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MUNICIPAL STANDARD CHART OF ACCOUNTS (mSCOA)

## **mSCOA PROJECT PLAN**

# **Medium Term Revenue and Expenditure Framework (MTREF)**

**2023/2024**

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## 1. INTRODUCTION

The Minister of Finance promulgated Government Gazette No. 37577, Municipal Regulations on Standard Chart of Accounts (mSCOA), on 22 April 2014. All municipalities and related municipal entities were required to transact in compliance with the mSCOA Regulations from 01 July 2017. The mSCOA regulations prescribes the uniform recording and classification of municipal budget and financial information at a transaction level and ensures that the municipality have minimum business processes in place. This standard classification framework enforces the link between planning (IDP) and the budget through the project segment and enables annual reporting and performance management linked to strategic service delivery objectives.

Bela-Bela Local Municipality has successfully migrated into m-SCOA as from 1st of July 2017. Municipality had for the 2018/2019 and 2019/2020 financial period manage to compile its annual financial statement based on the m-SCOA chart of account.

A committee had been established, with the main objectives of overseeing the implementation of the MSCOA plan and develop strategies to resolve any challenges identified on continues level. The committee consist among others National Treasury and Provincial Treasury delegate and the System vendor representative.

## 2. PROJECT SCOPE

The project scope of this mSCOA road map is-

- To establish mechanisms that the municipality has in place to ensure that business transformation, skills development and change management takes place effectively.
- To ensure effectiveness of the role of various stakeholders responsible for mSCOA implementation in the municipalities, monitor mSCOA project steering committee and a project management team while aligning to the road plan that is aimed at achieving mSCOA implementation and operation success.
- To assess whether the appropriate technological resources are available to facilitate effective operation of mSCOA.
- To identify any challenges on a gap analysis ongoing programme.

## 3. PROJECT SCOPE MANAGEMENT PLAN

Scope management for the Bela-Bela Local Municipality mSCOA project will be the sole responsibility of the Project Manager. The Project Manager, and Role players will establish and approve documentation for measuring project scope deliverables quality checklists and work performance measurements.

Identified work streams to support the project manager and execute the implementation of mSCOA in the municipality.

- Commissioning an mSCOA steering committee (governance structure);
- IT infrastructure and network;
- Verification of current vote structure to mSCOA segments;

- Data cleansing;
- Human Resources (HR) & payroll;
- Planning (IDP, Budget, SDBIP, Performance Management (PM));Core system, additional or sub systems;
- Real estate, land use and grant management; and
- Document management.

#### **4. DOCUMENTATION**

All documentation pertaining to the project are shared amongst the team as well as backed up on the achieve system of BBLM. This includes the alignment exercise of the coding of the respective vote numbers to be compliant with the mSCOA requirements as per the most recent version issued by National Treasury. All the documentation are to be saved for audit trail purposes.

#### **5. TRAINING**

Various training and informative sessions have been / will be held with a select group of officials, Councilors, directors and managers to ensure that all parties are aware of mSCOA. Users are provided with detailed training as well as manuals to assist with the conversion to mSCOA. This is offered by the system vendor Munsoft on continues basis and as per request Limpopo Provincial Treasury. Education and training on mSCOA are vital for the success of the financial reform. Management will ensure more training mechanisms are in place to ensure all employees are well- versed with the management information systems that they use daily.

#### **6. mSCOA PROJECT STEERING COMMITTEE**

Chapter 6 of the MFMA outline the responsibility of the Accounting officer of the municipality with managing the financial administration of the municipality. mSCOA is a municipal business reform, the Accounting officer has the overall responsibility to manage the successful implementation of the mSCOA project within the municipality and to ensure that the municipality is able to capture all transactions (at posting level) in accordance with mSCOA.

For the mSCOA project to be successfully implemented, a coordinator should be appointed to facilitate project implementation and frequently report to the mSCOA steering committee. The mSCOA steering committee should consist of staff from the budget office and senior management internally and other external stakeholders. The steering committee must monitor the implementation of the MSCOA project plan.

The Accounting officer in terms of the MFMA can delegate some of these responsibilities, thereof a Steering Committee for mSCOA has been appointed to advise the Accounting officer, and to drive and oversee the successful implementation of the Municipal Regulations on Standard Chart of Accounts in the municipality that has been effective as of 1 July 2017.

