, data protection, and disaster recovery for enterprise data.

### Digital Business Solutions

Tax and Revenue Management System (TaRMS) – The Tax and Revenue Management System was launched in 2023 as follows:

- Launch of the Taxpayer Registration functionality on 12 October 2023
- Launch of the front office functionalities on 4 December 2023. This covered the Payment Management, Refund Management, Tax Return Management, Taxpayer Accounting, Debt Management & Revenue Accounting functionalities.

More functionalities of the TaRMS system will be rolled out by December 2024, the major ones being the tax agents module and integrations with key players and institutions for real-time information access.

The FDMS is the new ZIMRA Fiscalisation Backend Solution which is being implemented in two (2) phases. The first phase, the Minimum Viable Product (MVP), was rolled out on July 28, 2023, with basic functionalities, including the registration of taxpayers into the live system. This phase introduced new features to fiscalisation, such as printing Authentication and QR Codes on taxpayers' Fiscal Tax Invoices, making them verifiable through the invoice verification portal. Additionally, virtual fiscalisation was made available to taxpayers for direct interface with ZIMRA servers using software applications without a hardware fiscal device. The second phase of the project (Post MVP) is currently underway and is at 63% completion.

### Fiscalisation Data Management System (FDMS)

### Cybersecurity & Governance

The Authority adopted the National Institute of Standards and Technology (NIST) Cyber Security Framework to enhance its ability to identify, protect, detect, respond, and recover from cybersecurity threats. The organisation's capability and maturity to combat cybersecurity threats increased from 71% to 75%.

### Systems Integration

- **Civil Registry and Registrar of Companies** – The integration of the Civil Registry and Registrar of Companies with the Tax and Revenue Management System was launched on October 12, 2023. This integration assists with the validation of national identification and company registration to avoid duplications, resulting in an increased taxpayer base.
- **Banks** – ZIMRA integrated the Tax and Revenue Management System with all commercial banks for Taxpayer bank account validation and payment purposes.

**Risk based compliance systems**

The Authority adopted a Compliance Risk Management (CRM) Framework consistent with international best practices. It improves the allocation of resources to achieve an optimum compliance strategy aimed at achieving the best long-term compliance outcomes for the resources employed.

ISO 9001:2015 QMS CERTIFICATION PROJECT

ZIMRA embarked on a project to align its Quality Management System with ISO 9001:2015 QMS standards to improve customer service delivery and enhance its Risk Management Processes. The project commenced in October 2023, and staff awareness training was conducted. The target completion date for ISO 9001:2015 QMS certification is December 31, 2024.

**Re-engineering of processes and procedures**

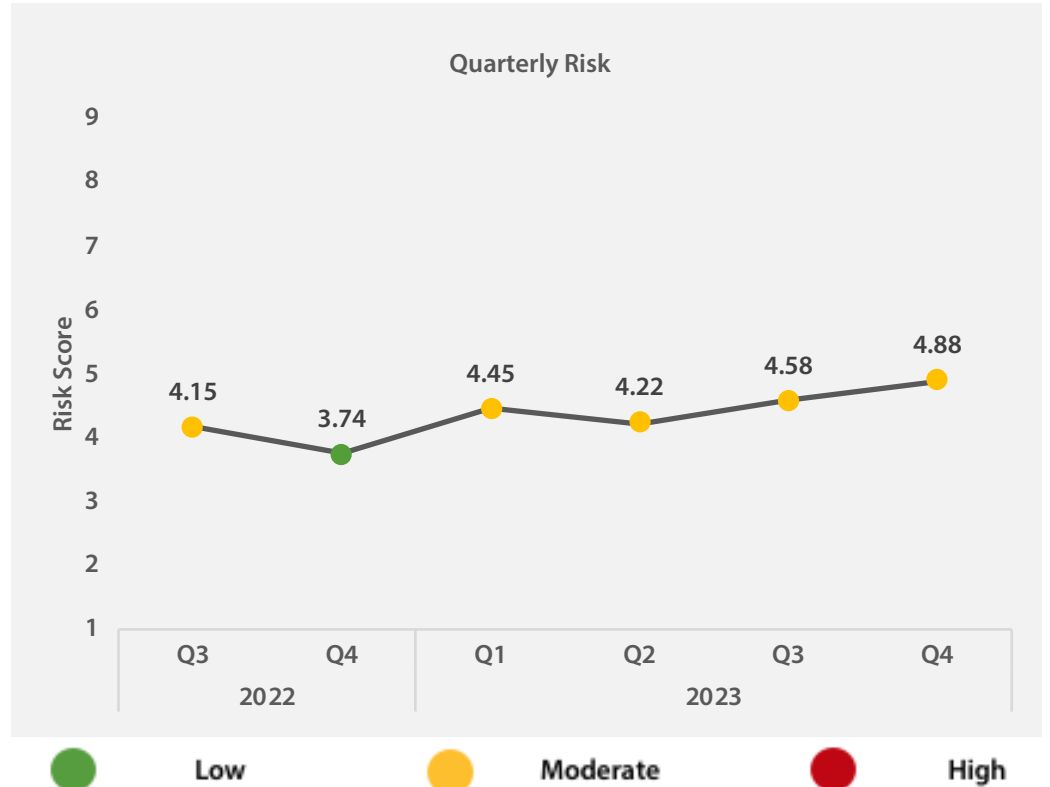
**Integrity, Ethics And Enterprise Risk Management**

**ENTERPRISE RISK MANAGEMENT**

The Enterprise risk management is guided by the Corporate Risk Management Policy. The Policy ensures the oversight of risk management function and implementation of internal controls and risk management tools commensurate with the Authority's size, complexity, and scope of activities. The risk score for the year 2023 was 4.88, an increase from 3.74 in 2022, indicating that the Authority remained in the medium risk category with no serious negative impact on the attainment of its objectives.

The graph below shows the risk trend from Q3-2022 to Q4-2023.

Figure 8: Quarterly Risk Trend





## Annual Risk Analysis

The high risks that were monitored are presented in the Table below (not ranked):

Table 15: Annual Risk Analysis

RISK DESCRIPTION	RISK CATEGORY	RISK CONTROL STRATEGIES
Failure to curb corruption	Reputational Risk	<ul style="list-style-type: none"> <li>» Continued implementing zero-tolerance to corruption strategies with special focus on monitoring information leakages, investigation of corruption related cases, automation &amp; seamless integration of systems, life style audits, anti-corruption campaigns, corruption risk assessments and conducting systems integrity checks.</li> <li>» Carried out joint operations with other stakeholders.</li> </ul>
Project deviation from timelines and Budgets	Operational Risk	<ul style="list-style-type: none"> <li>» Timeously tracked conclusion of contracts undergoing drafting.</li> <li>» Reviewed projects completion dates;</li> <li>» Ensured completion of projects in line with revised target dates;</li> <li>» Efficient procurement of outstanding materials;</li> <li>» Engagement with stakeholders;</li> <li>» Revaluation of price variations and resumption of projects as targeted.</li> </ul>
Inability/Failure to attract competent staff within set timelines	Operational Risk	<ul style="list-style-type: none"> <li>» All key vacant positions have acting appointments. The Authority also engaged employees on secondment from ZNA and AFZ to achieve numerical flexibility.</li> </ul>
Interest liability due to delayed payments of VAT Refunds	Compliance Risk	<ul style="list-style-type: none"> <li>» Expedited processing of refunds while ensuring effective risk profiling and auditing to ensure no undue refunds were paid to taxpayers.</li> </ul>
Failure to meet New Taxpayer Registrations target	Compliance Risk	<ul style="list-style-type: none"> <li>» Databases from the Registrar of Companies was collected on a monthly basis to aid in new registrations</li> <li>» The Registrar of Companies database was integrated with TaRMS.</li> </ul>
Funding Risk	Strategic Risk	<ul style="list-style-type: none"> <li>» Continued engaging the Ministry of Finance and Economic Development (MOFEDIP) for adequate and timely funding.</li> </ul>



## OUR PEOPLE

## PEOPLE AND RESOURCES

### Staff Capacity and Retention

The 2023 human capital statistics are depicted below:

#### KEY

#### Result | Target

Figure 8: Human Capital Statistics:



On Target 

Marginally Missed Target 

Significantly Missed Target 

**Key  
Result  
Areas**

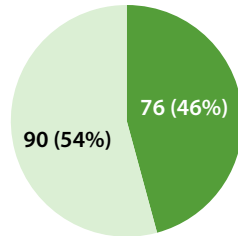
**Staff Numbers by Gender**

ZIMRA has actively pursued gender balance by evaluating policies, procedures, and systems from a gender perspective, resulting in a fair and inclusive workplace environment. The representation of female employees within the Authority increased from 43% in 2022 to 44% in 2023, indicating progress towards achieving a more balanced gender composition. Female representation in management increased from 39% to 42%, demonstrating a commitment to promoting equality and diversity in the workplace at the leadership level of the organisation.

**Staff Capacitation**

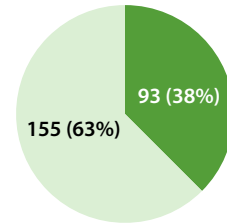
The Talent Development Plan was executed beyond the original plan. All technical courses, soft skills programmes, and workshops were delivered as intended. This fostered continuous growth and professional advancement among employees. A total of 414 course sessions were conducted in 2023, with 12,244 participants, including 166 technical courses and 248 soft skills courses. While the number of course sessions decreased compared to 2022, there was a 23.78% increase in the total number of participants.

**No. of Technical Courses**

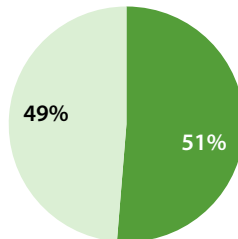


■ Planned ■ Adhoc

**No. of Soft Skills Courses**



■ Planned ■ Adhoc



■ Female ■ Males

Other significant employee development initiatives included the Graduate Development (GD) Programme, which aimed to create a talent pool for the Authority's core functions and involved 303 cohorts.



Figure 9: Embracing Digitalisation in Training and Development



## Leadership Development

In today's dynamic business landscape, effective leaders require a diverse skills set. Alongside technical expertise, leaders are expected to excel in people management, navigate significant changes, handle clients adeptly, and grasp the intricacies of revenue administration. Accordingly, the following major leadership development programs were conducted:

- Management Development Programme for Junior Managers
- Female Leadership Programme
- WCO Middle Management Development Programme
- Mid-Career Specialist Programme.

## Performance-Driven culture

A performance-driven culture is integral to the Authority's success, empowering employees, fostering innovation, and enabling the delivery of services to stakeholders. Through the implementation of the IRBM system, the Authority has established clear performance targets, key performance indicators, and monitoring mechanisms to track progress and drive continuous improvement. By embracing a performance-driven culture and leveraging the IRBM system, ZIMRA strives for operational excellence, optimise resource utilisation, and deliver value to stakeholders. The Authority remains dedicated to continuous improvement, innovation, and building a high-performing organisation that contributes to economic growth and national development.

## Staff Inflows and Outflows

As of January 1, 2023, the Authority had a staff complement of 3,058 employees. During the year, the Authority engaged 187 employees of which 49 were external hires and 138 internal hires. The organisation experienced a loss of 154 staff members due to various reasons. The breakdown of staff attrition is as per table below:

Table 16: 2023 Staff Statistics

ENGAGEMENT/SEPARATION	Movement	NUMBER OF EMPLOYEES
Opening Balance	-	3,058
External Engagements	+ve	49
Resignation	-ve	76
Contract expiry	-ve	56
Retirement	-ve	11
Death	-ve	7
Medical Discharge	-ve	2
Dismissal	-ve	2
Closing Balance	-	2,953

## Staff Retention Initiatives

To maintain staff welfare, several initiatives were implemented, including a review of staff remuneration, assistance with personal loans and school fees, provision of medical aid and funeral assistance, ensuring the well-being of employees.

## Employee Relations

The Authority focused on improving industrial relations throughout its network. The Employee Engagement survey highlighted the top five pain points as Rewards and Incentives, Leadership, Tools, Job Suitability, and Recognition and Growth. An action plan was developed to address the pain points.

## Employee Wellness Programmes

Recognising the importance of employee health, the Authority continued to enhance employee welfare and well-being through human resource strategies aimed at improving satisfaction, productivity, organisational culture, and corporate image.

## 2023 National Safety and Health Gala in pictures



Figure 10: 2023 National Safety and Health Gala





## RESOURCES AND FUNDING



## RESOURCES AND FUNDING

The Authority adopted the Programmes -Based Budgeting (PBB) principle, which allocates resources based on the outcomes or objectives of specific programs or activities. This approach aims to increase the Value For Money in public spending and effectively direct national resources towards achieving the goals outlined in the National Development Strategy 1 (NDS1).

### The Authority implemented two (2) programmes namely:

- Revenue Mobilisation and Trade Facilitation; and
- Policy and Governance.

The Authority proposed an annual budget for its programs amounting to ZWL922,09 billion and Treasury approved ZWL499.09 billion (46%) inclusive of foreign currency amounting to USD40.68 million and ZWL2 billion seed loan capital. The Authority's funding came from government grants, interest earned from short-term investments, donations, funds from unallocated reserves and other incomes such as rental incomes and commissions from third party agencies. The foreign currency component was used to pay foreign obligations as well as payment of staff allowances while the seed loan capital was meant to secure staff mortgages with the National Building Society (NBS). The table below shows the Authority's funding from Treasury:

Table 17: ZIMRA's Funding from Treasury

DETAILS	TOTAL PROPOSED	PROPOSED	TOTAL BUDGET	TOTAL APPROVED	VARIANCE (ZWL)
	ORIGINAL BUDGET	ADDITIONAL 2023	PROPOSED 2023	2023 BUDGET (ZWL)	
	(ZWL)	BUDGET (ZWL)	BUDGET (ZWL)		
<b>Staff Costs</b>	40,280,327,797	377,953,347,994	418,233,675,791	306,679,007,992	111,554,667,799
<b>Seed Loan Capital</b>	2,000,000,000	-	2,000,000,000	2,000,000,000	-
<b>Operational Costs</b>	115,440,253,443	220,651,104,862	336,091,358,305	159,832,878,750	176,258,479,555
<b>Sub Total</b>	157,720,581,240	598,604,452,856	756,325,034,096	468,511,886,742	287,813,147,354
<b>Capital Expenditure</b>	38,495,802,280	127,268,030,768	165,763,833,048	30,582,725,089	135,181,107,959
<b>Grand Total</b>	<b>196,216,383,520</b>	<b>725,872,483,624</b>	<b>922,088,867,144</b>	<b>499,094,611,831</b>	<b>422,994,255,313</b>

## Cost of Collection

The cost of collection was 2.36% of Gross Collections as shown in the table below:

Table 18: 2023 Cost of Collection

	Revenue	Operating Costs	Cost of Collection
<b>Gross Collection</b>	20 061 853 799 837,20	473 786 904 635,00	2,36%
<b>Net Collection</b>	19 354 247 277 171,00	473 786 904 635,00	2,45%

## Donations

The Authority received donations for capacity building missions, foreign travels and capital expenditure amounting to USD3.93 million and EUR722 thousand and this converted to ZWL\$3 569 187 671 billion. The table below shows donations that were received:

Table 19: 2023 Donations to ZIMRA

Type of Donation	Q1		Q2		Q3		Q4		TOTAL	
	EUR	USD	EUR	USD	EUR	USD	EUR	USD	EUR	USD
Capacity Building Missions	-	290,000	-	135,000.00	-	-	-	80,000.00	-	505,000.00
Foreign Travel	-	66,911	-	126,258.52	-	163,012.13	-	91,614.74	-	447,796.27
Furniture	-	-	-	-	-	-	-	122,975.00	-	122,975.00
Tablets	19,549.92	-	-	-	-	-	-	103,400.00	19,549.92	103,400.00
Laptops	152,950.14	-	-	-	-	-	-	-	152,950.14	-
Single Window	-	-	-	-	-	480,000.00	-	-	-	480,000.00
Data Migration and Conversion	-	-	-	-	-	-	-	66,521.02	-	66,521.02
Donation of VRT by WCO	-	30,700	-	-	-	-	-	-	-	30,700.00
TaRMS	-	129,586	-	422,518.98	-	910,428.72	-	714,507.98	-	2,177,042.15
WiFi Enabled Access Systems	88,800.00	-	-	-	-	-	-	-	88,800.00	-
Traveller Queue Management Systems	450,000.00	-	-	-	-	-	-	-	450,000.00	-
MV Boomgate System	10,863.92	-	-	-	-	-	-	-	10,863.92	-
<b>Total</b>	<b>722,163.98</b>	<b>517,197</b>	<b>-</b>	<b>683,777.50</b>	<b>-</b>	<b>1,553,440.85</b>	<b>-</b>	<b>1,179,018.74</b>	<b>722,163.98</b>	<b>3,933,434.44</b>

## 2023 Expenditure Analysis

The Authority spent a total of **ZWL\$539,498,217,644** against a total budget of **ZWL\$530,635,154,682** resulting in a deficit of **ZWL\$8,863,662,962 (2%)** detailed in the table below:

Table 20: 2023 Expenditure Analysis

DETAILS	2023 BUDGET (ZWL)	PRIOR SAVINGS (ZWL)	DONATIONS (ZWL)	TOTAL BUDGET(ZWL)	NET EXPENDITURE (ZWL)	VARIANCE (ZWL)	BUDGET UTILISATION
							NASA %
<b>Administration</b>	159,832,878,750	-	3,569,187,671	163,402,066,421	148,508,071,380	14,893,995,041	91%
<b>Expenses</b>							
<b>Staff Costs</b>	306,679,007,992	-	-	306,679,007,992	297,097,065,103	9,581,942,889	97%
<b>Seed Loan Capital</b>	2,000,000,000	-	-	2,000,000,000.00	-	2,000,000,000	0%
<b>Sub Total</b>	<b>468,511,886,742</b>	<b>-</b>	<b>3,569,187,671</b>	<b>472,081,074,413</b>	<b>445,605,136,483</b>	<b>26,475,937,930</b>	<b>94%</b>
<b>Capital Expenditure</b>	30,582,725,089	13,181,236,813	14,790,118,367	58,554,080,269	93,893,081,161	-35,339,000,892	160%
<b>Grand Total</b>	<b>499,094,611,831</b>	<b>13,181,236,813</b>	<b>18,359,306,038</b>	<b>530,635,154,682</b>	<b>539,498,217,644</b>	<b>-8,863,062,962</b>	<b>102%</b>

Net Administration Expenditure of **ZWL\$ 148,508,071,380** is Gross Expenditure of **ZWL\$176,689,839,539** less Non-cash items of **ZWL\$28,181,768,152**.

