

mSCOA Project:

Non-delegated municipalities – CFO Forum



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

mSCOA Project:

The journey to the checkered flag...

Kick off engagements with municipalities, vendors and other stakeholders

2010

Vendors were briefed as to development of mSCOA and initial evaluations of system functionality.

2011

2014

Regulation issued and commissioning of mSCOA Project Phase 4: Change management and piloting including identification of pilots

Piloting commencement with 9 pilot municipalities – Phased over 2015/16 and 2016/17)

2015

Remaining municipalities to implement mSCOA and project initiation kick off

2017

2016

278 municipalities fully mSCOA compliant

Ensuring that all municipalities and system functionality are aligned to the compliance requirements of the Regulation and achieve the final date for minimum compliance.



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Expected progress to date:

All municipalities, at this point in time should already have:

- **Council resolution** - noting responsibility for preparing an mSCOA aligned budget in October/ November 2016
- Established an **mSCOA steering committee with a project sponsor** to perform an oversight role, creating a good governance structure (Audit evidence – written appointments, performance agreements, agendas and minutes of meetings)
- Established an **in-house mSCOA implementation team** with a project manager and multi-disciplinary team (Audit evidence - written appointments, performance agreements, agendas and minutes of meetings)
- Approved the **Terms of Reference** for both the mSCOA **steering committee** and the **project implementation team**

Expected progress to date:

All municipalities, at this point in time should already have:

- **A high level project plan** for implementing mSCOA - developed by the implementation team and approved by the steering committee (Audit evidence – steering committee approval, submitted to NT LG Database)
- Compiled a mSCOA **project risk register** and **issue log** (Audit evidence – submitted to NT LG Database)
- Started with the **initial internal activities**, listed in the Regulations, mSCOA circulars and approved project plan
 - ✓ Assessment of the IT environment, guided by Annexure C, Circular 2, ICT Functions Questionnaire
 - ✓ Municipality readiness self assessment

Expected progress to date:

All municipalities, at this point in time should already have:

- ✓ Attended awareness training and non-accredited training, provided by National Treasury
- ✓ Unpacking of the current chart and comparison thereof with the mSCOA chart, in preparation for the new budget cycle
- ✓ Reviewing of the current business processes and the impact of mSCOA thereon, in preparation for alignment with mSCOA
- ✓ Data purification and clearing of suspense accounts
- ✓ Change management and broader stakeholder communication
- ✓ Revisited their Project Management – and Costing skills, as well as the methodology followed by the municipality
- ✓ Started unpacking the IDP into capital and operational projects
- ✓ Interaction with pilot municipality(s), current vendor of financial system and other user municipalities

Expected progress to date:

All municipalities should be prioritising the following to ensure the compliance date is achieved:

- **Principle decision** regarding the current financial system and vendor
- **Review current contracts and SLAs** with all affected service providers
- Work with system- and other vendors to develop and approve a **detailed project implementation plan**
- Prepare the hardware, network and connectivity required
- Document the sub-systems requiring integration and planning to ensure this happens well in time before the compliance date
- Provide data strings for testing purposes

Regulations – general comments

- The regulations apply to all municipalities and municipal entities
- There is **no** exemption or phased implementation of the regulation
- Compliance date is 1 July 2017 (budget preparation in 2016)
- Classification framework for standard chart of accounts (all 7 segments)
- Minimum specifications for financial systems
- Minimum business processes

Questions