The project steering committee of the municipality was functional in the previous years but currently not meeting as per the set schedule. The chairperson will ensure that the committee meet once a month beside ad-hoc meetings to track the progress against the road map and to take corrective action where required.

## **7. ROLES AND RESPONSIBILITIES OF THE mSCOA STEERING COMMITTEE**

The responsibilities of the mSCOA Steering Committee are as follows:

1. To establish a governance framework environment for implementation of mSCOA in accordance with their delegated responsibilities. This includes amongst other.
  - Compilation of this Terms of Reference and acceptance of these assigned responsibilities;
  - Appointment of a Project Manager to lead the mSCOA implementation within the municipality; and
  - Identify and appoint officials (members of the mSCOA project team) responsible and accountable for each of the mSCOA Segments, and the roles within the project team
  
2. Monitor successful implementation of mSCOA, which includes amongst other:
  - Review and approve the mSCOA Project Implementation Plan prepared and presented by the Project Manager, which plan should include the required activities, allocates responsibilities for execution of the plan to specific official(s) with set timeframes, deliverables and acceptance criteria;
  - Review the mSCOA Project Risk Register prepared and presented by the Project Manager, which register should include the identified and evaluated risks, allocates responsibilities for mitigation of the risks to specific official(s) with set timeframes, deliverables and acceptance criteria for managing these risks;
  - Review the mSCOA Project Issue Log prepared and presented by the Project Manager, which log should include the identified and resolved project issues, together with the specific solution which was applied and cost of addressing the issue, if applicable;
  - Monitor the progress made in terms of implementation of the mSCOA project plan, and implement actions to address any challenges/ risks/ issues and backlogs;
  - mSCOA is a business reform and therefore the Steering Committee should ensure organisational awareness of mSCOA is created by means of internal workshops, information sharing and feedback across the municipality (including all senior managers), the various internal committees and the municipal council. This awareness should form part of the project plan and the success thereof should be reviewed by the steering committee and the project team advised accordingly;
  - Ensure that mSCOA is adopted as a permanent standing item on the agenda of senior management meetings (Top Management) and lead discussions and presentations in this regard;
  - Table mSCOA progress reports, including the updated project risk register at the municipal council meeting on a quarterly basis;
  - Consider the impact of the Municipal Regulation on mSCOA on business processes within the municipality and assign responsibility to develop a business process implementation plan to address changes across the municipality; and
  - Ensure that change management, training and capacity building with specific reference to mSCOA are prioritised across the municipality.

**8. THE MSCOA STEERING COMMITTEE OF THE MUNICIPALITY THEREFORE COMPRISE OF THE FOLLOWING OFFICIALS:**

NAME	TITLE	DEPARTMENT / UNIT	ROLE
Ramagaga TG	Accounting Officer	Municipal Man office	Chairperson and Project Sponsor
Mothapo TJ	Acting SM Corporate services	Municipal Man office	Corporate services
Magagane T	Chief Risk Officer	Internal Audit	
Motshoane L	DM Budget & Reporting	Finance B& R	Project Manager
Titi T	Acting CFO	Finance Revenue	Project Assistant
Tjabadi D	Acting DM Expenditure	Finance Expenditure	Project Assistant
Mulaudzi M	DM SCM	Finance SCM	Project Assistant
Nkuna D	DM Information Technology	Corporate -IT	IT Manager
Tshikovhi T	Acting SM PED	HOD-Planning & Economic Development	HOD-Planning & Economic Development
Mhlongo V	DM PMS	Municipal Man office	IDP Manager
Raborolo D	Acting SM Social Community Services	Social Community Services	Social & Community Services Manager
Maswanganyi B	SM Technical Services	Technical Services	Technical Services Manager

The mSCOA Project Implementation Team, led by the Project manager who is assigned by the mSCOA Steering Committee of the municipality, should be a multi-disciplinary team and include the following functions and skills:

- Finance, budgeting and reporting;
- Performance reporting;
- Risk management/ internal audit (as observers only);
- Engineering – Technical service (project managers);
- Information technology; and
- Human resources.

Representatives of all departments should also be represented on the Project Implementation Team, which should be chaired by the Project Manager, duly assigned the role in writing. Team members should also be assigned in writing.

The mSCOA Project Implementation Team should schedule formal meetings at least twice a month, and compile an agenda and meeting minutes, to be maintained as part of the official project records for review purposes.