Table 21: Capital Expenditure Exchange Losses

ASSET	AMOUNT IN USD	RECEIPT OF FUNDS		UTILISATION OF FUNDS	
		DATE OF RECEIPT	AVERAGE RATE OF EXCHANGE	DATE OF PAYMENT	AVERAGE RATE OF EXCHANGE
Surveillance	607,010.00	25/03/2022	138.20	24.04.23 to 31.12.23	3601.68
Scanners	8,931,159.34	26.10.21 to 13.10.2022	450.97	18.01.23 to 15.11.23	4035.23
Drones	1,232,536.00	10.06.21 to 28.01.2022	268.25	14/03/2023	911.82
Motor Vehicles	2,577,582.50	27.10.20 to 25.04.2023	508.91	02.11.23 to 04.12.23	5754.96

**Administration expenditure** for the year was made up of operational costs amounting to ZWL148,508,071,380 including donations against a budget of ZWL163,402,066,421 hence a budget under-run of ZWL14,893,995,041 (9%). The Authority spent a total of ZWL\$445,605,136,483 against a total budget of ZWL\$472,081,074,413 resulting in savings of ZWL\$26,475,937,930 (6%)

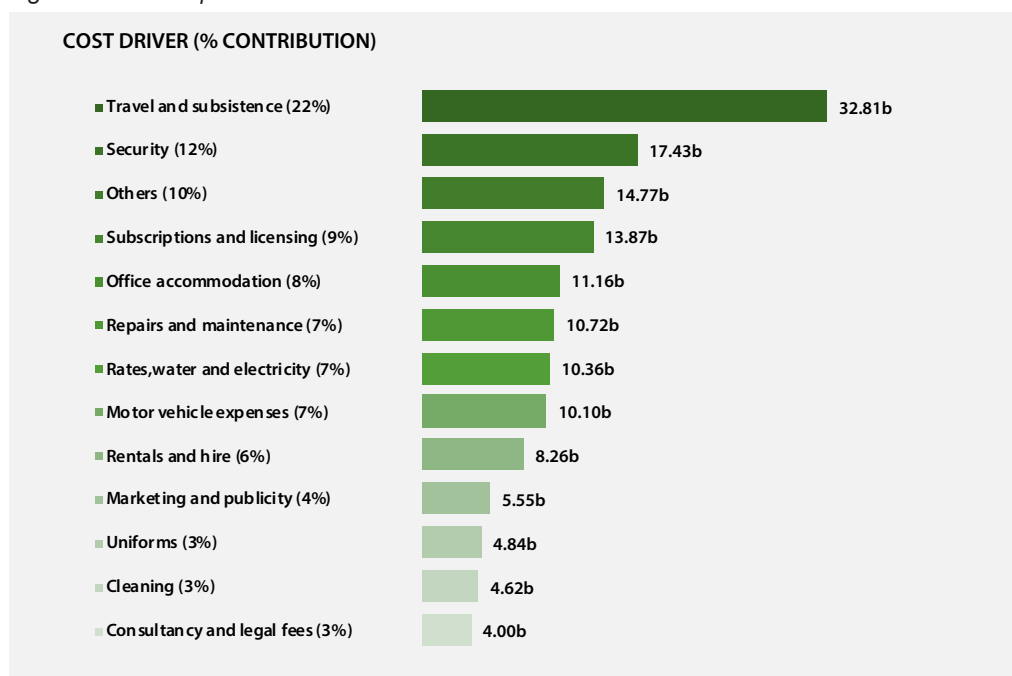
**Staff costs** amounted to ZWL297,097,065,103 against a budget of ZWL306,679,007,992 resulting in a budget underrun of ZWL9,581,942,889 (3%). The unutilised funds were meant to pay Q3 and Q4 performance awards that were not paid because the Authority failed to meet the set targets.

**Capital expenditure** for the year was ZWL93,893,081,161 inclusive of donations against a budget of ZWL58,554,080,269 resulting in an over-run of ZWL35,339,000,892 (60%). The deficit resulted from exchange losses. The bulk of capital expenditure budget was availed in USD and the timing difference between receipt of grant and expenditure caused the exchange losses as shown in the table below:

### 2023 Operational Cost Drivers

- The major cost drivers were travelling and subsistence at 22% followed by security services; and subscriptions and licensing with 12% and 9% respectively as shown graphically below:

Figure 11: 2023 Operational Cost Drivers

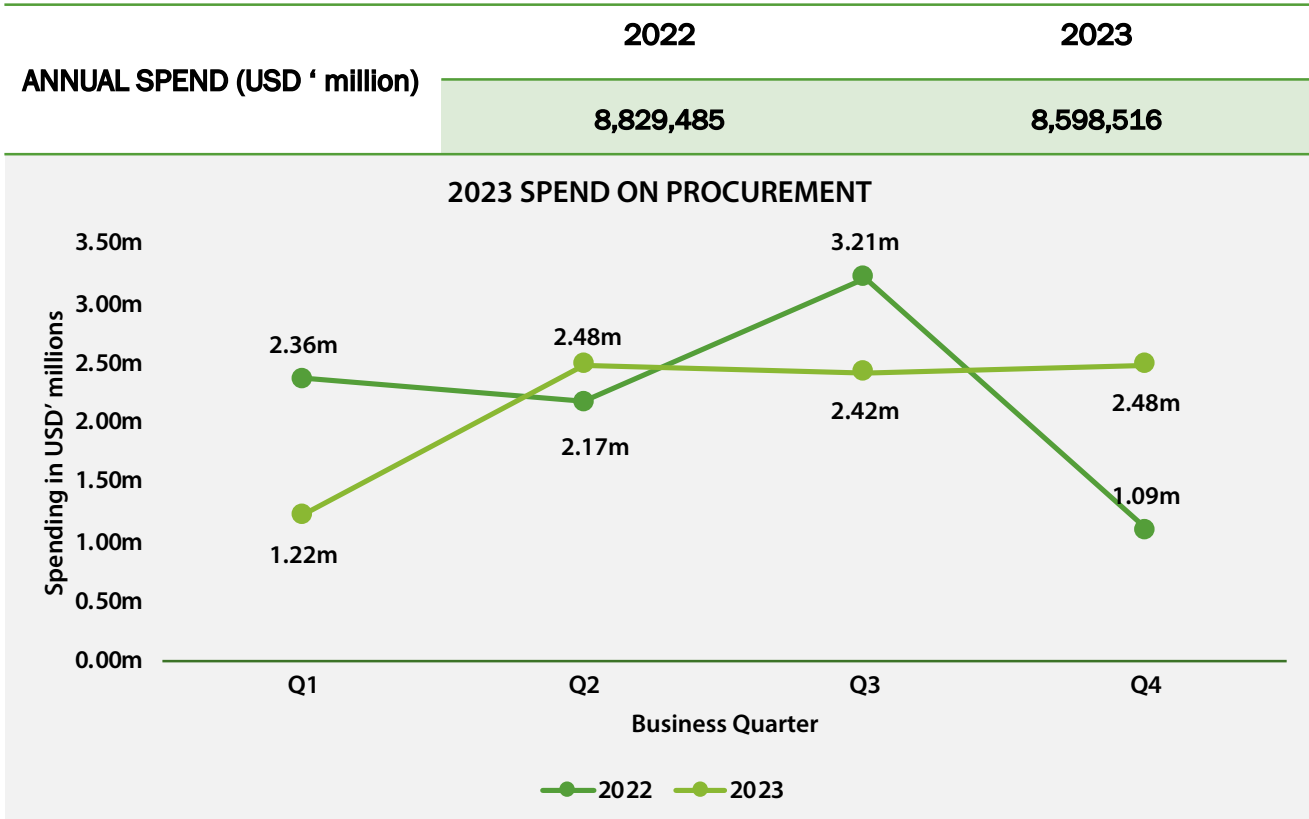




**PROCUREMENT  
OF GOODS  
AND SERVICES**

Total expenditure for year 2023 was equivalent to USD\$8,598,516.00 against a spend of USD\$8,829,484.51 in 2022 representing a decline of 6.2%. All procurements were in accordance with the Public Procurement and Disposal of Public Assets Act. ZIMRA's Procuring Entity Average strength was rated at 100% against Procuring Entity Category Average of 94% according to PRAZ Monitoring and Evaluation feedback of 2023.

Figure 12: 2023 Total Annual Spend



## SUSTAINABILITY REPORTING

ZIMRA recognizes the importance of Environmental, Social, and Governance (ESG) considerations for sustainability and responsible corporate behaviour. Despite a challenging year, ZIMRA anticipates making significant progress towards the Authority's ESG goals by reducing its environmental footprint, promoting social responsibility, and maintaining strong governance practices. Plans are in place to introduce taxes on pollution, waste management, and carbon emissions to encourage sustainability, and to implement tax incentives for companies investing in social initiatives like education, healthcare, and community development. ZIMRA's governance efforts will focus on upholding strict standards for responsible sourcing and ethical practices, promoting transparency and accountability. ESG practices will remain integral to ZIMRA's business strategy as the Authority works towards a positive impact on the environment and society with the support of stakeholders.

However, ZIMRA has already implemented some initiatives and plans to introduce more to strengthen its ESG efforts. Key initiatives include the Carbon Tax to reduce emissions by taxing fossil fuels, and incentives for renewable energy investments like tax holidays for solar and wind projects. Pollution Control Levies have been introduced to promote sustainable industrial practices, while progressive taxation policies aim to reduce income inequality by applying higher rates to higher income brackets. Tax relief is available for businesses investing in social infrastructure, and companies creating jobs or investing in employee training receive tax credits and deductions. ZIMRA has also enhanced transparency and reporting requirements to reduce tax evasion and implemented strict anti-corruption measures. Additionally, ZIMRA engages with stakeholders to ensure tax policies are fair and effective.

### Corporate Social Responsibility (CSR)

The Authority does not have a standalone budget for CSR. It utilises its strong corporate brand and links with the corporate world to source funds through donations made to its ZIMRA Charity Trust. As part of ZIMRA's corporate social responsibility under the ZIMRA Charity Trust, the Authority paid USD15,000 tertiary fees of 5 students and donated groceries to various children's homes and old people's shelters.

The Authority also took measures to safeguard the public and staff by ensuring that radiation emitted by scanners was contained through the construction of radiation protection walls.

The Authority is responsible for the Protection of Civil Society by ensuring that banned substances, contraband, illegal substances, drugs and weapons do not enter or exit the country. This role is particularly important and topical as drug use and abuse, including violent crimes, are on the rise.

### Employee Sustainability

ZIMRA recognises that employee sustainability is not only beneficial for individual employees but also for the organisation as a whole. Sustainable employee practices lead to higher employee retention, increased productivity, enhanced innovation, and a positive organisational culture. It helps organisations attract and retain top talent, build a strong employer brand, and achieve long-term success in a competitive market. To that end, the Authority always strives to promote work-life integration, employee development, positive work environment, health and well-being, workforce diversity and inclusion among other sustainable employee practices. In addition, ZIMRA built housing units for staff in Chirundu and Beitbridge.

### Economy

ZIMRA's domestic resource mobilisation mandate contributed to treasury and this helped support social development initiatives that central government is driving.

### Environment / Ecology

The Authority participated in the national clean-up exercise at all its major offices and stations. Furthermore, the Authority embraced digital technology which reduced the amount of paper used in its operations and processes.

Environmental impact assessments were also done for all construction projects in conjunction with the Environmental Management Agency.

The Authority protected the environment by ensuring that the movement of animal and plant products as well

# Audited Financial Report



**All communication should be addressed to**  
 The Auditor-General"  
 P.O. Box CY 143, Causeway, Harare  
 Telephone No: 793611/3/4, 762817/8/20-23  
 Telegrams: "AUDITOR"  
 Fax: 706070  
 E-mail: ocag263@gmail.com



**Reference: SB 2**  
**OFFICE OF THE AUDITOR-GENERAL**  
 5<sup>th</sup> Floor, Burroughs House  
 48 George Silundika Avenue  
 Harare

## REPORT OF THE AUDITOR-GENERAL

TO

**THE MINISTER OF FINANCE, ECONOMIC DEVELOPMENT AND INVESTMENT PROMOTION**

**AND**

**THE BOARD OF DIRECTORS  
 IN RESPECT OF THE FINANCIAL STATEMENTS OF**

**ZIMBABWE REVENUE AUTHORITY**

**FOR THE YEAR ENDED DECEMBER 31, 2023**

### Report on the Audit of the Financial Statements

#### Qualified Opinion

I have audited the financial statements of the Zimbabwe Revenue Authority set out on pages 6 to 29, which comprise the statement of financial position as at December 31, 2023, and the statement of profit or loss and other comprehensive income, the statement of changes in reserves and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, except for the effects of the matters described in the Basis for Qualified Opinion section of my report, the accompanying financial statements present fairly, in all material respects, the financial position of Zimbabwe Revenue Authority as at December 31, 2023 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

#### Basis of Qualified Opinion

Non-compliance with International Financial Reporting Standard (IFRS) 13 – “Fair Value Measurement”

The Authority disclosed property, plant and equipment at a value of ZWL\$ 563 billion. The Authority engaged valuer who conducted desktop valuation of items of property, plant and equipment and investment property as at December 31, 2023. The valuer’s assumptions were based on representations by management and not independent physical verification in the current and previous year of the assets and properties. The valuer was not engaged for the comprehensive valuation of all the properties of the Authority in the previous years.

In addition, the valuation report did not have adequate information on the ZWL inputs used in the valuation exercise for properties. Valuer used US\$ inputs for properties due to limitations in obtaining these from the market. The US\$ fair values were then converted to ZWL\$ fair values for properties

using the prevailing interbank exchange rate. Fair values obtained by applying this method did not meet the requirements of International Financial Reporting Standard (IFRS) 13 – “Fair value measurement” as the fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions. In the current environment, it is not likely that the ZWL\$ price derived from translating the US\$ value at the RBZ auction exchange rate would be the price at which a ZWL\$ denominated transaction would occur. Accordingly, the fair values, based on the converted US\$ to ZWL\$ values did not meet the requirements of International Financial Reporting Standard (IFRS) 13 – “Fair value measurement”. Had the Authority revalued its assets in ZWL\$, its property, plant and equipment value reported could have been materially different.

I conducted my audit in accordance with International Standards on Audit (ISAs) and International Standards of Supreme Audit Institutions (ISSAIs). My responsibilities under those standards are further described in the Auditors Responsibilities for the Audit of the financial statements section of my report. I am independent of the Authority in accordance with the ethical requirements that are relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

### Key Audit Matters

Key Audit Matters are those matters that, in my professional judgment, were of most significance in my audit of the financial statements of the Zimbabwe Revenue Authority for the year ended December 31, 2023. These matters were addressed in the context of my audit of the Zimbabwe Revenue Authority’s financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

Key Audit Matter	How my audit addressed the Key Audit Matter
<p><b>Accounting in a Hyper Inflation Economy</b></p> <p>The Public Accountants and Auditors Board (PAAB), in the 2019 issued pronouncement highlighting that effective July 1, 2019, the Zimbabwean economy was now under hyperinflation. This requires the application of International Accounting Standard (IAS) 29 – “Financial Reporting in Hyperinflation Economies”, when reporting for the year ended December 31, 2023. Review of the conditions giving rise to hyper inflationary during 2023 has not changed.</p> <p>Unlike in the prior years, blended inflation rates were published during 2023 and the Authority had to determine appropriate CPI indices to adjust the historical costs amounts. Application of IAS 29 - “Financial Reporting in Hyperinflation Economies” is complex. Monetary assets and liabilities may not be determined appropriately.</p> <p>As a result, accounting in a hyperinflationary economy was considered to be a key audit matter.</p>	<p><b>My procedures to address the risk of material misstatement with regard to accounting in a hyperinflationary economy;</b></p> <ul style="list-style-type: none"> <li>• Reviewed the appropriateness of the Authority’s internal guidance on the steps to be taken in applying IAS 29 - “Financial Reporting in Hyperinflation Economies”.</li> <li>• Tested the accuracy of indices applied, considering information from official government pronouncements as well as PAAB guidance</li> <li>• Assessed the appropriateness of judgements applied in segregation between monetary and non-monetary items.</li> <li>• Reviewed the financial statements to confirm the appropriateness of disclosures made by the Authority, taking into consideration requirements of IAS 29 - “Financial Reporting in Hyperinflation Economies”.</li> </ul> <p>Based on the work performed, I found the accounting in hyperinflationary economies to be in line with IAS 29 - “Financial Reporting in Hyperinflation Economies”.</p>

## Other Information in the Annual Report

The Authority's directors are responsible for the other information. The other information comprises all the information in the Authority's 2023 annual report other than the financial statements and my auditor's report thereon.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the Authority's financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Authority's financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of the other information, I am required to report that fact. I have nothing to report in this regard.

## Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Authority's Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards (IFRSs) and in the manner required by the Revenue Authority [Chapter 23:11] and for such internal controls as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements management is responsible for assessing the Authority's ability to continue as a going concern, disclosing, as applicable matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate or cease operations or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Authority's financial reporting process.

## Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but it's not a guarantee that an audit conducted in accordance with ISAs and ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of my audit in accordance with ISAs and ISSAIs, I exercise professional judgment and maintain professional skepticism throughout the planning and performance of the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit



- procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
  - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
  - Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Authority's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my Auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date the Auditors' report. However, future events or conditions may cause the Authority to cease to continue as a going concern.
  - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

In my opinion, the financial statements of the Zimbabwe Revenue Authority have, in all material respects, been prepared in compliance with the disclosure requirements of the Revenue Authority Act [Chapter 23:11], Public Finance Management Act [Chapter 22:19] and other relevant Statutory Instruments.

06 June, 2024.


  
R. KUJINGA,  
ACTING AUDITOR – GENERAL.

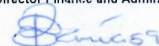
ZIMBABWE REVENUE AUTHORITY  
STATEMENT OF FINANCIAL POSITION

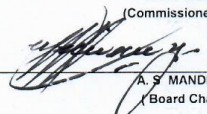
as at December 31, 2023

	Note	Inflation adjusted		Historical cost	
		31-Dec-23 ZWL\$	31-Dec-22 ZWL\$	31-Dec-23 ZWL\$	31-Dec-22 ZWL\$
<b>ASSETS</b>					
<b>Non current assets</b>		<b>701 884 972 082</b>	<b>481 212 378 598</b>	<b>595 792 053 130</b>	<b>95 683 295 836</b>
Property, plant and equipment	4	562 461 898 683	405 303 780 558	508 103 915 777	84 262 740 241
Intangible assets	5	40 431 802 789	22 929 441 202	40 431 802 789	3 888 384 338
Biological assets	6	27 581 338	16 114 337	12 972 536	1 505 535
Investment property	7	37 777 786 422	16 239 281 500	24 914 654 922	3 376 150 000
Right of use asset	8.1	52 063 733 459	13 255 814 200	16 647 386 745	1 517 475 100
Financial assets		9 122 169 391	23 467 946 801	5 681 320 361	2 637 040 622
<b>Current assets</b>		<b>144 348 892 429</b>	<b>149 794 795 617</b>	<b>131 272 545 749</b>	<b>30 471 210 254</b>
Inventory		7 356 770 849	4 694 167 870	2 807 927 805	539 118 963
Accounts receivables	11	7 344 119 254	16 773 627 680	7 344 119 254	3 487 240 682
Assets held for sale	12	76 907 937	14 022 882	29 354 174	2 915 360
Prepayments	13	13 714 486 832	2 518 958 318	5 234 536 959	289 332 573
Cash and cash equivalents	14	115 856 607 556	125 794 018 867	115 856 607 556	26 152 602 676
<b>Total assets</b>		<b>846 233 864 511</b>	<b>631 007 174 215</b>	<b>727 064 598 878</b>	<b>126 154 506 090</b>
<b>RESERVES AND LIABILITIES</b>					
<b>Reserves</b>		<b>481 877 758 463</b>	<b>340 823 252 620</b>	<b>621 577 521 823</b>	<b>92 284 458 362</b>
Non distributable reserve		-	436 980 645	-	90 848 367
Accumulated fund		156 354 635 874	(60 659 625 738)	172 384 948 808	7 896 229 746
Revaluation reserve		325 523 122 589	401 045 897 713	449 192 573 016	84 297 380 249
Deferred income	15	299 370 464 971	229 270 345 756	47 961 873 339	21 206 102 646
<b>Non current liabilities</b>		<b>13 620 727 984</b>	<b>6 354 493 025</b>	<b>7 455 330 895</b>	<b>1 321 100 421</b>
Lease liability	8.2	13 620 727 984	6 354 493 025	7 455 330 895	1 321 100 421
<b>Current liabilities</b>		<b>51 364 913 093</b>	<b>54 559 082 814</b>	<b>50 069 872 818</b>	<b>11 342 844 659</b>
Lease liability	8.2	11 097 586 635	3 064 064 381	9 802 546 360	637 019 622
Provisions	16	9 900 686 180	8 561 218 360	9 900 686 180	1 779 879 076
Payables	17	30 366 640 278	42 933 800 072	30 366 640 278	8 925 945 961
<b>Total reserves and liabilities</b>		<b>846 233 864 511</b>	<b>631 007 174 215</b>	<b>727 064 598 878</b>	<b>126 154 506 090</b>

3 Jan 2024.  
3 June 2024.  
04.06 2024.

  
E. R. CHITANDA, (CA)  
(Director Finance and Administration).

  
R. S. CHINAMASA,  
(Commissioner General).

  
A. S. MANDIWANZA,  
(Board Chairman).

**ZIMBABWE REVENUE AUTHORITY**  
**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

for the year ended December 31, 2023

Note	Inflation adjusted		Historical cost	
	31-Dec-23 ZWL\$	31-Dec-22 ZWL\$	31-Dec-23 ZWL\$	31-Dec-22 ZWL\$
<b>Income</b>	<b>1 124 637 358 086</b>	<b>421 601 424 135</b>	<b>647 224 623 247</b>	<b>85 368 134 379</b>
Government grant	801 745 284 922	297 816 926 328	468 511 886 743	61 916 200 900
Amortised capital grant	18 54 308 775 184	10 065 971 627	20 728 540 147	2 092 717 594
Interest earned	28 696 466 376	28 343 059 262	13 510 010 680	4 750 089 550
Rental income	1 213 598 438	515 166 854	747 704 546	76 022 472
Other income	19 238 673 233 165	84 860 300 065	143 726 481 132	16 533 103 864
<b>Less operating expenses</b>	<b>( 829 726 679 604)</b>	<b>( 481 934 728 916)</b>	<b>( 473 786 904 635)</b>	<b>( 77 707 941 973)</b>
Employment cost	20 ( 519 022 607 821)	( 276 955 845 627)	( 297 097 065 103)	( 40 824 045 801)
Administrative costs	21 ( 310 704 071 783)	( 204 978 883 289)	( 176 689 839 532)	( 36 883 896 173)
<b>Operating surplus</b>	<b>294 910 678 482</b>	<b>(60 333 304 781)</b>	<b>173 437 718 612</b>	<b>7 660 192 405</b>
Finance costs	8.3 (23 684 401 545)	(2 884 520 212)	(9 039 847 918)	(599 692 352)
Net monetary (loss)	(54 648 995 970)	(1 461 660 570)	-	-
<b>Surplus /(deficit) for the year</b>	<b>216 577 280 967</b>	<b>(64 679 485 563)</b>	<b>164 397 870 694</b>	<b>7 060 500 053</b>
<b>Other comprehensive income</b>				
Revaluation surplus/(deficit)	(72 029 362 690)	315 360 939 795	366 228 556 291	66 483 459 684
<b>Total comprehensive income for the year</b>	<b>144 547 918 277</b>	<b>249 219 793 662</b>	<b>530 626 426 985</b>	<b>73 543 959 737</b>

3 Sep, 2024.

3 June, 2024.

06.06, 2024.

E. R. Chitanda

E. R. Chitanda (CA),

(Director Finance and Administration).

R. S. Chinamasa

R. S. Chinamasa,  
(Commissioner General).

A. S. Mandiwanza

A. S. Mandiwanza,  
(Board Chairman).



## ZIMBABWE REVENUE AUTHORITY

## STATEMENT OF CHANGES IN RESERVES

for the year ended December 31, 2023

	Inflation adjusted			Total
	Accumulated Fund	Revaluation reserve	Non distributable reserve	
	ZWL\$	ZWL\$	ZWL\$	ZWL\$
Balance at January 1, 2022	4 019 859 825	85 741 116 461	436 980 645	90 197 956 931
Revaluation surplus	-	315 360 939 795	-	315 360 939 795
Revaluation reversed through impairment	-	(56 158 543)	-	(56 158 543)
Deficit for the year	(64 679 485 563)	-	-	(64 679 485 563)
<b>Balance at December 31, 2022</b>	<b>(60 659 625 738)</b>	<b>401 045 897 713</b>	<b>436 980 645</b>	<b>340 823 252 620</b>
Balance at January 1, 2023	(60 659 625 738)	401 045 897 713	436 980 645	34 082 3252 620
Revaluation deficit	-	(72 029 362 690)	-	(72 029 362 690)
Non-distributable reserve	436 980 645	-	(436 980 645)	-
Revaluation reserve through impairment	-	(3 493 412 434)	-	(3 493 412 434)
Surplus for the year	216 577 280 967	-	-	216 577 280 967
<b>Balance at December 31, 2023</b>	<b>156 354 635 874</b>	<b>325 523 122 589</b>	<b>-</b>	<b>481 877 758 463</b>

**ZIMBABWE REVENUE AUTHORITY**
**STATEMENT OF CHANGES IN RESERVES**

for the year ended December 31, 2023

	Historical cost			
	Accumulated Fund	Revaluation reserve	Non distributable reserve	Total
	ZWL\$	ZWL\$	ZWL\$	ZWL\$
Balance at January 1, 2022	835 729 693	17 825 595 938	90 848 367	18 752 173 998
Revaluation surplus / (deficit)	-	66 483 459 684	-	66 483 459 684
Revaluation reversed through impairment	-	(11 675 373)	-	(11 675 373)
Surplus for the year	7 060 500 053	-	-	7 060 500 053
<b>Balance at December 31, 2022</b>	<b>7 896 229 746</b>	<b>84 297 380 249</b>	<b>90 848 367</b>	<b>92 284 458 362</b>
Balance at January 1, 2023	7 896 229 746	84 297 380 249	90 848 367	92 284 458 362
Revaluation surplus	-	366 228 556 291	-	366 228 556 291
Non distributable reserve	90 848 367	-	(90 848 367)	-
Revaluation reversed through impairment	-	(1 333 363 524)	-	(1 333 363 524)
Surplus for the year	164 397 870 694	-	-	164 397 870 694
<b>Balance at December 31, 2023</b>	<b>172 384 948 808</b>	<b>449 192 573 016</b>	<b>-</b>	<b>621 577 521 823</b>

## ZIMBABWE REVENUE AUTHORITY

## STATEMENT OF CASH FLOWS

for the year ended December 31, 2023

Note	Inflation adjusted		Historical cost	
	31-Dec-23 ZWL\$	31-Dec-22 ZWL\$	31-Dec-23 ZWL\$	31-Dec-22 ZWL\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
	<b>7 459 334 565</b>	<b>(126 403 595 505)</b>	<b>50 717 356 199</b>	<b>5 061 913 758</b>
<b>Net cash generated /(utilised) by operating activities</b>				
<b>Operating profit or loss before working capital changes</b>	<b>6 112 959 880</b>	<b>(122 363 120 283)</b>	<b>40 347 553 682</b>	<b>2 074 886 834</b>
Operating profit for the year	216 577 280 967	(64 679 485 563)	164 397 870 694	7 060 500 053
<b>Adjustments to reconcile profit to net cash flows:</b>	<b>(155 447 681 086)</b>	<b>(57 683 634 720)</b>	<b>(124 050 317 012)</b>	<b>(4 985 613 220)</b>
Fair value gain - Biological Assets and Investment property	6 (21 549 971 923)	(12 998 008 729)	(21 549 971 923)	(2 702 288 717)
Profit on disposal	19 (126 937 048)	-	(58 689 629)	-
Loss on disposal	21 -	4 277 948 825	-	867 224 788
Depreciation of property, plant and equipment	4 48 582 010 588	8 586 541 432	18 542 752 133	1 774 168 994
Amortisation of intangible assets	5 6 065 434 967	2 773 315 966	2 315 051 514	318 548 600
Depreciation right of use assets	8.1 19 005 595 917	2 551 684 615	7 254 044 243	292 107 132
Finance cost	8.3 23 684 401 545	2 884 520 213	9 039 847 918	599 692 352
Write down of consumables to net realisable value	21 38 598 160	26 611 133	26 372 598	4 660 377
Amortised grant	15 (54 308 775 184)	(18 219 408 644)	(20 728 540 147)	(2 092 717 594)
Unrealised exchange gain	18 (204 148 591 870)	(66 388 050 673)	(113 534 830 693)	(12 762 831 864)
Increase/decrease in provisions	16 1 339 467 820	(14 086 686 067)	8 120 807 104	2 177 190 280
Net monetary (loss)	54 648 995 970	1 461 660 570	-	-
Allowance for credit loss	21 782 150	9 406 286	15 460 586	1 955 569
Exchange loss	21 -	59 797 998 937	-	11 283 442 340
Gain on price differences	19 (12 738 107)	(18 109 323)	(9 918 856)	3 324 073
Obsolete stock written off	20 30 512 304	-	27 308 818	-
Interest earned	(28 696 466 376)	(28 343 059 262)	(13 510 010 680)	(4 750 089 550)
<b>Working capital adjustments</b>	<b>1 346 374 265</b>	<b>(4 040 475 222)</b>	<b>1 036 980 517</b>	<b>2 987 026 925</b>
(Increase)/decrease in accounts receivables	9 429 508 426	(6 867 464 398)	(3 856 878 572)	(3 022 343 751)
Increase in prepayments	(11 195 528 514)	(2 208 246 921)	(4 945 204 386)	(68 963 744)
Increase assets held for sale	-	(7 977 534)	-	(1 882 879)
(Increase)/decrease in inventory	2 662 602 979	(2 784 174 681)	(2 268 808 842)	(449 482 850)
Increase in payables	1 256 715 974	7 827 388 312	21 440 694 317	6 529 700 147
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	<b>4 788 810 095</b>	<b>(10 979 043 553)</b>	<b>2 083 620 624</b>	<b>(2 225 342 048)</b>
Interest received	28 696 466 376	28 343 059 262	12 533 375 915	3 911 528 173
Proceeds from sale of property, plant and equipment	2 100 564 968	9 783 386	1 779 520 499	709 000
Purchase of financial investments	(1 630 456 424 024)	(21 744 273 951)	(622 311 612 223)	(2 497 645 898)
Proceeds from financial investments	1 914 569 416 248	3 548 063	730 751 685 591	737 643
Purchase of intangible assets	(1 491 680 189)	(1 777 721 814)	(569 343 584)	(20 413 482)
Purchase of property, plant and equipment	(265 530 239 284)	(17 413 438 499)	(101 347 419 573)	(3 620 257 484)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	<b>21 274 887 594</b>	<b>175 563 384 702</b>	<b>18 150 442 058</b>	<b>14 959 779 585</b>
Government capital grant	30 765 522 389	170 804 857 497	30 765 522 389	14 672 482 061
Clearance fees (Commission)	5 053 115 617	7 545 300 324	1 928 670 083	866 668 235
Principal portion of lease liability	8.2 (5 503 902 495)	97 747 093	(5 503 902 495)	20 321 641
Interest portion of lease liability	8.2 (9 039 847 918)	(2 884 520 212)	(9 039 847 918)	(599 692 352)
<b>Net increase/ (decrease) in cash and cash equivalents</b>	<b>14 375 6334 255</b>	<b>38 180 745 644</b>	<b>89 704 004 881</b>	<b>17 796 351 295</b>
<b>Effects of inflation on cash and cash equivalents</b>	<b>(153 693 745 564)</b>	<b>(5 644 627 292)</b>	<b>-</b>	<b>-</b>
Cash and cash equivalents at beginning of the year	125 794 018 867	93 257 900 515	26 152 602 675	8 356 251 382
<b>Cash and cash equivalents at year end</b>	<b>115 856 607 556</b>	<b>125 794 018 867</b>	<b>115 856 607 556</b>	<b>26 152 602 675</b>

**ZIMBABWE REVENUE AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended December 31, 2023**

**1 NATURE OF BUSINESS**

The Zimbabwe Revenue Authority is the body responsible for collecting taxes and other revenue streams for the government in Zimbabwe. It derives its mandate from the Revenue Authority Act, passed by the parliament of Zimbabwe in 2002 and other related legislation. Its core business is the collection of revenue for the Government of Zimbabwe, administration of tax laws and the facilitation of trade and economic development in the region and beyond. ZIMRA is funded by the Government of Zimbabwe through grants.

**2 BASIS OF PREPARATION**

**2.1 Statement of compliance**

The financial statements for the year ended December 31, 2023 have been prepared in accordance with the International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standard Board (IASB).

The Authority complies with the Public Finance Management Act [Chapter 22:19], an act that ensures transparency, accountability and sound management of revenue, expenditure, asset and liabilities of public entities in Zimbabwe. Operations of the Authority were also guided by the Revenue Authority Act [Chapter 23:11] and relevant statutory instruments that were issued as at December 31, 2023.

**2.2 Basis of measurement**

The financial statements are prepared under the historical cost convention except for:

- Biological assets, which are initially measured cost and subsequently at fair value,
- property, plant and equipment which is measured using the revaluation method,
- intangible assets which is measured using the revaluation method and
- Investment properties, which is initially measured at cost and subsequently at fair value.

The 2023 financial statements have also been adjusted for the effects of inflation as required by International Accounting Standard (IAS) 29 for entities reporting in the currency of a hyperinflationary economy.

**2.3 Inflation accounting**

The Public Accountants and Auditors Board (PAAB) pronounced Zimbabwe as a hyperinflationary economy effective for reporting periods ended on or after 1 July 2019, thus the requirements of IAS 29 – Financial Reporting in Hyperinflationary Economies have been applied to the financial statements for the year ended 31 December 2023

**2.4 Going concern**

The Authority is satisfied that it is operating on a going concern basis given the sound financial position and has adequate resources to continue in operational existence for the foreseeable future.

**2.5 Functional and presentation currency**

These financial statements are presented in the Zimbabwe Dollars (ZWL\$) currency. Most of the Authority's transactions are in this currency and the same is used for financial reporting. Foreign currencies transactions are translated into Zimbabwe Dollars using the RBZ exchange rate.

In previous years, the restatement of the historical cost amounts was based on the conversion factors derived from the ZWL consumer price index (CPI) as published by Zimbabwe National Statistics Agency (ZIMSTATS). For the reporting period, publication of the ZWL CPI was discontinued effective February 2023 through Statutory Instrument (SI) 27 of 2023. The SI introduced blended inflation rates and discontinued the ZWL Consumer Price index CPI). The blended inflation rate measures weighted price movements in ZWL and US\$ over a given period to reflect the dual currency nature of incomes and prices in the Zimbabwe economy. Given the foregoing, the Authority used the CPI as published in January 2023 and an internal estimation based on the published Total Consumption Poverty Line (TCPL) from February to December 2023 to determine the Consumer Price Index (CPI). The indices and conversion factors used to restate these financials are as follows;



Month	Index	Conversion Factor
31-Dec-22	13,672.91	4.81
01-Jan-23	13,819.67	4.75
28-Feb-23	13,849.20 Estimate	4.74
31-Dec-23	65,703.44 Estimate	1.00

## 2.6 Critical accounting judgments, assumptions and estimates

In preparing the financial statements, management is required to make judgements, estimates and assumptions that affect the amounts presented in the financial statements and related disclosures. Use of available information and the application of judgment are inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the financial statements. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. Significant judgments include the following:

### 2.6.1 Impairment and provisioning policies

At each statement of financial position date, the Authority reviews the carrying amount of its assets to determine whether there is an indication that those assets suffered any impairment. If any such indication exists, the recoverable amount of the assets is estimated to determine the extent of the impairment (if any). If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. Impairment is recognised as an expense immediately, unless the relevant asset is carried at a revalued amount, in which case the impairment is treated as a revaluation decrease.

In the event that, in the subsequent period, an asset that has been subject to an impairment loss is no longer considered to be impaired, the value is restored and the gain is recognised in the statement of comprehensive income. The restoration is limited to the value which would have been recorded had the impairment adjustment not taken place.

### 2.6.2 Useful lives and residual values of property, plant and equipment

The Authority assesses useful lives and residual values of property, plant and equipment each year taking into account past experience and technology changes. The depreciation rates are set out in note 3.2 and changes to useful lives have been considered necessary during the year. Management has set residual values for all classes of property, plant and equipment at zero.

### 2.6.3 Uncollectable accounts receivable

The Authority estimates the allowance for uncollectible accounts based on management's assessment of collection indicators to determine the rate applied.

### 2.6.4 Fair value measurement

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset

Or

- In the absence of a principal market, in the most advantageous market for the asset.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset, assuming that market participants act in their economic best interest.

## 2.7 New and amended standards and interpretations

### 2.7.1 New and amended Standards Implemented in 2023

The accounting policies adopted are consistent with those of the previous financial year, except for the following new and amended International financial reporting standards (IFRS) and IFRIC interpretations adopted in 2023:

### **2.7.1.1 International Accounting Standard (IAS 1) Disclosure of Accounting Policies (amendments)**

The amendments require that an entity discloses its material accounting policies instead of its significant accounting policies. Further amendments explain how an entity can identify a material accounting policy.

The amendments to this standard are effective for annual reporting periods beginning on or after January 1, 2023 and the Authority has adopted the amendments.

### **2.7.1.2 International Accounting Standard (IAS 1) Classification of Liabilities as Current or Non-Current**

The amendments require that liabilities are classified as either current or non-current depending on the rights that exist at the end of the reporting period. According to the amendments, liabilities are classified as non-current if the entity has a substantive right to defer settlement for at least 12 months at the end of the reporting period. The assessment determines whether a right exists but does not consider whether the entity will exercise the right. The right to defer only exists if the entity complies with any relevant conditions at the reporting date. A liability is classified as current if a condition is breached at or before the reporting date and a waiver is obtained after the reporting date whilst a loan is classified as non-current if a covenant is breached after the reporting date. Settlement is defined as the extinguishment of a liability with cash, other economic resources or an entity's own equity instruments.

The amendments were issued in January 2020 and are effective in annual reporting period beginning on or after 1 January 2023 and the Authority has adopted the amendments.

### **2.7.1.3 International Accounting Standard (IAS 8) Definition of Accounting Estimates (amendments)**

The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "Monetary amounts in the financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in the financial statements to be measured in a way that involves measurement uncertainty. The amendments clarify that a change in accounting estimates that results from new information or new developments is not the correction of an error.

The amendments to this standard are effective for annual reporting periods beginning on or after January 1, 2023 and the Authority has adopted the amendments.

## **2.7.2 New and amended standards and interpretations not yet effective**

The following new and amended standards and interpretations were in issue but were not yet effective:

### **2.7.2.1 International Accounting Standard (IAS 1) Non-current Liabilities with Covenants (amendments)**

The amendments specify that a right to defer settlement for at least 12 months after the reporting date must exist at the reporting date and have substance in order for an entity to classify liability as non-current. This right may be subject to conditions (covenants) specified in the loan arrangement. Importantly only covenants that the entity must comply with on or before the reporting date impact the classification. Future covenants (those after the reporting date) do not affect the classification of the liability.

The amendments were issued in November 2022 and are effective in annual reporting period beginning on or after 1 January 2024. The Authority will be required to disclose information related to non-current liabilities with covenants when it adopts this amendment.

### **2.7.2.2 International Financial Reporting standard (IFRS) 16 Leases on sale and leaseback (amendments)**

The amendments clarify how a seller-lessee subsequently measures sale and leaseback transactions. When originally issued, International financial reporting standard (IFRS) 16 included no specific subsequent measurement requirements for sale and leaseback transactions. Consequently, it was not always clear how to subsequently measure the liability arising from a leaseback, particularly where the payments for the lease included payments that do not meet the definition of "lease payments" in International financial reporting standard (IFRS) 16 – for example where the payments include variable lease payments that do not depend on an index or a rate.

The amendments were issued in September 2022 and are effective in annual reporting period beginning on or after 1 January 2024. The Authority has not yet adopted the amendments as it currently does not have sale and lease back arrangements.

### 3 ACCOUNTING POLICIES

The accounting policies applied in the preparation of these financial statements are consistent with those applied in the financial statements for the year ended December 31, 2022. The only major change is implementation of the adopted new amendments to Accounting standards as outlined above.

#### 3.1 Property, plant and equipment

Property plant and equipment are non-current tangible fixed assets from which the Authority expects to derive future economic benefits for a period exceeding one year. The Authority's PPE comprises of:-

- Land
- Buildings
- Living Resources
- ICT Equipment
- Network Equipment
- Motor vehicles
- Plant and Machinery
- Furniture, Fixtures and Fittings
- Office Equipment
- Assets under construction

##### Living resources

The Authority has working dogs that are used for sniffing at ports of entry. The dogs are considered as Property, Plant and Equipment and are therefore accounted for using International Accounting Standard 16 (IAS) 16- "Property, Plant and Equipment."

#### 3.1.1 Recognition and Measurement

Property, plant and equipment is initially recognised at cost. Property, plant and equipment are measured at fair value less accumulated depreciation and impairment losses recognised at the date of revaluation. Valuations are performed with sufficient frequency to ensure that the carrying amount of a revalued asset does not differ materially from its fair value.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate major components of property, plant and equipment. A revaluation surplus is recorded in other comprehensive income (OCI) and credited to the asset revaluation surplus in equity. However, to the extent that it reverses a revaluation deficit of the same asset previously recognised in profit or loss, the increase is recognised in profit and loss. A revaluation deficit is recognised in the statement of profit or loss, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation reserve.

Accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Upon disposal, any revaluation reserve relating to the particular asset being disposed is transferred to retained earnings. An item of property, plant and equipment is derecognised upon disposal or loss when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset is included in the profit and loss section of the statement of profit or loss and other comprehensive income in the year the asset is derecognised.

Fixtures and fittings	10%
Furniture and equipment	10%
Plant and machinery	10%
Motor vehicles	20%
Buildings	2%
Computer equipment	33.33%
Living Resources	12.5%

#### 3.1.2 Depreciation

Provision for depreciation is based on straight line basis over the asset's expected useful life. Land and work in progress are not depreciated. The depreciation rates are set out below. A review of useful lives for assets across the classes were carried out during the year. This had the effect of extending useful lives for specific assets after a fair assessment of their usefulness to the Authority going forward. The reviews had the effect of extending lives

and the rates of depreciation remained as set out below. The annual rates used for this purpose are:

### 3.2 Assets held for sale

Non-current assets are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than continuing use. Such assets are generally measured at the lower of their carrying amount and fair value less cost to sale. Impairment losses on initial classification as held for sale and subsequent gains and losses on re-measurement are recognised in the profit or loss. Once classified as held for sale, the non-current assets are no longer depreciated.

### 3.3 Revenue

Revenue comprises of government grant, commissions from third parties, interest from loans, fees and rentals.

#### Measurement and recognition

To recognise revenue under IFRS 15, the Authority applies the following five steps:

- i. Identify the contract(s) with a customer.
- ii. Identify the performance obligations in the contract.
- iii. Determine the transaction price.
- iv. Allocate the transaction price to each performance obligation on the basis of the relative stand-alone selling prices of each distinct good or service promised in the contract.
- v. Recognise revenue when a performance obligation is satisfied by transferring a promised good or service to a customer.

The following table illustrates the recognition criteria of all the revenue streams:

Revenue class	Recognition criteria
Interest from loans	Overtime
Government grant	Point in time
Donations	Point in time
Rentals and commissions	Point in time

#### 3.3.1 Revenue grants

Government grants are assistance by Government in the form of transfers of resources to Authority in return for past or future compliance with certain conditions relating to the operating activities of the entity. Grants related to assets are Government grants whose primary condition is that Authority qualifying for them should purchase, construct or otherwise acquire long term assets.

Grants relating to income are Government grants other than those related to assets. Government grants, including non-monetary grants at fair value shall not be recognised until there is a reasonable assurance that;

- The entity will comply with the conditions attaching to them; and
- The grants will be received.

The Authority receives these two forms of grants.

#### 3.3.2 Capital grants and donation

Capital grant is recorded as deferred income in the statement of financial position when it becomes receivable and is then recognised as income on a systematic basis over the period necessary to match the grant with the related costs which they are intended to compensate. Grant amortised is credited to the income statement over the expected useful lives of the respective assets, on a straight line basis. Donations in kind are recorded as assets and also other income when received

#### 3.3.3 Donations

##### Revenue grants and Capital donations

Revenue grants are recognised as income in the profit or loss section of the statement of profit or loss and other



comprehensive income in the same period as the period during which the related expenses qualifying for the grant have been incurred. Donations are recorded as other income when received.

The periods over which Authority recognises the costs or expenses related to a Government grant are readily ascertainable. The grants in recognition of specific expenses are recognised in profit or loss in the same period as the relevant expense. The funding disbursements are authorised quarterly by the Ministry of Finance upon the Authority's submission of a quarterly cash flow which will cover both capital and income grant.

### 3.4 Employee benefits

#### i. Short term employee benefits

Short term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Authority has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

#### ii. Defined contribution plan

Obligations for contribution plans are expensed as the related service provided. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

#### iii. Termination benefits

Termination benefits are expensed at the earlier of when the Authority can no longer withdraw the offer of those benefits and when the Authority recognises costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the reporting date, then they are discounted.

### 3.5 Inventory

The Authority stocks consumables, mainly stationery, teas and beverages, fuel coupons e.t.c for operations

#### i. Measurement

Inventory is valued lower of cost or net realizable value. Net realizable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. Where the carrying amount of inventory is lower than the net realisable value, the value of the inventory is written down to net realisable value and any loss is recognized in the income statement.

#### ii. Cost formulas

The cost of inventories is assigned using the weighted average cost formula.

### 3.6 Financial Instruments

The Authority has the following financial instruments:-

#### Financial Assets

- Money market investments
- Accounts receivable
- And cash

#### Financial Liabilities

- Accounts payables

The Authority has fully complied with the International Financial Reporting (IFRS) 9. From a classification and measurement perspective the standard requires that all financial instruments' assessment be based on the Authority's business model of managing the financial instruments and the cash flow characteristics of the same, except for derivatives and equity instruments.

#### 3.6.1 Business model assessment

The Authority holds financial instruments to receive or pay contractual cash flows on specified dates at specified amounts. The Authority uses the amortized cost model to measure and recognize financial instruments.

### 3.6.2 Measurement

The Authority measures loans and advances to staff, money market investments and mortgage investments at amortised cost if both of the following conditions are met;

- The financial asset is held within a business model with the objective to hold financial assets in order collect contractual cash flows and,
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI).

#### Financial Assets

The Authority classified all its financial assets based on the business model for managing the assets and the asset's contractual terms measured at amortised cost.

#### Financial liabilities

All loans and borrowings which are measured at initial recognition at fair value less directly attributable transactional costs. After initial recognition interest bearing loans are measured at amortised costs.

### 3.6.3 Impairment of financial assets

The expected credit loss model applies to debt instruments recorded at amortised cost or at fair value through other comprehensive income. An impairment test involves comparing an asset's carrying amount in the balance sheet with its recoverable amount is done annually. Recoverable amount is the higher of fair value less costs of disposal and value in use. Where the recoverable amount using both methods is higher than the asset carrying amount, there is no impairment unless it is the reverse.

Expected credit losses is calculating the impairment allowance. After initial recognition, the impairment allowance is adjusted, up or down, through profit or loss at each balance sheet date as the probabilities of collection and recoveries change.

### 3.6.4 De-recognition of financial assets

A financial asset is derecognised when the rights to receive cash flows from the financial asset have expired.

### 3.6.5 De-recognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires.

## 3.7 Risk management

### 3.7.1 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of the unforeseen changes in interest rates. The Authority's exposure to the risk of change in market interest rates relates primarily to the held to maturity investments. Exposure to interest rate risk is managed at management level on a proactive basis. Management mitigates interest rate risks by investing in shorter maturity securities.

### 3.7.2 Credit risk

The Authority's debtors are largely internal, that is, staff members issued with loans, advance salaries and travelling and subsistence allowance. The exposures are subject to ongoing monitoring and the monitoring of exposures involves the employee employment status, duration of employment and position.

### 3.7.3 Market risk

The Authority takes on exposure to market risk which is the risk that the fair value or future cash flow of a financial instrument will fluctuate because of changes in market prices. Market risks arise from open positions in interest rate currency which is exposed to the general market movements and changes in the level of volatility of the market rates or prices such as interest rates and foreign exchanges.

### 3.7.4 Foreign currency translation risk

While the Authority records are maintained in Zimbabwe Dollars (ZWL), some of its transactions are conducted in

other major foreign currencies which include the United States Dollar, South African Rand, Botswana Pula, British Pound and Euros. Transactions in foreign currencies are translated to the Zimbabwe Dollar using the interbank rate. Translation gains and losses arising on conversion or settlement are dealt with in the statement of comprehensive income in determination of the operating income.

### **3.8 Taxation**

The Authority's receipts and payments are exempt from income tax in terms of the third schedule to the Income Tax Act [Chapter 23:04].

### **3.9 Development costs**

Development expenditure is capitalised only if the expenditure can be measured reliably, the product or process is technically feasible, future economic benefits are probable and the Authority intends to and has sufficient resources to complete development and to use the asset. Otherwise expenditure is recognised in profit or loss as incurred. Subsequent to initial recognition, development expenditure is measured at cost less accumulated amortisation and any impairment losses.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in the profit or loss as incurred. Any expenditure capitalised is normally amortised over three years.

### **3.10 Leases**

#### **3.10.1 The Authority as a lessee**

The Authority has lease contracts for several properties which are leased for office and staff accommodation. Terms and conditions of the leases are negotiated by management. Where lease terms exceed 12 months and values of the underlying assets exceed USD5000.00, the leases are recognised as "Right of Use" assets and the related obligations are recognised as liabilities.

#### **3.10.2 Short-term and low value assets leases**

The Authority recognised leases that were less than 12 months old at the reporting date and related to leasing of small items which have a value of less than US\$5 000. Obligations incurred under these leases were charged to the statement of comprehensive income in equal instalments over the period of the lease, except when the alternative method is more representative of the time pattern from which benefits are derived.

#### **3.10.3 The Authority as a lessor**

The Authority leases out additional space at its premises to third parties. The leases are recognised as operating leases where rental income from the leases is credited to the Statement of profit or loss and other comprehensive income.

### **3.11 Intangible assets**

An intangible asset is recognised only when its cost can be measured reliably and it is probable that the expected future economic benefits that are attributable to it will flow to the Authority. Software acquired separately is measured on initial recognition at cost. Following initial recognition, it is carried at cost less any accumulated amortization and accumulated impairment losses.

The useful lives of intangible assets are assessed as finite and residual values are assumed to be zero. Intangible assets are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset is reviewed at the end of each reporting period. Changes in the expected useful life or the expected pattern or consumption of amortisation period or method as appropriate and are treated as changes in accounting estimates. The amortisation expense is recognised in the statement of comprehensive income. Amortisation is recognised in the statement of comprehensive income on straight line basis over the useful life of the software. Amortisation methods, useful lives and residual lives are reviewed at each financial year end and adjusted if appropriate.

The estimated economic useful life applied is as follows:

SAP operating software	3 years
Other software	3 years

**3.12 Biological assets**

The Authority owns dogs that are kept mostly for breeding purposes. These are initially measured at cost and subsequently at fair value less cost to sell, with any change therein recognised in profit or loss. The fair value measurement is done at the end of each reporting period. Biological assets are derecognized when the Authority ceases to derive economic benefits from the assets.

**3.13 Investment property**

The Authority’s Investment Property portfolio comprises of buildings that are being rented out and land held for undetermined future use.

**Measurement and recognition**

Investment property is initially measured at cost and subsequently at fair value according to the fair value model, which reflects market conditions at end of the reporting period. Gains or losses resulting from a change in the fair value of investment property are recognised in the income statement in the year they arise.





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	4 Property, plant and equipment- Inflation adjusted											TOTAL	
	Buildings	Living Resources	Land	Plant and Machinery	Office Equipment	Furniture, Fixtures, Fittings and Equipment	Computer Equipment	Motor Vehicles	Network Equipment	Construction Progress	31-Dec-23 ZWL\$	31-Dec-22 ZWL\$	
Opening carrying amount	206 141 558 775	102 303 775	47 477 885 375	49 941 688 347	1 845 914 989	16 053 781 979	24 954 551 428	34 382 743 963	8 382 466 312	16 020 885 605	405 303 780 557	86 666 135 263	
Gross carrying amount	206 141 558 775	102 303 775	47 477 885 375	49 941 688 347	1 845 914 989	16 053 781 979	24 954 551 428	34 382 743 963	8 382 466 312	16 020 885 605	405 303 780 557	86 666 135 263	
Accumulated depreciation	-	-	-	-	-	-	-	-	-	-	-	-	
Additions at cost	2 678 872 037	-	179 865 841	87 480 486 984	4 493 372 524	2 960 655 151	53 515 768 859	40 381 578 063	5 510 900 373	68 328 739 440	265 530 239 284	17 413 438 489	
Donations / reclassification	-	-	-	1 159 708 007	-	1 837 982 083	1 949 283 826	-	-	-	4 946 973 916	762 871 556	
Disposal - carrying amount	-	(1 160 931)	-	(31 656 176)	(13 605 539)	(44 004 629)	(281 218 247)	(581 225 147)	(8 488 534)	-	(928 366 149)	(4 069 375 955)	
Disposal at cost/ deemed cost	-	(1 506 073)	-	(38 845 016)	(15 763 541)	(69 632 413)	(308 411 061)	(1 135 869 438)	(11 486 981)	-	(1 567 151 488)	(4 306 444 227)	
Depreciation on disposals	-	345 142	-	7 188 840	1 586 002	23 627 724	47 192 813	553 844 291	2 988 447	-	638 785 319	237 065 271	
Impairment	-	-	-	-	-	-	-	-	(3 485 412 134)	-	(3 483 412 134)	(56 156 544)	
Asset write down due to revaluation	(3 192 099 760)	(16 817 820)	-	(12 153 486 907)	(562 516 601)	(2 214 914 647)	(12 044 430 864)	(14 587 704 432)	(3 161 274 239)	-	(47 943 225 270)	8 480 092 881	
Accumulated depreciation reversal	3 192 099 760	16 817 820	-	12 153 486 907	562 516 601	2 214 914 647	12 044 430 864	14 587 704 432	3 161 274 239	-	47 943 225 270	(8 480 092 881)	
Depreciation charge for the year	(3 192 099 760)	(17 162 962)	-	(12 160 655 747)	(564 104 603)	(2 240 542 431)	(12 091 623 677)	(15 151 548 722)	(3 164 272 686)	-	(48 582 010 588)	(8 586 541 432)	
Revaluation surplus/(loss)	11 681 060 702	80 206 631	52 342 289 613	(64 237 871 217)	(2 955 658 619)	(8 016 118 753)	(34 025 211 040)	(10 874 544 865)	(4 306 495 301)	-	(60 302 342 849)	304 693 321 290	
Closing carrying amount	217 319 391 754	164 186 514	100 000 040 830	62 151 700 208	2 805 918 762	10 551 753 400	34 041 551 149	48 157 003 290	2 920 727 731	84 349 625 045	562 461 886 683	405 303 780 557	
Revalued amount / Gross carrying amount	217 319 391 754	164 186 514	100 000 040 830	62 151 700 208	2 805 918 762	10 551 753 400	34 041 551 149	48 157 003 290	2 920 727 731	84 349 625 045	562 461 886 683	405 303 780 557	
Accumulated depreciation	-	-	-	-	-	-	-	-	-	-	-	-	

**ZIMBABWE REVENUE AUTHORITY**  
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	Historical cost											
											TOTAL	
	Buildings	Living Resources	Land	Plant and Machinery	Office Equipment	Furniture, Fixtures, Fittings and Equipment	Computer Equipment	Motor Vehicles	Network Equipment	Construction Work in Progress	31-Dec-23 ZWL\$	31-Dec-22 ZWL\$
<b>4 Property, plant and equipment</b>												
Opening carrying amount	42 856 872 926	21 288 976	9 870 662 240	10 382 887 390	383 766 112	3 337 584 611	5 188 056 430	7 148 178 618	1 742 716 489	3 330 745 448	84 262 740 241	18 017 907 539
Gross carrying amount	42 856 872 926	21 288 976	9 870 662 240	10 382 887 390	383 766 112	3 337 584 611	5 188 056 430	7 148 178 618	1 742 716 489	3 330 745 448	84 262 740 241	18 017 907 539
Accumulated depreciation	-	-	-	-	-	-	-	-	-	-	-	-
Additions at cost	1 022 470 243	-	68 661 085	33 389 498 853	1 715 027 881	1 130 021 050	20 425 865 977	15 412 816 054	2 103 397 089	28 079 671 542	101 347 419 573	3 620 257 484
Donations/reclassification	-	-	-	442 636 644	-	701 519 879	744 001 460	-	-	-	1 888 157 983	158 801 155
Disposal - carrying amount	-	(443 104)	-	(12 082 510)	(5 568 656)	(16 795 660)	(98 701 621)	(221 841 659)	(3 228 448)	-	(359 676 658)	(868 155 407)
Disposal at cost/steamed cost	-	(574 837)	-	(14 828 342)	(6 188 764)	(28 577 257)	(117 714 145)	(433 232 610)	(4 372 884)	-	(603 487 849)	(895 310 650)
Depreciation on disposals	-	131 734	-	2 743 632	606 108	9 781 587	18 012 324	211 390 961	1 144 445	-	243 811 190	27 155 243
Impairment	-	-	-	-	-	-	-	(1 333 383 524)	-	-	(1 333 383 524)	(11 675 373)
Asset write down due to revaluation	(1 218 358 687)	(6 419 015)	-	(4 638 727 827)	(2 147 000 983)	(845 387 270)	(4 597 111 017)	(5 571 642 913)	(1 206 583 221)	-	(18 288 940 943)	1763 013 073
Accumulated Depreciation reversal	1 218 358 687	6 419 015	-	4 638 727 827	2 147 000 983	845 387 270	4 597 111 017	5 571 642 913	1 206 583 221	-	18 288 940 943	1 763 013 073
Depreciation charge for the year	(1 218 358 687)	(6 550 749)	-	(4 641 471 659)	(2 153 307 101)	( 855 168 867)	(4 615 123 541)	( 5 783 033 864)	(1 207 737 666)	-	(18 542 752 133)	(1 774 168 994)
Revaluation surplus	174 658 407 272	149 911 390	90 060 727 505	22 590 231 490	928 015 726	6 254 592 387	12 398 452 444	32 182 108 289	1 618 943 791	-	340 841 390 294	63 345 804 842
Closing carrying amount	217 319 391 754	164 168 514	100 000 040 830	62 151 700 206	2 805 918 762	10 551 753 400	34 041 551 149	48 738 228 438	2 920 727 731	29 410 416 990	508 103 915 777	84 262 740 241
Revalued amount/Gross carrying amount	217 319 391 754	164 168 514	100 000 040 830	62 151 700 206	2 805 918 762	10 551 753 400	34 041 551 149	48 738 228 438	2 920 727 731	29 410 416 990	508 103 915 777	84 262 740 241
Accumulated Depreciation	-	( )	-	-	-	( )	-	-	-	-	-	-

## ZIMBABWE REVENUE AUTHORITY

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	Inflation adjusted		Historical cost	
	31-Dec-23 ZWL\$	31-Dec-22 ZWL\$	31-Dec-23 ZWL\$	31-Dec-22 ZWL\$
<b>5 Intangible assets</b>				
<b>SAP software and development cost</b>				
Opening carrying amount	22 929 441 202	12 084 100 884	3 888 384 338	730 316 014
Gross carrying amount	22 929 441 202	12 084 100 884	3 888 384 338	730 316 014
Accumulated amortisation	-	-	-	-
Additions at cost	1 491 680 189	177 721 814	569 343 584	20 413 482
Donations	33 803 136 206	-	12 901 960 384	-
Revaluation gain/(Loss)	(11 727 019 841)	10 667 618 505	25 387 165 997	3 137 654 842
Asset write down due to revaluation	(6 065 434 967)	-	(2 315 051 514)	-
Accumulated amortisation reversal	6 065 434 967	2 773 315 966	2 315 051 514	318 548 600
Amortisation charge for the year	(6 065 434 967)	(2 773 315 966)	(2 315 051 514)	(318 548 600)
<b>Closing carrying amount</b>	<b>40 431 802 789</b>	<b>22 929 441 202</b>	<b>40 431 802 789</b>	<b>3 888 384 338</b>
Gross carrying amount	40 431 802 789	22 929 441 202	40 431 802 789	3 888 384 338
Accumulated amortisation	-	-	-	-
<b>6 Biological assets</b>				
Opening balance	16 114 337	12 509 074	1 505 535	756 000
Fair value	11 467 001	6 029 503	11 467 001	1 253 535
Transfers	-	(2 424 240)	-	(504 000)
	<b>27 581 338</b>	<b>16 114 337</b>	<b>12 972 536</b>	<b>1 505 535</b>
<b>7 Investment Property</b>				
The Authority converted some of its properties from own use to investment properties from which it expects to generate rental income at commercial rates. The properties were recognised as buildings in 2022 but were transferred to Investment Properties in 2023. Below is the reconciliation of the transfer.				
	31-Dec-23 ZWL\$	31-Dec-22 ZWL\$	31-Dec-23 ZWL\$	31-Dec-22 ZWL\$
Opening balance (Reclassification from Property, Plant and Equipment)	16 239 281 500	3 247 302 275	3 376 150 000	675 114 818
Fair Value Gain	21 538 504 922	12 991 979 225	21 538 504 922	2 701 035 182
Fair Value as at 31 December 2023	<b>37 777 786 422</b>	<b>16 239 281 500</b>	<b>24 914 654 922</b>	<b>3 376 150 000</b>
<b>8 Leases</b>				
The Authority entered into lease agreements with various property owners for office accommodation and staff accommodation especially at border posts. The Authority is obligated to provide accommodation to its staff members stationed at Border Posts in terms of its Human Capital Policy. The lease terms range from less than a year to 5 years. Most of the leases are amenable to renewal upon expiry of the lease agreements. However, leases with terms that are less than a year are treated as short term leases and are expensed in terms of the standard.				
<b>8.1 Right of Use</b>				
<b>Right of use assets recognised</b>				
Building and land				
Opening balance	13 255 814 200	1 327 866 628	1 517 475 100	152 009 112
Additions	60 797 157 894	15 248 409 364	23 205 022 097	1 745 579 801
Terminations carrying amounts	(1 155 295 278)	-	(440 952 396)	-
Cost	(2 479 685 942)	-	(946 445 016)	-
Accumulated depreciation	1 324 390 664	-	505 492 620	-
Opening accumulated depreciation	(1 828 347 441)	(768 777 177)	(380 113 813)	(88 006 682)
Less depreciation charge for the year	(19 005 595 917)	(2 551 684 615)	(7 254 044 243)	(292 107 132)
	<b>52 063 733 459</b>	<b>13 255 814 200</b>	<b>16 647 386 745</b>	<b>1 517 475 100</b>
<b>8.2 Lease Liability</b>				
Opening Balance	9 418 557 407	924 571 471	1 958 120 043	192 218 601
Additions	21 244 612 102	8 396 238 844	21 244 612 102	1 745 579 801
Terminations	(440 952 395)	-	(440 952 395)	-
Interest	9 039 847 918	2 884 520 212	9 039 847 918	599 692 352
Payments	(14 543 750 413)	(2 786 773 119)	(14 543 750 413)	(579 370 711)
Principal portion	5 503 902 495	97 747 093	5 503 902 495	20 321 641
Interest portion	9 039 847 918	(2 884 520 212)	9 039 847 918	(599 692 352)
Closing Balance	<b>24 718 314 619</b>	<b>9 418 557 407</b>	<b>17 257 877 255</b>	<b>1 958 120 043</b>
Current portion of lease liability	11 097 586 635	3 064 064 381	9 802 546 360	637 019 622
Non current of lease liability	13 620 727 984	6 354 493 025	7 455 330 895	1 321 100 421

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	Inflation adjusted		Historical cost	
	31-Dec-23 ZWL\$	31-Dec-22 ZWL\$	31-Dec-23 ZWL\$	31-Dec-22 ZWL\$
<b>8.3 Finance cost</b>				
Finance costs refer to the interest incurred by the Authority for the right to use other entities' assets, particularly land and buildings.				
Interest-Lease	23 684 401 545	2 884 520 213	9 039 847 918	599 692 352
	<u>23 684 401 545</u>	<u>2 884 520 213</u>	<u>9 039 847 918</u>	<u>599 692 352</u>

**8.4 Lease Payments Maturity Analysis**

Year	Lease Payment	Interest	Decrease in Liability
0 - 1 Year	9 843 315 836	7 810 151 645	2 033 164 190
2 to 3 years	18 645 043 098	8 515 393 459	10 129 649 639
4 to 5 years	2 134 648 095	1 050 937 726	1 083 710 369

**8.5 Rental Income from Operating Leases**

The Authority leases out additional space at its premises, especially at border posts and office buildings. These are essentially operating leases where the Authority retains all risks and rewards associated with the underlying assets. The Authority manages the risks associated with the underlying properties by ensuring that they have full insurance cover. In 2023, an amount of ZWL\$472 711 182.14 was realised from the operating leases.

**Rental Income Maturity Analysis**

Year	Rental income
1 - 2 Year	945 422 364
3 to 4 years	945 422 364
5 years	472 711 182

**9 Inventory**

Fiscalisation devices	502 477	2 213 966	191 785	191 785
Operating supplies	7 356 268 372	4 691 953 904	2 807 736 020	538 927 178
	<u>7 356 770 849</u>	<u>4 694 167 870</u>	<u>2 807 927 805</u>	<u>539 118 963</u>

**10 Financial assets**

**Non- current**

**10.1 Mortgage support investment**

Mortgage support is an investment vehicle in support of the ZIMRA Staff Mortgage loan scheme. The investment is seed money to enable the banks to give out loans to staff at concessionary rates. The loan is recognised at the consideration amount, unless if there are significant financial components changes when it will be recognised at fair value. The carrying amount is considered to be the same as the fair value.

	31-Dec-23 ZWL\$	31-Dec-22 ZWL\$	31-Dec-23 ZWL\$	31-Dec-22 ZWL\$
Opening balance	601 000 000	28 751 741	601 000 000	1 737 643
Investment during the year	5 240 000 000	5 223 660 000	2 000 000 000	600 000 000
Maturities	-	(6 421 995)	-	(737 643)
Closing balance	<u>5 841 000 000</u>	<u>5 245 989 747</u>	<u>2 601 000 000</u>	<u>601 000 000</u>

**10.2 Motor vehicle support investment**

Opening balance	2 036 040 622	1046 738 819	2 036 040 622	63 260 819
Investment during the year	920 298 856	16 521 094 951	920 298 856	1 897 645 898
Interest earned	324 829 914	654 123 285	123 980 883	75 133 904
Closing balance	<u>3 281 169 391</u>	<u>18 221 957 055</u>	<u>3 080 320 361</u>	<u>2 036 040 622</u>

**Grant total**

	<u>9 122 169 391</u>	<u>23 467 946 801</u>	<u>5 681 320 361</u>	<u>2 637 040 622</u>
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**11 Accounts receivables**

Security deposit	16 652 938	7 608 489 480	16 652 938	1 581 806 545
Rent receivables	236 257 766	27 187 013	236 257 766	5 652 186
Commission receivables	1 007 000 279	1 283 847 218	1 007 000 279	266 912 104
Staff debtors	3 599 344 330	3 661 570 808	3 599 344 330	761 241 332
Travelling and subsistence advances	1 527 542 371	177 583 980	1 527 542 371	36 919 746
Accrued interest	976 634 765	4 033 480 226	976 634 765	838 561 377
Allowance for credit loss	(19 313 194)	(18 531 044)	(19 313 194)	(3 852 608)
	<u>7 344 119 254</u>	<u>16 773 627 680</u>	<u>7 344 119 254</u>	<u>3 487 240 682</u>



**ZIMBABWE REVENUE AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS**

for the year ended December 31, 2023

**Note 11 Continued**

	Inflation adjusted		Historical cost	
	31-Dec-23 ZWL\$	31-Dec-22 ZWL\$	31-Dec-23 ZWL\$	31-Dec-22 ZWL\$

**Expected Credit Loss (Simplified Approach)**

The Authority's debtors are largely internal, that is, staff members issued with loans, advance salaries and travelling and subsistence allowances. The probability of default remains minimal even after the staff members leave the organisation as there is always room for recovery from terminal benefits.

Management has used past experience to come up with a predictive model for default risk and the following provision matrix has been used to compute ECL.

Current	121 to 180 days	181 - 240 days	241 - 300 days	301 - 360 days	361 and above
0.05%	0.15%	0.35%	0.50%	0.90%	2.00%

Refer to the table below for the computations of the 2023 ECL

Probability of default	Loans/other		T&S	Total	Default rate	Loss allowance
	Ageing	Ageing				
0<120	606 717 315	1 495 894 603		2 102 611 918	0.05%	1 051 306
121<180	2266 712 963	26 147 799		2292 860 762	0.15%	3 439 291
181<240	179 376 091	1 443 370		180 819 461	0.35%	632 868
241<300	(33 421 319)	1 323 000		(32 098 319)	0.50%	- 160 492
301<360	10 055 383	1 579 671		11 635 054	0.90%	104 715
361 and above	711 121 319	1 153 928		712 275 247	2.00%	14 245 505
<b>Total</b>	<b>3 740 561 752</b>	<b>1 527 542 371</b>		<b>5 268 104 123</b>		<b>19 313 194</b>

Loans and Other Debtors is constituted by the following:

Salary Advances	63 221 394
Personal loans	3 475 641 096
Rental Customers	201 699 262
	<b>3 740 561 752</b>

The following Accounts Receivables were considered risk free, hence no credit loss allowance was provided.

Commissions Receivable	1007 000 279
Accrued Interest	976 634 765
	<b>1 983 635 044</b>

Total 5 724 196 796

**12 Assets held for sale**

In 2023, the Authority had assets held for sale

	31-Dec-23 ZWL\$	31-Dec-22 ZWL\$	31-Dec-23 ZWL\$	31-Dec-22 ZWL\$
Carrying amount on date of transfer	76 907 937	14 022 882	29 354 174	2 915 360
Fair Value	549 300 494	15 839 330	549 300 494	3 293 000
<b>Gain</b>	<b>472 392 557</b>	<b>1 816 448</b>	<b>519 946 320</b>	<b>377 640</b>

**Classification of Assets Held for Sale by Asset Class**

Asset Class	Motor Vehicles	Furniture	Computer Equip	Office Equip	Total (ZWL\$)
Value	23 261 690	1 353 190	2 259 418	2 479 876	29 354 174

**13 Prepayments**

Repairs	175 924 491	86 200 717	67 146 752	9 901 186
Projects	24 058 117	24 310 120	9 182 488	2 792 309
Others	-	31 520 122	-	3 620 464
Rentals	22 162 688	247 882 754	8 459 041	28 472 307
Uniforms	-	254 299 924	-	29 209 396
Assets	557 878 512	1 825 311 445	212 930 730	209 658 911
Hotel accommodation	-	49 433 236	-	5 678 000
Travelling and subsistence	18 287 600	-	6 980 000	-
Marketing and publicity	74 253 682	-	28 341 100	-
Operating supplies	12 841 921 742	-	4 901 496 848	-
	<b>13 714 486 832</b>	<b>2 518 958 318</b>	<b>5 234 536 959</b>	<b>289 332 573</b>

**14 Cash and cash equivalents**

Bank balances	85 663 634 449	3 222 925 916	85 663 634 449	670 046 968
Cash in hand petty cash	9 988 177	4 452 824	9 988 177	925 743
Funds on call and deposits	30 182 984 930	122 566 640 127	30 182 984 930	25 481 629 964
	<b>115 856 607 556</b>	<b>125 794 018 867</b>	<b>115 856 607 556</b>	<b>26 152 602 676</b>

**15 Deferred income**

	31-Dec-23 ZWL\$	31-Dec-22 ZWL\$	31-Dec-23 ZWL\$	31-Dec-22 ZWL\$
Opening balance	229 270 345 756	94 226 233 460	21 206 102 646	5 694 666 723
Capital grant	119 355 778 781	127 740 096 074	45 555 640 756	14 672 482 061
Clearance fees	5 053 115 617	7 545 300 324	1 928 670 083	866 668 235
Amortised during the year	(54 308 775 184)	(241 284 102)	(20 728 540 147)	(27 714 373)
	<b>299 370 464 971</b>	<b>229 270 345 756</b>	<b>47 961 873 339</b>	<b>21 206 102 646</b>

**15.1 Adjustment to omission disclosure**

Amortised during the year	-	(17 978 124 542)	-	(2 065 003 221)
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<b>Total amortised during the year</b>	<b>(54 308 775 184)</b>	<b>(18 219 408 644)</b>	<b>(20 728 540 147)</b>	<b>(2 092 717 594)</b>
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**ZIMBABWE REVENUE AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS**

for the year ended December 31, 2023

	Inflation adjusted		Historical cost	
	31-Dec-23 ZWL\$	31-Dec-22 ZWL\$	31-Dec-23 ZWL\$	31-Dec-22 ZWL\$
<b>16 Provisions</b>				
Performance award	-	2 563 168 298	-	532 883 222
Gratuity	1 474 434 936	2 015 553 487	1 474 434 936	419 033 989
Provisions for pending labour disputes	566 286 613	421 741 901	566 286 613	87 680 229
Leave pay provision	7 859 964 631	3 560 754 674	7 859 964 631	740 281 637
	<b>9 900 686 180</b>	<b>8 561 218 360</b>	<b>9 900 686 180</b>	<b>1 779 879 076</b>
<b>17 Payables</b>				
Bandwidth	2 744 524 214	2 415 634 321	2 744 524 214	502 210 878
Electricity and rates	1 318 031 686	621 362 161	1 318 031 686	129 181 323
Cellphone charges	140 455 453	109 489 560	140 455 453	22 762 902
Hotel accommodation	53 969 321	299 914 111	53 969 321	62 352 206
Consultancy	-	2 111 863 463	-	439 056 853
Insurance excess	-	7 792 200	-	1 620 000
Hire of conference facilities	-	769 600	-	160 000
Re-measurement of foreign obligations	951 292 944	14 363 561 888	951 292 944	2 986 187 503
Overtime	-	334 777 087	-	69 600 226
Acting allowance	-	88 116 474	-	18 319 433
Funeral benefit	700 000 000	111 085 052	700 000 000	23 094 605
Salary	-	440 582 369	-	91 597 166
Staff welfare	22 260 080	154 560 559	22 260 080	32 133 172
Repairs and maintenance motor vehicles	311 442 790	312 468 061	311 442 790	64 962 175
Cleaning	339 716 819	47 582 080	339 716 819	9 892 324
Security	1 283 287 641	52 526 988	1 283 287 641	10 920 372
Training	-	10 969 109	-	2 280 480
Legal Fees	360 000 000	9 620 000	360 000 000	2 000 000
Night allowance	-	23 495 416	-	4 884 702
Protective clothing	-	3 583 450	-	745 000
Operational utilities	45 331 422	13 339 116	45 331 422	2 773 205
Licencing and subscriptions	5 921 268 112	964 017 413	5 921 268 112	200 419 421
Repairs and maintenance	335 185 249	5 947 745 336	335 185 249	1 236 537 492
Marketing and publicity	696 858 409	303 618 451	696 858 409	63 122 339
Books and courier services	-	3 294 850	-	685 000
Printing and Stationery	-	22 372 753	-	4 651 300
Rentals	1 018 604 734	240 463 209	1 018 604 734	49 992 351
Telephone charges	89 072 131	22 564 777	89 072 131	4 691 222
Travelling and Subsistence	854 818 448	183 739 553	854 818 448	38 199 491
Hire - motor vehicles	4 388 237	22 888 385	4 388 237	4 758 500
Uniforms	-	4 052 161 387	-	842 445 195
Computer stationery	-	12 121 200	-	2 520 000
Stock creditors	160 998 512	2 051 877 485	160 998 512	426 585 756
Trade creditors	12 882 031 505	6 954 839 007	12 882 031 505	1 445 912 475
Invoice management system	3 836 758	18 454 806	3 836 758	3 836 758
Retention for default liability on projects	2 277 016	25 159 113	2 277 016	5 230 585
Withholding tax obligations	126 988 798	575 389 282	126 988 798	119 623 551
	<b>30 366 640 278</b>	<b>42 933 800 072</b>	<b>30 366 640 278</b>	<b>8 925 945 961</b>
<b>18 Depreciation for the year</b>				
Depreciation on property, plant and equipment	48 582 010 588	8 586 541 432	18 542 752 133	1 774 168 994
Amortisation on Intangible assets	6 065 434 967	2 773 315 966	2 315 051 514	318 548 600
Depreciation on right of use assets recognised	19 005 595 917	2 551 684 615	7 254 044 243	292 107 132
	<b>73 653 041 472</b>	<b>13 911 542 014</b>	<b>28 111 847 890</b>	<b>2 384 824 726</b>
<b>19 Other income</b>				
Profit on disposal of assets	126 937 048	-	58 689 629	-
Insurance	4 261 845 318	1 569 179 090	3 039 299 858	264 931 995
Clearing of vehicles (Central Vehicle Registration)	74 576 868	45 840 527	52 474 588	5 086 125
Exchange gain	204 148 591 870	66 388 050 673	113 534 830 693	12 762 831 864
Gain from price difference	12 738 107	18 109 323	9 918 856	3 324 073
Fair value income	21 549 971 923	12 998 008 729	21 549 971 923	2 702 288 716
Auction Income	2 100 564 968	9 783 386	1 779 520 499	709 000
Tender documents sales	-	3 949	-	400
Donations	6 186 525 749	3 751 348 476	3 569 187 671	779 906 128
Other commissions	197 083 580	69 403 894	122 645 845	12 154 097
Commission on Kariba dam toll fees	2 718 855	1 553 091	2 034 500	261 894
Miscellaneous	11 678 881	9 018 928	7 907 070	1 609 572
	<b>238 673 233 165</b>	<b>84 860 300 065</b>	<b>143 726 481 132</b>	<b>16 533 103 864</b>

## ZIMBABWE REVENUE AUTHORITY

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended December 31, 2023.

	Inflation adjusted		Historical cost	
	31-Dec-23 ZWL\$	31-Dec-22 ZWL\$	31-Dec-23 ZWL\$	31-Dec-22 ZWL\$
<b>20 Employment cost</b>				
Cash in lieu of leave	16 853 300 578	88 722 528	7 748 527 083	123 730 291
Overtime	4 777 198 784	6 649 807 660	2 042 152 048	909 681 373
National employment council	593 911 940	913 190 977	286 481 507	110 619 680
Medical expenses	19 857 862 376	12 604 583 312	11 243 397 625	1 932 969 370
Pension contributions	9 298 173 157	10 939 104 058	4 660 634 474	1 393 267 822
Social security contributions	3 042 465 822	2 367 825 439	1 474 718 589	329 050 756
Salaries and benefits	459 459 412 485	240 148 066 047	266 741 768 383	35 579 770 472
Zimbabwe manpower development and standard levy	5 140 282 678	3 244 545 606	2 899 385 393	444 956 039
	<b>519 022 607 821</b>	<b>276 955 845 627</b>	<b>297 097 065 103</b>	<b>40 824 045 801</b>
<b>Administration costs</b>				
<b>21</b> Allowance for credit loss	782 150	9 406 287	15 460 586	1 955 569
Loss on disposal	-	4 277 948 825	-	867 224 788
Board fees and allowances	2 020 787 514	900 358 080	1 226 353 136	150 359 406
Cleaning	7 269 219 692	2 465 418 617	4 619 767 892	364 405 595
Consultancy and legal fees	5 935 055 446	4 603 721 919	4 003 929 427	843 789 080
Depreciation and amortisation(note 18)	73 653 041 472	13 911 542 014	28 111 847 890	2 384 824 726
Obsolete stock written off	30 512 304	-	27 308 818	-
Write down of consumables to net realisable value	38 598 160	26 611 133	26 372 598	4 660 377
Marketing and publicity	7 646 072 424	4 107 219 731	5 552 994 817	724 245 147
Motor vehicle expenses	16 369 075 932	9 468 960 911	10 100 209 812	1 855 052 975
Office accommodation	18 429 929 513	4 430 127 989	11 158 184 282	585 719 401
Office and operational utilities	3 435 025 301	8 602 760 426	1 878 788 820	1 770 265 160
Printing and stationery	2 353 346 171	1 281 069 133	1 450 695 712	203 613 264
Protective clothing	125 559 112	341 351 073	87 861 371	44 541 960
Recruitment fees	570 341 419	438 072 001	327 404 008	70 683 778
Rentals and hire	18 434 910 125	17 420 606 355	8 264 364 735	3 085 605 380
Repairs and maintenance	13 662 405 566	15 788 055 208	10 724 764 664	2 952 054 865
Security	25 931 734 874	8 296 136 177	17 434 052 185	1 446 442 270
Staff welfare	4 863 868 264	572 838 359	3 396 852 175	89 106 430
Subscriptions and licensing	27 029 171 964	10 357 739 676	13 870 367 999	1 717 246 050
Telephone and postages	3 676 350 015	1 894 096 778	2 167 249 670	278 696 616
Training costs	4 963 218 939	3 293 209 679	2 944 894 586	666 381 241
Uniforms	8 379 703 503	10 058 690 514	4 837 812 256	1 852 635 074
Fiscalisation devices	3 153 926	9 606 253	778 260	612 011
Audit fees	1 522 765 115	255 735 983	801 936 202	30 649 020
Travel and subsistence	48 815 984 500	22 108 604 601	32 812 759 034	3 567 046 737
Bank charges	447 036 865	222 739 296	446 407 948	34 683 205
Written off discontinued projects	211 966 632	38 257 335	45 004 226	7 953 708
Rates,water and electricity	14 884 454 886	-	10 355 416 422	-
Exchange loss	-	59 797 998 937	-	11 283 442 340
	<b>310 704 071 783</b>	<b>204 978 883 289</b>	<b>176 689 839 532</b>	<b>36 883 896 172</b>

**ZIMBABWE REVENUE AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS**

for the year ended December 31, 2023

**22 Related party transactions**

**22.1 Board of directors**

The board of directors consisted of eleven non-executive directors and one executive member. Gross sitting allowances and fees for the non-executive directors for the year ended December 31, 2023 were as follows:

	Inflation adjusted		Historical cost	
	31-Dec-23 ZWL\$	31-Dec-22 ZWL\$	31-Dec-23 ZWL\$	31-Dec-22 ZWL\$
Board fees	561 083 107	192 402 684	308 949 455	22 025 526
Board chairperson	83 479 755	21 805 418	45 966 497	2 496 201
Vice Board chairperson	61 460 833	19 937 772	33 842 207	2 282 400
Other board members	416 142 519	150 659 493	229 140 751	17 246 925
<b>Sitting allowances</b>	<b>844 683 254</b>	<b>189 210 277</b>	<b>466 675 831</b>	<b>21 667 600</b>
Board chairperson	89 293 957	19 512 982	49 333 678	2 241 300
Vice Board chairperson	73 675 969	18 168 669	40 704 955	2 079 880
Other board members	681 713 328	151 528 627	376 637 198	17 346 420
<b>Travelling allowances</b>	<b>615 021 153</b>	<b>518 745 119</b>	<b>450 727 850</b>	<b>106 666 280</b>
	<b>2 020 787 514</b>	<b>900 358 080</b>	<b>1 226 353 136</b>	<b>150 359 406</b>

**22.2 Key management compensation**

The Authority's executive management consists of fourteen (14) members, twelve (12) are substantive executives while two (2) are in an acting capacity pending resourcing of the vacancies. Remuneration of executive members of the Authority comprise of an annual base salary, benefit allowance, general living allowance, fuel allowance, a quarterly performance incentive, social security contributions, pension contributions, medical aid contributions and other benefits. Payment of the performance incentive is dependent on the Authority meeting its quarterly revenue collection targets and the performance of the Executive.

<b>22.3 Short term employee benefits</b>	<b>19 415 902 319</b>	<b>4 242 351 159</b>	<b>7 410 649 740</b>	<b>485 648 196</b>
Basic salary	2 116 195 589	783 052 853	807 708 240	89 640 907
Benefit allowance	9 520 476 562	2 287 810 180	3 633 769 680	261 899 792
General living allowance	5 951 752 894	364 821 280	2 271 661 410	41 763 350
Performance Award	182 400 247	103 081 893	69 618 415	11 800 423
Fuel allowance	1 346 376 418	422 760 390	513 884 129	48 395 999
Medical aid	221 815 383	83 655 015	84 662 360	9 576 507
Acting allowance	76 885 226	18 152 050	29 345 506	2 077 977
Cost of Living Allowance	-	179 017 498	-	20 493 241
<b>Post employment benefits</b>	<b>398 733 260</b>	<b>176 516 298</b>	<b>152 188 267</b>	<b>20 206 913</b>
Pension	317 444 244	153 723 410	121 161 925	17 597 670
NSSA	50 976 902	9 402 684	19 456 833	1 076 383
Group life assurance	26 766 837	11 824 101	10 216 350	1 353 578
Funeral fund	3 545 277	1 566 102	1 353 159	179 282
<b>Total</b>	<b>19 814 635 578</b>	<b>4 418 867 457</b>	<b>7 562 838 007</b>	<b>505 855 109</b>
Cost per employee	261 206 145	115 186 061	99 697 002	13 186 061
Employment cost	778 394 310 570	356 616 043 480	297 097 065 103	40 824 045 801
Number of employees*	2 980	3 096	2 980	3 096
Tax revenue collected	52 562 056 955 573	18 648 320 428 198	20 061 853 799 837	2 134 788 664 728
Revenue per employee	17 638 274 146	6 023 359 311	6 732 165 705	689 531 222

\* Staff numbers based on active head of 2 980 as at December 31, 2023

**23 Pension Arrangements**

**23.1 Pension Scheme**

The Authority operates a Defined Contributory Scheme plan administered by Old Mutual. The retirement benefits for the Fund administered by Old Mutual are determined by reference to the employees contributions plus employers contribution and interest earned on the Fund and contributions by the employer. Currently 15% of pensionable income is charged to the statement of profit or loss. During the year under review pension fund contributions amounted to ZWL\$4 660 634 474 (2022: ZWL\$1 393 267 822)

**23.2 National Social Security Authority (NSSA)**

The National Social Security Authority was introduced on October 1, 1994 and with effect from that date all employees are members of the scheme to which both the Authority and its employees contribute as follows:-

Employees: 4.5% of the monthly basic salary

Authority: 4.5% of the monthly basic salary

Amount charged through the statement of profit or loss during the year under review amounted to ZWL\$1 474 718 589 (2022: ZWL\$329 050 756)

**24 Subsequent events**

**24.1 Contingent Liability**

The Authority had a 2023 salary dispute with its workers which went for Voluntary Arbitration in terms of the National Employment Council of the ZIMRA undertaking Constitution. The Arbitrators granted some of the aspects of the claims by the Union. At this stage there is still outstanding consultative processes that may lead to payment or non payment of the arbitral award.

**24.2 Non-Adjusting Event**

On 5th April 2024 the Reserve Bank of Zimbabwe through a Monetary Policy Statement introduced a new currency called ZIG and phased out the Zimbabwe Dollar. The effect of the change is that the 2024 financial year will have two currencies the ZIG and ZWL hence the need to convert ZWL figures for prior periods to ZIG for comparability purposes.

**25 Non Distributable Reserve**

The Non Distributable Reserve was a Functional Currency Reserve which arose from the conversion of asset balances from Zimbabwean dollars to United States dollars during dollarisation in 2009 which is fourteen years to date. The Authority is of the view this reserve was being utilised as the assets were being used hence the



All communication should be addressed to  
 The Auditor-General"  
 P.O. Box CY 143, Causeway, Harare  
 Telephone No: 793611/3/4, 762817/8/20-23  
 Telegrams: "AUDITOR"  
 Fax: 706070  
 E-mail: ocag263@gmail.com



Reference: SB 2  
**OFFICE OF THE AUDITOR-GENERAL**  
 5<sup>th</sup> Floor, Burroughs House  
 48 George Silundika Avenue  
 Harare

## REPORT OF THE AUDITOR-GENERAL

TO

**THE MINISTER OF FINANCE, ECONOMIC DEVELOPMENT AND INVESTMENT PROMOTION**

**AND**

**THE BOARD OF DIRECTORS**

**IN RESPECT OF THE REVENUE RETURN**

**OF THE ZIMBABWE REVENUE AUTHORITY**

**FOR THE YEAR ENDED DECEMBER 31, 2023**

### Report on the audit of the Revenue Return

#### Qualified Opinion

I have audited the Revenue Return of the Zimbabwe Revenue Authority set out on pages 5 to 6 for the year ended December 31, 2023. The return reflects assessed revenue collected during the year ended December 31, 2023.

In my opinion, except for the effects of the matters described in the Basis for Qualified Opinion section of my report, the accompanying Revenue Return presents fairly in all material respects, the revenue collected during the year ended December 31, 2023.

#### Basis for Qualified Opinion

The Authority received deposits amounting to ZWL\$101.54 billion (2022: ZWL\$1.098 billion) from clients during the year ended December 31, 2023. These deposits were not receipted and allocated to any tax head as at December 31, 2023 due to insufficient clients payment details. As a result, some clients continued to accumulate penalties and interest for outstanding amounts. The tax heads on revenue collected during the year have not been adjusted for these deposits due to insufficient payment details. I could not establish the extent of misstatement for each tax head.

I conducted my audit in accordance with International Standards on Audit (ISAs) and International Standards of Supreme Audit Institutions (ISSAIs). My responsibilities under those standards are further described in the Auditors Responsibilities for the Audit of the Revenue Return section of my report. I am independent of the Authority in accordance with the ethical requirements that are relevant to my audit of the Revenue Return, and I have fulfilled my other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

### Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the Revenue Return for the year ended December 31, 2023. These matters were addressed in the context of my audit of the Revenue Return as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters. In addition, to the matters described in the Basis for Qualified Opinion section of my report, I have determined the matters described below to be key audit matters to be communicated in my report.

Key Audit Matter	How my audit addressed the Key Audit Matter
<p><b>Value Added Tax refunds. Refer to note 4.1.</b></p> <p>The Authority Refunded Value Added Tax amounting to ZWL\$701.8 billion (2022: ZWL\$108.4 billion) during the year ended December 31, 2023.</p> <p>There is an inherent risk relating to Value Added Tax refunds as incorrect and fraudulent input tax may be claimed by clients. The refund amount was significant to this return. Therefore, I considered VAT refunds to be a key audit matter.</p>	<p>My audit procedures to address the risk of material misstatement relating to VAT refunds, which was considered to be a significant risk, included:</p> <ul style="list-style-type: none"> <li>• Tested controls over the Authority's information technology VAT refunds system assisted by my information technology specialist.</li> <li>• Tested and evaluated of the Authority's authorisation and processing procedures on VAT refunds.</li> <li>• Evaluated and scrutinised tax audits performed by the Authority.</li> </ul> <p>Based on the evidence reviewed, I obtained satisfactory evidence over the controls in place over the processing of Value Added Tax to prevent fraudulent claims.</p>

### Other Information

The directors are responsible for the other information. The other information comprises all the information in the Zimbabwe Revenue Authority's 2023 annual report other than the revenue return and my auditor's report thereon.

My opinion on the Authority's revenue return does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the Authority's revenue return, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Authority's revenue return or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of the other information, I am required to report that fact. I have nothing to report in this regard.

## Responsibilities of Management and Those Charged with Governance for the Revenue Return

The Authority's Management is responsible for the preparation of the Revenue Return in a manner required by the Revenue Authority Act [Chapter 23:11] and the Public Finance Management Act [Chapter 22:19]. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the Revenue Return that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Those charged with governance are responsible for overseeing the Authority's financial reporting process.

## Auditor's Responsibilities for the Audit of the Revenue Return

The objectives of my audit are to obtain reasonable assurance about whether the Revenue Return as a whole is free from material misstatements, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but it's not a guarantee that an audit conducted in accordance with ISAs and ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Return.

As part of an audit in accordance with ISAs and ISSAIs, I exercise professional judgment and maintain professional skepticism throughout the planning and performance of the audit. I also:

- Identify and assess the risks of material misstatement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Evaluate the overall presentation, structure and content of the Revenue Return, including the disclosures, and whether the Revenue Return represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with directors, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters.

I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

In my opinion, the Revenue Return has, in all material respects, been prepared in compliance with the disclosure requirements of the Zimbabwe Revenue Authority Act [Chapter 23:11], Public Finance Management Act [Chapter 22:19] and other relevant Statutory Instruments.

06 June, 2024.

  
\_\_\_\_\_  
**R. KUJINGA,**  
**ACTING AUDITOR – GENERAL.**



ZIMBABWE REVENUE AUTHORITY

Revenue Return

for the year ended December 31, 2023


DESCRIPTION	ACTUAL 2023 ZWL\$	BUDGET 2023 ZWL\$	ACTUAL 2022 ZWL\$	BUDGET 2022 ZWL\$
<b>TOTAL REVENUE</b>	<b>19,354,247,277,171</b>	<b>22,301,422,666,545</b>	<b>1,992,191,950,286</b>	<b>1,604,856,000,249</b>
<b>TAXES ON INCOME AND PROFITS</b>	<b>6,029,744,859,072</b>	<b>7,493,765,497,778</b>	<b>731,807,336,678</b>	<b>615,063,659,080</b>
<b>Income Tax</b>				
Individuals	3,720,268,128,675	4,695,503,145,516	395,906,915,961	269,836,574,235
Companies	2,173,444,401,020	2,467,272,394,088	306,757,828,597	313,783,700,215
Aids levy	(168,272,646,530)	-	(20,465,963,434)	-
	<b>5,725,439,883,164</b>	<b>7,162,775,539,604</b>	<b>682,198,781,124</b>	<b>583,620,274,451</b>
<b>Capital gains</b>				
Capital gains tax	52,424,396,320	88,945,486,410	3,269,574,466	7,079,340,320
Companies	52,480,030,632	23,817,133,463	10,090,903,988	112,287,503
Withholding	7,200,452,714	-	1,582,513,000	1,248,972,516
	<b>112,104,879,666</b>	<b>112,762,619,873</b>	<b>14,942,991,513</b>	<b>8,328,312,837</b>
<b>Domestic dividends and interest</b>				
Non executive directors fees	14,566,822,428	10,196,825,752	1,343,507,380	19,552,246,111
Non resident tax on fees	77,700,395,251	63,367,343,245	6,876,280,467	1,198,140,627
Non resident tax on royalties	10,232,474,896	7,281,309,029	1,162,941,453	112,287,503
Non resident tax on remittance	28,822,902,810	9,655,397,506	579,911,167	141,751,076
Non resident tax on interest	-	24,987,310	3,806,552	56,683,301
Non resident shareholders' tax	29,730,383,387	105,748,725,454	21,104,291,945	1,727,738,112
Resident shareholders' tax	16,289,324,773	16,168,913,754	2,595,846,110	245,274,048
Resident tax on interest	14,857,792,697	5,783,836,252	998,978,966	80,951,014
	<b>192,200,096,242</b>	<b>218,227,338,302</b>	<b>34,665,564,041</b>	<b>23,115,071,793</b>
<b>TAX ON GOODS AND SERVICES</b>	<b>10,282,839,265,564</b>	<b>9,888,206,083,854</b>	<b>938,397,521,559</b>	<b>700,013,973,711</b>
<b>Customs duties</b>				
Prime and surtax	1,672,666,129,966	1,708,490,865,055	139,696,079,456	111,352,111,762
Less duty refunds	(5,165,488,665)	-	(620,572,347)	-
Prepayment account	184,056,442,730	-	22,296,038,874	-
	<b>1,851,557,084,031</b>	<b>1,708,490,865,055</b>	<b>161,371,545,983</b>	<b>111,352,111,762</b>
<b>Excise duties</b>				
Beer	223,742,581,680	232,741,963,153	27,885,673,909	19,445,670,002
Tobacco	53,769,364,543	70,819,894,308	8,387,389,578	3,398,183,120
Wine and spirits	86,573,244,537	48,319,848,928	7,349,176,475	4,816,976,276
Second hand motor vehicles	10,929,925,793	11,457,900,802	933,999,405	440,169,971
Fuel	2,092,478,729,769	2,005,381,384,651	196,694,564,527	140,841,499,595
Electric lamb	78,668	128,960	82,298	-
Airtime	325,334,137,303	328,842,618,422	30,141,246,452	25,822,043,090
	<b>2,792,828,062,293</b>	<b>2,697,563,739,224</b>	<b>271,392,132,644</b>	<b>194,764,542,054</b>
<b>Value Added Tax</b>				
On local sales	3,408,548,311,140	3,161,684,977,465	422,263,913,706	233,106,461,467
Levied on imports	2,931,739,536,658	2,320,466,502,111	191,741,284,223	160,790,858,427
Less refunds	(701,833,728,558)	-	(108,371,354,998)	-
	<b>5,638,454,119,240</b>	<b>5,482,151,479,576</b>	<b>505,633,842,931</b>	<b>393,897,319,894</b>
<b>OTHER TAXES</b>				
Tobacco levy	32,892,406,222	66,840,726,146	4,409,061,170	4,482,151,315
Presumptive tax (informal traders tax)	14,898,995,420	22,905,979,543	1,890,765,837	1,819,428,256
Withholding tax on contracts	202,213,404,993	101,465,844,654	28,050,908,762	22,404,424,348
Intermediate money transfer	882,795,494,122	2,046,447,277,357	185,650,939,791	147,765,030,191
Stamp duties and fees	32,014,942,683	35,418,897,560	3,683,261,745	3,188,517,493
Mining royalties	567,729,675,360	965,249,664,562	61,872,297,621	61,113,191,755
Less refunds on mining royalties	(465,612,810)	-	(54,332,078)	-
Carbon tax	289,207,311,012	294,943,211,960	27,593,355,171	19,244,671,029
Automated teller machines levy	9,539,242,894	26,313,767,304	498,711,126	130,722,345
Miscellaneous	36,427,618	182,958,693,020	12,912,091	474,504,428
Levy on dairy products	5,114,311,828	1,879,207,296	609,260,964	-
Accounting fees	710,850,069	539,472,419	138,901,582	-
Fines	46,488,111,401	38,404,474,211	3,370,442,109	-
Interest	447,955,455	-	123,437,832	-
Cancellation fees	260,629,061	-	50,203,397	-
Rummage sales	8,499,212,843	855,169,896	1,698,229,531	-
Less rummage sale expenses	(141,567,633)	-	(68,955,048)	-
Business licences	282,618,896	185,760,370,283	71,906,594	5,770,507,580
State warehouse rent	3,292,587,908	10,359,832,125	634,108,553	-
Estreated deposits	540,884,234	-	114,960,435	-
Surplus cash	558,194,999	-	43,808,816	-
Unreceipted funds	101,546,855,240	-	1,098,091,055	-
Sealing fee	1,874,632,068	1,319,866,610	379,199,292	-
Sealing diversion fine	437,495,718	258,392,807	95,521,079	-
Electronic cargo tracking system tempering fine	49,336,703	34,006,450	20,094,621	-
Strategic reserve levy	840,838,756,231	937,496,230,709	-	23,385,218,719
	<b>3,041,663,152,535</b>	<b>4,919,451,084,913</b>	<b>321,987,092,049</b>	<b>289,778,367,459</b>

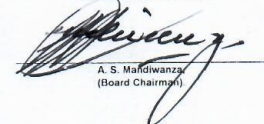
3 June 2024.

3 June 2024.

04.06 2024.

  
E.R. Chitanda, (CA)  
(Director Finance and Administration)

  
R. S. Chinamasa,  
(Commissioner General)

  
A. S. Mafidwanza  
(Board Chairman)

**ZIMBABWE REVENUE AUTHORITY**  
**ACCOUNTING POLICIES AND NOTES TO THE REVENUE RETURN**  
 for the year ended December 31, 2023

**1. MANDATE OF ZIMBABWE REVENUE AUTHORITY**

The Zimbabwe Revenue Authority is constituted in terms of the Revenue Authority Act [Chapter 23:11]. Its core business is the collection of revenue for the Government of Zimbabwe and other entities, administration of tax laws and the facilitation of trade and travel.

**2. BASIS OF PREPARATION**

**2.1 Statement of compliance**

The Revenue Return for the year ended December 31, 2023, has been prepared in accordance with the Revenue Authority Act [Chapter 23:11] and Public Finance Management Act [Chapter 22:19].

**2.2. Basis of measurement**

The Revenue Return is prepared based on the statutory records that are maintained under the historical cost basis and has not been adjusted for inflation.

**2.3. Functional and presentation currency**

This return is presented in the Zimbabwe Dollar (ZWL\$) which is the reporting currency. All the financial information presented has been rounded to the nearest dollar. Foreign currency collections were converted to Zimbabwe Dollars as at transaction date, using the applicable Reserve Bank of Zimbabwe interbank rate.

**3. ACCOUNTING POLICIES**

The Revenue Return is prepared based upon accounting policies which have been consistently applied from the prior years.

**3.1. Taxes revenue**

All cash tax revenue collected by the Zimbabwe Revenue Authority is paid direct into the Exchequer account except otherwise stated. Physical tax revenue (mining royalties) are delivered to designated custodians and are excluded from this return.

**3.2. Revenue return**

All cash collections by way of taxes, duties, royalties, fees less of refunds are reflected in the Revenue Return.

**4. NOTES TO THE REVENUE RETURN**

**4.1 Refunds**

	<b>2023</b> <b>ZWL\$</b>	<b>2022</b> <b>ZWL\$</b>
Value added tax	701 833 728 559	108 371 354 998
Duty	5 165 488 665	620 572 347
Other refunds	465 612 810	54 332 078
<b>Total</b>	<b>707 464 830 034</b>	<b>109 046 259 423</b>

**4.2 Rummage sale collections**

	<b>2023</b> <b>ZWL\$</b>	<b>2022</b> <b>ZWL\$</b>
Rummage sale	8 499 212 843	1 698 229 531
<b>Less rummage sale related expenses</b>	<b>141 567 633</b>	<b>68 955 048</b>
<b>Net rummage sale collections</b>	<b>8 357 645 210</b>	<b>1 629 274 483</b>

**4.3 Mining royalties**

	<b>2023</b> <b>ZWL\$</b>
Collections	567 729 675 360
Less refunds	465 612 810
<b>Net Mining royalties</b>	<b>567 264 062 550</b>

**5. Subsequent events – new currency**

On the April 5, 2024, the Reserve Bank Governor pronounced a currency called ZiG to replace the Zimbabwean Dollar (ZWL\$). This becomes the new currency for the country hence all future reports will be presented in the new ZiG currency.

**All communication should be addressed to**  
 The Auditor-General"  
 P.O. Box CY 143, Causeway, Harare  
 Telephone No: 793611/3/4, 762817/8/20-23  
 Telegrams: "AUDITOR"  
 Fax: 706070  
 E-mail: ocag263@gmail.com



**Reference: SB 2**  
**OFFICE OF THE AUDITOR-GENERAL**  
 5<sup>th</sup> Floor, Burroughs House  
 48 George Silundika Avenue  
 Harare

## REPORT OF THE AUDITOR-GENERAL

TO

**THE MINISTER OF FINANCE, ECONOMIC DEVELOPMENT AND INVESTMENT PROMOTION**

**AND**

**THE BOARD OF DIRECTORS  
 IN RESPECT OF THE RECEIPTS AND DISBURSEMENTS RETURN**

**OF THE ZIMBABWE REVENUE AUTHORITY**

**FOR THE YEAR ENDED DECEMBER 31, 2023**

### **Report on the audit of the Receipts and Disbursements Return**

#### **Opinion**

I have audited the Receipts and Disbursements Return of the Zimbabwe Revenue Authority set out on pages 5 to 7 for the year ended December 31, 2023. The Return reflects receipts and disbursements made during the year ended December 31, 2023.

In my opinion, the Receipts and Disbursements Return presents fairly, in all material respects, the receipts and disbursements made during the year ended December 31, 2023.

#### **Basis of Opinion**

I conducted my audit in accordance with International Standards on Audit (ISAs) and International Standards of Supreme Audit Institutions (ISSAIs). My responsibilities under those standards are further described in the Auditors Responsibilities for the Audit of the Receipts and Disbursements Return section of my report. I am independent of the Authority in accordance with the ethical requirements that are relevant to my audit of the Receipts and Disbursements Return, and I have fulfilled my other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

#### **Key Audit Matters**

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the Zimbabwe Revenue Authority's Receipts and Disbursements Return for the year ended December 31, 2023. These matters were addressed in the context of my audit of the Receipts and Disbursement Return as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.



Key Audit Matter	How my audit addressed the Key Audit Matter
<p><b>Value Added Tax refunds. Refer to note 4.6.</b></p> <p>The Authority refunded Value Added Tax amounting to ZWL\$701.8 billion (2022: ZWL\$108.4 billion) during the year ended December 31, 2023.</p> <p>There is an inherent risk relating to Value Added Tax refunds as incorrect and fraudulent input tax may be claimed by clients. The refund amount was significant to this return. Therefore, I considered VAT refunds to be a key audit matter.</p>	<p>My audit procedures to address the risk of material misstatement relating to VAT refunds, which was considered to be a significant risk, included:</p> <ul style="list-style-type: none"> <li>• Tested controls over the Authority's information technology VAT refunds system assisted by my information technology specialist.</li> <li>• Tested and evaluated of the Authority's authorisation and processing procedures on VAT refunds.</li> <li>• Evaluated and scrutinised tax audits performed by the Authority.</li> </ul> <p>Based on the evidence reviewed, I obtained satisfactory evidence over the controls in place over the processing of Value Added Tax to prevent fraudulent claims.</p>

### Other Information

The directors are responsible for the other information. The other information comprises all the information in the Zimbabwe Revenue Authority's 2023 annual report other than the Receipts and Disbursements return and my auditor's report thereon.

My opinion on the Authority's Receipts and Disbursements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the Authority's Receipts and Disbursements Return, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Authority's Receipts and Disbursements Return or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of the other information, I am required to report that fact. I have nothing to report in this regard.

### Responsibilities of Management and Those Charged with Governance for the Receipts and Disbursements Return

The Authority's Management is responsible for the preparation of the Receipts and Disbursements Return in a manner required by the Revenue Authority Act [Chapter 23:11] and the Public Finance Management Act [Chapter 22:19]. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the Receipts and Disbursements Return that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Those charged with governance are responsible for overseeing the Authority's financial reporting process.



## Auditor's Responsibilities for the Audit of the Receipts and Disbursements Return

The objectives of my audit is to obtain reasonable assurance about whether the Receipts and Disbursements return as a whole is free from material misstatements, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but it's not a guarantee that an audit conducted in accordance with ISAs and ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this return.

As part of an audit in accordance with ISAs and ISSAIs, I am required to exercise professional judgment and maintain professional skepticism throughout the planning and performance of the audit. I also:

- Identify and assess the risks of material misstatement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Evaluate the overall presentation, structure and content of the Receipts and Disbursements Return, including the disclosures, and whether the Receipts and Disbursements Return represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Report on Other Legal and Regulatory Requirements

In my opinion, the Receipts and Disbursements Return has, in all material respects, been prepared in compliance with the disclosure requirements of the Revenue Authority Act [Chapter 23:11], Public Finance Management Act [Chapter 22:19], and other Relevant Statutory Instruments.

06 June, 2024.

  
 R. KUJINGA,  
 ACTING AUDITOR – GENERAL.

ACTING AUDITOR – GENERAL.

**ZIMBABWE REVENUE AUTHORITY**  
**Receipts and Disbursements Return**  
**for the year December 31, 2023**

Description	Note	Historical Cost		2022	
		2023	2023	Dr ZWL \$	Cr ZWL \$
		Dr ZWL \$	Cr ZWL \$	Dr ZWL \$	Cr ZWL \$
Main Account bank Balance as at January 1		51 728 958 378		6 168 721 063	
Collections during the year		18 501 394 199 968		2 185 462 072 442	
Less Disbursements in respect of:					
Clearance fees			1 935 529 997		710 859 925
Rummage sale expenses			141 567 633		68 955 048
Refunds	4.6		707 464 830 033		109 046 259 422
Exchequer account			15 932 866 092 830		1 739 887 208 562
Intermediate money transfer tax (IMTT)			833 760 329 586		178 046 975 816
Retention grant			500 624 855 050		74 112 544 448
Bank charges			21 504 834		16 936
Aids levy			151 518 772 259		17 571 799 280
NOCZIM levy			385 871		385 871
Commissions			2 408 284 433		240 792 842
Motor insurance			20 405 186 928		1 897 342 765
Toll fees			15 179 633		1 932 444
Strategic Reserve levy			909 610 628		2 156 968 865
Petroleum levy			-		477 951
Road access fees			4 661 006 920		623 781 381
Veterinary inspection fees			472 013 193		36 360 335
Presumptive tax levy			13 676 386 453		1 578 220 263
Health fund-airtime levy			139 263 231 082		12 874 501 143
Health inspection fees			2 248 404 034		323 820 061
Plant quarantine services			848 738 364		87 030 853
National Biotechnology Authority			1 128 457 764		151 721 574
Environmental Management Agency			4 175 826 526		476 143 129
Radiation Protection Authority			6 880 764		1 412 586
Forestry Commission			64 044 267		6 323 624
Main account bank balance as at December 31			234 506 039 265		51 728 958 378
<b>TOTAL</b>		<b>18 553 123 158 346</b>	<b>18 553 123 158 346</b>	<b>2 191 630 793 505</b>	<b>2 191 630 793 505</b>

35 Jun 2024.

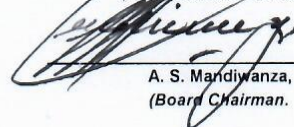
3 June 2024.

04.06 2024.

  
E. R. Chitanda (CA),  
(Director Finance and Administration).



R. S. Chinamasa,  
(Commissioner General).

  
A. S. Mandiwanza,  
(Board Chairman).

**ZIMBABWE REVENUE AUTHORITY**  
**ACCOUNTING POLICIES AND NOTES TO THE RECEIPTS**  
**AND DISBURSEMENTS RETURN**  
**for the year ended December 31, 2023**

**1. MANDATE OF ZIMBABWE REVENUE AUTHORITY**

The Zimbabwe Revenue Authority (ZIMRA) is constituted in terms of the Revenue Authority Act [Chapter 23:11] of 1999. Its core business is the collection of revenue for the Government of Zimbabwe, administration of tax laws and the facilitation of trade and travel.

**2. BASIS OF PREPARATION**

**2.1 Statement of compliance**

The Receipts and Disbursements Return for the year ended December 31, 2023, has been prepared in accordance with the Revenue Authority Act [Chapter 23:11] and Public Finance Management Act [Chapter 22:19].

**2.2. Basis of measurement**

The Receipts and Disbursements Return was prepared based on the statutory records that are maintained under the historical cost basis and has not been adjusted for inflation.

**2.3. Functional and presentation currency**

The Receipts and Disbursement Return is presented in the Zimbabwe Dollar (ZWL\$) which is the reporting currency. All the financial information presented has been rounded to the nearest dollar. Foreign currency collections were converted to Zimbabwe Dollars as at transaction date, using the Reserve Bank of Zimbabwe interbank rate.

**3. ACCOUNTING POLICIES**

The Receipts and Disbursements Return was prepared based upon accounting policies which have been consistently applied from the preceding years.

**3.1. Taxes revenue**

All tax revenue collected by the Zimbabwe Revenue Authority is paid direct into the Exchequer account except otherwise stated.

**3.2. Receipts**

Collections from clients for various statutory obligations and other fees are accounted for as receipts.

**3.3 Disbursements**

Payments to Exchequer, Treasury, third parties, bank charges and retention are accounted for as disbursements.

**4. NOTES TO THE RECEIPTS AND DISBURSMENTS RETURN**

**4.1 Motor Insurance**

The Authority entered into an agreement with the Motor Insurance Pool to sell third party insurance cover to foreign registered vehicles entering Zimbabwe at all border posts. In accordance with the existing agreement, the Pool is obliged to pay the Authority an issuing and collection fee of ten percent (10%) of the total collections from issued policies.

**4.2 Investments**

There were no investments for the fiscal year ended December 31, 2023.

**4.3 Exchange gains**

Included in the transfers to Exchequer accounts are exchange gains relating to duties, taxes and fees paid in another currency, which results in a gain when the amount is converted to Zimbabwean dollars (ZWL\$).

#### 4.4 Grant and clearance fees retained

The Authority retains from collections for use in their operations as a grant. During 2023 the Authority retained grant and clearance fees.

#### 4.5 Commissions

The Commission relates to amounts the Authority retains for collections done on behalf of other entities.

#### 4.6 Refunds

	<b>2023</b>	<b>2022</b>
<b>Refunds</b>	<b>ZWL\$</b>	<b>ZWL\$</b>
Value added tax	701 833 728 559	108 371 354 998
Duty	5 165 488 665	620 572 347
Other refunds	465 612 810	54 332 078
<b>Total</b>	<b>707 464 830 034</b>	<b>109 046 259 423</b>

#### 4.7 Subsequent events – new currency

On the April 5, 2024, the Reserve Bank Governor pronounced a currency called ZiG to replace the ZWL\$. This becomes the new currency for the country hence all future reports will be presented in the new ZiG currency.



All communication should be addressed to  
 The Auditor-General”  
 P.O. Box CY 143, Causeway, Harare  
 Telephone No: 793611/3/4, 762817/8/20-23  
 Telegrams: “AUDITOR”  
 Fax: 706070  
 E-mail: ocag263@gmail.com



Reference: SB 2  
**OFFICE OF THE AUDITOR-GENERAL**  
 5<sup>th</sup> Floor, Burroughs House  
 48 George Silundika Avenue  
 Harare

## REPORT OF THE AUDITOR-GENERAL

TO

**THE MINISTER OF FINANCE, ECONOMIC DEVELOPMENT AND INVESTMENT PROMOTION**

**AND**

**THE BOARD OF DIRECTORS**

**IN RESPECT OF THE TAX RESERVE CERTIFICATES RETURN**

**OF THE ZIMBABWE REVENUE AUTHORITY**

**FOR THE YEAR ENDED DECEMBER 31, 2023**

### Report on the audit of the Tax Reserve Certificates Return

#### Opinion

I have audited the Tax Reserve Certificates Return of the Zimbabwe Revenue Authority set out on pages 4 to 5 for the year ended December 31, 2023. The return reflects tax reserves for the year ended December 31, 2023.

In my opinion, the Tax Reserve Certificates Return presents fairly, in all material respects, the tax reserves for the year ended December 31, 2023.

#### Basis of Opinion

I conducted my audit in accordance with International Standards on Audit (ISAs) and International Standards of Supreme Audit Institutions (ISSAIs). My responsibilities under those standards are further described in the Auditors Responsibilities for the Audit of the Tax Reserve Certificates Return section of my report. I am independent of the Authority in accordance with the ethical requirements that are relevant to my audit of the Tax Reserve Certificates Return, and I have fulfilled my other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

#### Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the Zimbabwe Revenue Authority’s Tax Reserve Certificates Return for the year ended



December 31, 2023. I have determined that there are no key audit matters to communicate in my report.

### **Other Information**

The directors are responsible for the other information. The other information comprises all the information in the Zimbabwe Revenue Authority's 2023 annual report other than the revenue returns and my auditor's report thereon.

My opinion on the Authority's Tax Reserve Certificates Return does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the Authority's Tax Reserve Certificates Return, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Authority's Tax Reserve Certificates Return or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of the other information, I am required to report that fact. I have nothing to report in this regard.

### **Responsibilities of Management and Those Charged with Governance for the Tax Reserve Certificates Return**

The Authority's Management are responsible for the preparation of the Tax Reserve Certificate Return in a manner required by the Tax Reserve Certificate Act [Chapter 23:10], Revenue Authority Act [Chapter 23:11] and the Public Finance Management Act [Chapter 22:19]. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the Tax Reserve Certificates Return that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Those charged with governance are responsible for overseeing the Authority's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Tax Reserve Certificates Return**

The objectives of my audit are to obtain reasonable assurance about whether the Tax Reserve Certificates Return as a whole is free from material misstatements, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but it's not a guarantee that an audit conducted in accordance with ISAs and ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this return.

As part of an audit in accordance with ISAs and ISSAIs, I exercise professional judgment and maintain professional skepticism throughout the planning and performance of the audit. I also:

- Identify and assess the risks of material misstatement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing

- an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Evaluate the overall presentation, structure and content of the Tax Reserve Certificates Return, including the disclosures, and whether the Tax Reserve Certificates Return represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on Other Legal and Regulatory Requirements**

In my opinion, the Tax Reserve Certificates Return has, in all material respects, been prepared in compliance with the disclosure requirements of Tax Reserve Certificate Act [Chapter 23:10], Revenue Authority Act [Chapter 23:11], Public Finance Management Act [Chapter 22:19], and other relevant Statutory Instruments.

06 June, 2024.

  
\_\_\_\_\_  
**R. KUJINGA,**  
**ACTING AUDITOR – GENERAL.**

**ZIMBABWE REVENUE AUTHORITY  
TAX RESERVE CERTIFICATES RETURN**

as at December 31, 2023

**Tax reserves**

	2023 ZWL\$	2022 ZWL\$
Value of certificates not converted at the beginning of the year	-	-
Add sales from January to December	-	-
Less conversions from January to December	-	-
Balance at year end	-	-

3 Sur, 2024.

*E. R. Chitanda*

E. R. Chitanda (CA),

(Director Finance and Administration).

3 June, 2024.

*R. S. Chinamasa*

R. S. Chinamasa,  
(Commissioner General).

06.06, 2024.

*A. S. Mandiwanza*

A. S. Mandiwanza,  
(Board Chairman).



**ZIMBABWE REVENUE AUTHORITY**  
**NOTES TO THE TAX RESERVE CERTIFICATES RETURN**  
**for the year ended December 31, 2023**

**1. MANDATE OF ZIMBABWE REVENUE AUTHORITY**

The Zimbabwe Revenue Authority is constituted in terms of the Revenue Authority Act [Chapter 23:11]. Its core business is the collection of revenue for the Government of Zimbabwe and other entities, administration of tax laws and the facilitation of trade and travel.

**2. BASIS OF PREPARATION**

**2.1 Statement of compliance**

The Tax Reserve Certificates Return for the year ended December 31, 2023, has been prepared in accordance with the Revenue Authority Act [Chapter 23:11], Tax Reserve Certificate Act [Chapter 23:10] and the Public Finance Management Act [Chapter 22:19].

**2.2. Basis of measurement**

The Tax Reserve Certificates Return was prepared based on statutory records that are maintained under the historical cost and has not been adjusted for inflation.

**2.3. Functional and presentation currency**

This return is presented in the Zimbabwe Dollars (ZWL\$) which is the reporting currency. Foreign currency collections are converted to the Zimbabwe Dollars at the transaction date, using the applicable Reserve Bank of Zimbabwe interbank rate.

**3. ACCOUNTING POLICIES**

The Tax Reserve Certificates Return was prepared based upon accounting policies which have been consistently applied from the preceding years.

**3.1. Taxes revenue**

All tax revenue collected by the Zimbabwe Revenue Authority is accounted for on cash basis when receipted.

**3.2. Tax reserves**

Tax Reserves are amounts, which have been prepaid by clients in relation to tax reserves granted by the Commissioner General and are paid into the Consolidated Revenue Fund. For the year ended December 31, 2023, there were no tax reserve certificates which were issued. There were also no tax reserve certificates that were outstanding.

**4. Subsequent events – new currency**

On the April 5, 2024, the Reserve Bank Governor pronounced a currency called ZiG to replace the ZWL. This becomes the new currency for the country hence all future reports will be presented in the new ZiG currency.

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## REPORT OF THE AUDITOR-GENERAL

TO

**THE MINISTER OF FINANCE, ECONOMIC DEVELOPMENT AND INVESTMENT PROMOTION**

AND

**THE BOARD OF DIRECTORS**

**IN RESPECT OF THE OUTSTANDING REVENUE RETURN**

**OF THE ZIMBABWE REVENUE AUTHORITY**

**FOR THE YEAR ENDED DECEMBER 31, 2023**

### Report on the audit of the Outstanding Revenue Return

#### Qualified Opinion

I have audited the Outstanding Revenue Return of the Zimbabwe Revenue Authority set out on pages 6 to 9 for the year ended December 31, 2023. The return reflects assessed outstanding revenue as at December 31, 2023.

In my Opinion, except for the effects of matters described in the Basis of Qualified Opinion section of my report, the accompanying Outstanding Revenue Return presents fairly, in all material respects, the outstanding revenue as at December 31, 2023.

#### Basis of Qualified Opinion

##### i. Unclassified deposits

The Authority received deposits amounting to ZWL\$101.54 billion (2022: ZWL\$1.098 billion) from clients during the year ended December 31, 2023. These deposits were not receipted and allocated to any tax head as at December 31, 2023 due to insufficient client payment details. As a result, some clients continued to accumulate penalties and interest for outstanding amounts. The Outstanding Revenue Return have not been adjusted for these deposits.

##### ii. Private imports debt

Included in customs debt were entries made in advance (pre-clearance) by clients amounting to ZWL\$15.83 billion and US\$8 million as at December 31, 2023. However, not all clients proceeded with the importation, resulting in lodged entries remaining open indefinitely. As a result, the customs debt had private import entries that back dated 2015. The custom debt included

amounts which may not be collected. The custom debt included amounts which may not be collected and the amount of debt was not adjusted accordingly.

### iii. **Removal In Transit (RIT) not acquitted**

The Authority had removal in transit entries with potential duty amounting to ZWL\$7.1 million which had not been acquitted as at December 31, 2023. Some of the entries date back to the year 2015 and they exclude RITs that are in the process of cancellation once they meet the required criteria. As a result, the extent of outstanding duty payable to be included in the outstanding revenue return could not be established as some of the goods might have been consumed locally.

### iv. **Temporary Import Permits (TIP)**

The Authority had 40 985 electronic temporary importers permits and 19 719 manual TIPs that were issued on the basis that the vehicles were entering the country temporarily. Some of the entries date back to the year 2013. I could not ascertain whether the vehicles had exited the country or may have been localised as they remained not acquitted as at December 31, 2023. I could also not ascertain the extend of duty payable in case the vehicles were localised.

I conducted my audit in accordance with International Standards on Audit (ISAs) and International Standards of Supreme Audit Institutions (ISSAIs). My responsibilities under those standards are further described in the Auditors Responsibilities for the Audit of the Outstanding Revenue Return section of my report. I am independent of the Authority in accordance with the ethical requirements that are relevant to my audit of the Outstanding Revenue Return, and I have fulfilled my other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

## **Key Audit Matters**

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the Zimbabwe Revenue Authority's Outstanding Revenue Return for the year ended December 31, 2023. These matters were addressed in the context of my audit of the Outstanding Revenue Return as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters. Except for the matters described in the Basis for Qualified Opinion section, I have determined that there are no other key audit matters to communicate in my report.

Key Audit Matter	How my audit addressed the Key Audit Matter
<p><b>Domestic tax system migration</b></p> <p>The Authority had undergone data migration of domestic taxes from E- Service to Tax and Revenue Management System (TaRMS) during the year due to challenges experienced by the previous system.</p> <p>The migration process entails SAP transactional data cleansing process before migrations to TaRMS. Due to voluminous of accounts subjected to transactional data cleansing, the process may be incomplete resulting in some clients having inaccurate transactional data balances in TaRMS post migration.</p> <p>Due of the complexity of data migration and voluminous of transactions being migrated, migration of domestic tax data to TaRMS was considered key audit matter.</p>	<p>My audit procedures to address the risk of material misstatement relating migration of data to new system included:</p> <ul style="list-style-type: none"> <li>• Evaluation of the status of data migration to the new domestic tax system (TARMS), confirming the accuracy and completeness of the migration process from SAP TRM.</li> <li>• Assessed the adequacy of controls that had been put in place by management on the domestic tax system change over data migration.</li> </ul> <p>Based on the evidence reviewed and the data cleansing process ongoing, I was satisfied with controls put in place on data migration.</p>

## Other Information

The directors are responsible for the other information. The other information comprises all the information in the Zimbabwe Revenue Authority's 2023 annual report other than the Outstanding Revenue Return and my auditor's report thereon.

My opinion on the Authority's Outstanding Revenue Return does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the Authority's Outstanding Revenue Return, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Authority's Outstanding Revenue Return or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of the other information, I am required to report that fact. I have nothing to report in this regard.

## Responsibilities of Management and Those Charged with Governance for the Outstanding Revenue Return

The Authority's Management are responsible for the preparation of the Outstanding Revenue Return in a manner required by the Revenue Authority Act [Chapter 23:11] and the Public Finance Management Act [Chapter 22:19]. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the Outstanding Revenue Return that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Those charged with governance are responsible for overseeing the Authority's financial reporting process.

## Auditor's Responsibilities for the Audit of the Outstanding Revenue Return



The objectives of my audit is to obtain reasonable assurance about whether the Outstanding Revenue return as a whole is free from material misstatements, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but it's not a guarantee that an audit conducted in accordance with ISAs and ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this return.

As part of an audit in accordance with ISAs and ISSAIs, I am required to exercise professional judgment and maintain professional skepticism throughout the planning and performance of the audit. I also:

- Identify and assess the risks of material misstatement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Evaluate the overall presentation, structure and content of the Outstanding Revenue Return, including the disclosures, and whether the Outstanding Revenue Return represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

In my opinion, the Outstanding Revenue Return has, in all material respects, been prepared in compliance with the disclosure requirements of the Revenue Authority Act [Chapter 23:11], Public Finance Management Act [Chapter 22:19], and other Relevant Statutory Instruments.

06 June, 2024.


  
 R. KUJINGA,  
 ACTING AUDITOR – GENERAL.

**ZIMBABWE REVENUE AUTHORITY**  
**OUTSTANDING REVENUE RETURN**

as at December 31, 2023

REVENUE HEAD	Note	OUTSTANDING AMOUNT	
		2023 ZWL\$	2022 ZWL\$
Automated teller machines levy		-	26 219
Aids levy		1 282 459 564	-
Capital gains tax (CGT)		3 541 256 321	1 698 940 569
Capital gains withholding tax		10 002 612 522	49 639 164
Carbon tax		702 867 915	779 194 574
Customs duty		101 358 398 448	4 726 216 429
Excise duty		10 077 664 381	837 129 988
Non - executive directors fees		-	20 885 489
Non - residence shareholder tax		-	154 804 787
Non - residence tax on fees		-	368 942 216
Non - resident tax on interest		-	355 840
Non - resident tax on remittance		-	95 973 174
Non - resident tax on royalties		-	325 446 921
Special excise		3 883 614 962	426 764 685
Resident shareholders tax		-	98 449 316
Resident tax on interest		-	27 891 541
Income tax due from companies		221 355 005 089	10 110 576 027
Intermediate money transfer tax (IMMT)		20 759 038 180	9 163 623
Other		16 307 259 018	723 917 540
Pay as you earn (PAYE)		214 479 212 816	35 773 894 812
Penalty		29 636 499 998	616 548 997
Presumptive tax		1 498 495 548	271 548 605
Royalties on minerals		103 105 120	74 723 835
Stamp duties		-	77 042 298
State warehouse rent		492 547 450	719 673 390
Surtax		15 974 757 809	927 873 071
Pension directives		-	3 266 773
Tobacco levy		-	1 052 953
Fines		10 948 419 819	300 358 650
Value added tax (VAT)		472 793 416 434	20 777 738 209
Value added tax withholding tax		71 033 199 193	1 822 598
Value added tax on imports services		-	48 385 837
Value added tax on imports		17 124 516 716	3 009 803 088
Withholding tax on tenders		54 097 609 023	3 419 301 156
Withholding tax non resident tax		710 763 088	194,732.21
Strategic reserve levy		1 492 572 696	-
	<b>4.3</b>	<b>1 279 655 292 110</b>	<b>86 477 547 109</b>

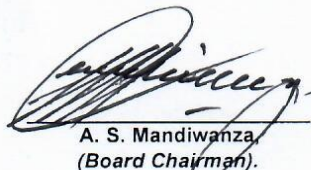
3 Jun, 2024.

  
 E. R. Chitanda, (CA),  
 (Director Finance and  
 Administration).

3 June, 2024.

  
 R. S. Chinamasa,  
 (Commissioner General).

04.06, 2024.

  
 A. S. Mandiwanza,  
 (Board Chairman).

**ZIMBABWE REVENUE AUTHORITY**  
**NOTES TO THE OUTSTANDING REVENUE RETURN**  
**for the year ended December 31, 2023**

**1. MANDATE OF ZIMBABWE REVENUE AUTHORITY**

The Zimbabwe Revenue Authority (ZIMRA) is constituted in terms of the Revenue Authority Act [Chapter 23:11] of 1999. Its core business is the collection of revenue for the Government of Zimbabwe, administration of tax laws and the facilitation of trade and economic development in the region and beyond.

**2. BASIS OF PREPARATION**

**1.1 Statement of compliance**

The Outstanding Revenue Return for the year ended December 31, 2023, has been prepared in accordance with the Revenue Authority Act [Chapter 23:11] and the Public Finance Management Act [Chapter 22:19].

**2.2. Basis of measurement**

The Outstanding Revenue Return was prepared based statutory records of assessed tax and tax audits maintained on historical cost basis.

**2.3. Functional and Presentation currency**

The outstanding return is presented in the Zimbabwean Dollars (ZWL\$) that is the presentation currency. All the financial information presented has been rounded to the nearest dollar. Foreign currency collections due were converted to Zimbabwe dollars using the Reserve bank of Zimbabwe interbank rate.

**3. ACCOUNTING POLICIES**

The Outstanding Revenue Return was prepared based upon accounting policies which have been consistently applied from the preceding years.

**3.1. Taxes revenue**

All tax revenue collected by the Zimbabwe Revenue Authority is paid direct into the Exchequer account except otherwise stated. Physical tax revenue outstanding (mining royalties) that are expected to be delivered to designated custodians are excluded from this return.

**3.2. Domestic taxes outstanding revenue**

Domestic taxes outstanding revenue is calculated based on the due dates for the various tax head amounts established through tax audits as at December 31, 2023. This outstanding revenue excludes revenue that may subsequently be established through tax audit assessments.

**3.3. Customs and excise outstanding revenue**

Customs and excise outstanding revenue is calculated based on customs duty on cleared bills of entry and excludes bills of entry for Removal in Transit (RITs) and from Temporary Import Permits (TIPs) which may have been liable for duty.

#### 4. RECONCILIATION OF OUTSTANDING REVENUE

##### 4.1 Domestic Taxes outstanding revenue

	2023 (ZWL\$)	2022 (ZWL\$)
<b>Opening debt balance at January 01</b>	<b>73 194 415 716</b>	16 267 895 745
<b>Less Adjustment of transposition</b>	-	185 314 281
<b>Less : Receipts for amounts owing (collections)</b>	40 154 186 821	(516 678 500)
<b>Subtotal old debt as at December 31</b>	<b>33 040 228 895</b>	<b>15 565 902 963</b>
<b>Add: Assessments for current year</b>	11 650 793 503 667	57 628 512 753
<b>Less: Receipts for assessments raised in current year</b>	10 635 665 681 491	-
<b>Closing debt balance at December 31</b>	<b>1 048 168 051 071</b>	<b>73 194 415 716</b>

##### 4.2 Customs and Excise outstanding revenue

	2023 (ZWL\$)	2022 (ZWL\$)
<b>Opening debt balance at January 01</b>	<b>13 283 131 393</b>	<b>16 990 167 728</b>
<b>Add: Adjustment of transposition</b>		185 314 281
<b>Less : Receipts for amounts owing (collections)</b>	(1 381 250 552)	(14 862 516.414)
<b>Subtotal old debt as at December 31</b>	<b>14 664 381 945</b>	<b>2 312 965 597</b>
<b>Add: Assessments for current year</b>	5 711 185 986 149	45 787 096 854
<b>Less: Receipts for assessments raised in current year</b>	5 494 363 126 889	(34 816 931 059)
<b>Closing debt balance at December 31</b>	<b>231 487 241 039</b>	<b>13 283 131 393</b>

##### 4.3 DEBT GRAND TOTAL

	2023 (ZWL\$)	2022 (ZWL\$)
<b>Domestic tax debt (note 4,1)</b>	1 048 168 051 071	73 194 415 716
<b>Customs debt (note 4.2)</b>	231 487 241 039	13 283 131 393
<b>Grand total</b>	<b>1 279 655 292 110</b>	<b>86 477 547 109</b>



#### 4.4 Removal in Transit (RIT) not yet acquitted

	<b>2023</b>	<b>2022</b>
	<b>ZWL\$</b>	<b>ZWL\$</b>
Opening balance	752 153 218	
Recoveries	(741 874 230)	
Prior years outstanding debt	10 278 989	
Add current year debt	7 113 200 289	
<b>Closing balance</b>	<b>7 123 479 278</b>	<b>752 153 218</b>

#### 4.5 Other Debtors

	<b>2023</b>	<b>2022</b>
	<b>ZWL\$</b>	<b>ZWL\$</b>
Opening balance	723 917 540	20 579 368
Additions debtors	15 583 341 478	703 338 172
<b>Closing balance</b>	<b>16 307 259 018</b>	<b>723 917 540</b>

Other debtors are made up of various tax heads with respect to clearance of motor vehicle with dual currency payment (USD and ZWL) which are cleared using both F49 and Y- assessments. Also included are amounts owing with respect to pay overs to Exchequer for intermediaries under judicial management or under liquidation.

#### 4.6 Amounts held by entities under liquidation and judicial management

	<b>2023</b>	<b>2022</b>
	<b>ZWL\$</b>	<b>ZWL\$</b>
INTERFIN	1 709 391	1 709 391
METBANK	4 899 050	4 899 050
TETRAD	1 849 796	1 849 796
<b>TOTAL</b>	<b>8 458 237</b>	<b>8 458 237</b>

#### 5. Subsequent events – new currency

On the 5<sup>th</sup> of April 2024, the Reserve Bank Governor pronounced a currency called ZiG to replace the ZWL. This becomes the new currency for the country hence all future reports will be presented in the new ZiG currency.

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Reference: SB 2  
**OFFICE OF THE AUDITOR-GENERAL**  
5<sup>th</sup> Floor, Burroughs House  
48 George Silundika Avenue  
Harare

## REPORT OF THE AUDITOR-GENERAL

TO

**THE MINISTER OF FINANCE, ECONOMIC DEVELOPMENT AND INVESTMENT PROMOTION**

**AND**

**THE BOARD OF DIRECTORS  
IN RESPECT OF THE REVENUE WRITTEN OFF RETURN**

**OF THE ZIMBABWE REVENUE AUTHORITY**

**FOR THE YEAR ENDED DECEMBER 31, 2023**

### Report on the audit of the Revenue Written Off Return

#### Opinion

I have audited the Revenue Written Off Return of the Zimbabwe Revenue Authority set out on pages 4 to 6 for the year ended December 31, 2023. The Return reflects revenue written off during the year ended December 31, 2023.

In my opinion, the Revenue Written Off Return presents fairly, in all material respects, the revenue written off during the year ended December 31, 2023.

#### Basis of Opinion

I conducted my audit in accordance with International Standards on Audit (ISAs) and International Standards of Supreme Audit Institutions (ISSAIs). My responsibilities under those standards are further described in the Auditors Responsibilities for the Audit of the Revenue Written Off Return section of my report. I am independent of the Authority in accordance with the ethical requirements that are relevant to my audit of the Revenue Written Off Return, and I have fulfilled my other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

#### Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the Zimbabwe Revenue Authority's Revenue Written Off Return for the year ended December 31, 2023. I have determined that there are no key audit matters to communicate in my report.

## Other Information

The directors are responsible for the other information. The other information comprises all the information in the Zimbabwe Revenue Authority's 2023 annual report other than the revenue returns and my auditor's report thereon.

My opinion on the Authority's Revenue Written Off Return does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the Authority's Revenue Written Off Return, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Authority's Revenue Written Off Return or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of the other information, I am required to report that fact. I have nothing to report in this regard.

## Responsibilities of Management and Those Charged with Governance for the Revenue Written Off Return

The Authority's Management is responsible for the preparation of the Revenue Written Off Return in a manner required by the Revenue Authority Act [Chapter 23:11] and the Public Finance Management Act [Chapter 22:19]. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the Revenue Written Off Return that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Those charged with governance are responsible for overseeing the Authority's financial reporting process.

## Auditor's Responsibilities for the Audit of the Revenue Written Off Return

The objectives of my audit are to obtain reasonable assurance about whether the Revenue Written Off Return as a whole is free from material misstatements, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but it's not a guarantee that an audit conducted in accordance with ISAs and ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this return.

As part of an audit in accordance with ISAs and ISSAIs, I exercise professional judgment and maintain professional skepticism throughout the planning and performance of the audit. I also:

- Identify and assess the risks of material misstatement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Evaluate the overall presentation, structure and content of the Revenue Written Off Return, including the disclosures, and whether the Revenue Written Off Return represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during my audit.


I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

In my opinion, the Revenue Written Off Return has, in all material respects, been properly prepared in compliance with the disclosure requirements of Revenue Authority Act [Chapter 23:11], Public Finance Management Act [Chapter 22:19] and other relevant Statutory Instruments.

06 June, 2024.

  
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**R. KUJINGA,**  
**ACTING AUDITOR – GENERAL.**



**ZIMBABWE REVENUE AUTHORITY**  
**REVENUE WRITTEN OFF RETURN**  
as at December 31, 2023

**REVENUE HEAD**

	2023 ZWL \$	2022 ZWL \$
<b>Irrecoverable amounts approved for write off</b>		
Domestic taxes revenue heads	-	6 662 219
Customs and excise revenue heads	-	-
Other revenue related write offs	-	-
	<b>-</b>	<b>6 662 219</b>

3 Sep, 2024.

*E. R. Chitanda*

E. R. Chitanda (CA),

(Director Finance and Administration).

3 June, 2024.

*R. S. Chinamasa*

R. S. Chinamasa,  
(Commissioner General).

04.06, 2024.

*A. S. Mandiwanza*

A. S. Mandiwanza,  
(Board Chairman).

**ZIMBABWE REVENUE AUTHORITY**  
**NOTES TO THE REVENUE WRITTEN OFF RETURN**  
**for the year ended December 31, 2023**

**1. MANDATE OF ZIMBABWE REVENUE AUTHORITY**

The Zimbabwe Revenue Authority (ZIMRA) is constituted in terms of the Revenue Authority Act [Chapter 23:11]. Its core business is the collection of revenue for the Government of Zimbabwe, other entities, administration of tax laws and the facilitation of trade and travel.

**2. BASIS OF PREPARATION**

**2.1 Statement of compliance**

The Revenue Written Off Return for the year ended December 31, 2023, has been prepared in accordance with the Revenue Authority Act [Chapter 23:11] and the Public Finance Management Act [Chapter 22:19].

**2.2. Basis of measurement**

The Revenue Written off Return was prepared based on historical records of assessed tax and audit of tax returns. The Return is made up of revenue deemed uncollectible and approved as such by the Ministry of Finance, Economic Development and Investment Promotion.

**2.3. Functional and presentation currency**

This Return is presented in the Zimbabwe Dollar (ZWL\$) which is the reporting currency. All the financial information presented has been rounded off to the nearest dollar. Foreign currency transactions were converted to Zimbabwe Dollars as at the transaction date, using the applicable Reserve bank of Zimbabwe interbank rate.

**3. ACCOUNTING POLICIES**

The Revenue Written Off Return was prepared based on accounting policies which have been consistently applied in the prior years.

**3.1. Taxes revenue**

All tax revenue collected by the Zimbabwe Revenue Authority is paid direct into the Exchequer account except otherwise stated.

**3.2. Revenue written off**

All domestic taxes and customs outstanding revenue is calculated based on the due dates for the various tax heads. This outstanding revenue excludes revenue that may subsequently be established through tax audit assessments. The outstanding revenue which could not be collected is written off after exhausting all collection means and authority to write off is granted by the Ministry of Finance and Economic Development. There was no revenue approved for write off during 2023.

**4. Subsequent events – new currency**

On April 5, 2024, the Reserve Bank Governor pronounced a currency called ZiG to replace the ZWL\$. This becomes the new currency for the country hence all future reports will be presented in the new ZiG currency.



# NOTES





# NOTES

Integrity | Transparency | Fairness | Commitment | Innovativeness











**"Your NO Counts"**

**SAY**



**TO CORRUPTION**

**International Anti-Corruption Day, 9 December 2023**

**#I am for Zero  
#A corrupt free nation is possible.**

 **@Zimra\_11**  
 **@ZIMRA\_ZW**