**9. THE MSCOA PROJECT IMPLEMENTATION TEAM OF THE MUNICIPALITY THEREFORE  
COMPRISE OF THE FOLLOWING OFFICIALS**

<b>NAME</b>	<b>CONTACTS *Email</b>	<b>DEPARTMENT / UNIT</b>	<b>ROLE</b>
Ramagaga TG	RamagagaT@belabela.gov.za	Municipal Man office	Chairperson and Project Sponsor
Mothapo T J	MothapoTJ@belabela.gov.za	Municipal Man office	Acting SM Corporate services
Titi LT	TitiT@belabela.gov.za	Finance (Acting CFO)	Deputy Chairperson
Magagane T	MagaganeT@belabela.gov.za	Internal Audit (Chief Risk Officer)	Chief Risk Officer (Risk Assessor)
Motshoane L	MotshoaneL@belabela.gov.za	Finance	Project Manager
Mojela K	MojelaK@belabela.gov.za	Finance Budget & Reporting	Project Assistance
Nkuna D	NkunaD@belabela.gov.za	Corporate -IT	IT Manager
Mabotja K	MabotjaK@belabela.gov.za	Corporate -IT	Financial Systems Administrator
Khube V	KhubeV@belabela.gov.za	Revenue	Chief Accountant Revenue
Khumbane C	KhumbaneMC@belabela.gov.za	Finance - Expenditure	Accountant -Payrol
Tjabadi D	TjabadiD@belabela.gov.za	Finance - Expenditure	Acting DM Expenditure
Joseph		Payday	Project Consultant
Thabo Chauke		Munsoft	Project Consultant

**10. ASSURANCE FUNCTION**

Internal Audit

- Evaluate both IT & organisational aspects of the mSCOA system conversion projects. Auditing these conversions provides assurance to management and the municipal council that ‘all that can be done is being done’.
- The internal auditor’s involvement and independent assessment of mSCOA project plans provides value that far outweighs the audit’s costs.
- Ensuring good mSCOA project governance, including achieving mSCOA project goals and to create and maintain particular organisational values.

Risk Management

- A key responsibility of management and the accounting officer (municipal manager).
- Internal auditors assist both management and the audit committee by examining, evaluating and reporting on the adequacy and effectiveness of the municipality’s overall and particularly mSCOA project risk management process.

- An essential part of effective mSCOA project governance and whilst it is a management responsibility, management can expect the audit committee to oversee and provide advice on the risk management of such a significant reform in the municipality

### 11. MILESTONE LIST

Milestone	Description	Date	Status
mSCOA Planning and Initiation	All requirements for Bela-Bela Local Municipality mSCOA must be determined	2017/2018	Achieved
Program Development	Akhile (Pty) Ltd to tailor Munsoft to facilitate the system requirements.	2017/2018	Achieved
Account Code Alignment	Ongoing alignment exercise of the vote numbers to link to the appropriate mSCOA segments.	2023/2024	Work in progress
mSCOA Training	Overall explanation and demonstration of mSCOA to the Munsoft users, Departmental Heads, Divisional Managers and Councilors	2023/2024	On going
Change Management	mSCOA educational awareness and buy-in throughout BBLM including the varying stakeholders	2023/2024	On going
2023/24 Draft Budget as per mSCOA	Budgeting process based on mSCOA segments and breakdowns to be obtained from all role players.	30 March 2023	Achieved
2023/24 Final MTREF Budget as per mSCOA	Budgeting process based on mSCOA segments and breakdowns to be obtained from all role players.	31 May 2023	On going
2022/23 Annual Financial Statements as per mSCOA	AFS as at *30 June Financial year end as per mSCOA	30 August 2023	On going
Third Party Systems <ul style="list-style-type: none"> <li>• SCM module to CSD</li> <li>• Payday</li> <li>• Traffic system</li> </ul>	All third party systems with a financial implication to be mSCOA compliant and seamlessly integrate with the Munsoft financial system	1 July 2019 30 June 2023 31 July 2023	<ul style="list-style-type: none"> <li>• Achieved</li> <li>• Work in progress</li> <li>• Work in progress</li> </ul>
Live mSCOA Monitoring and Evaluation	Constant monitoring, evaluating, clean-up and system enhancements on an ongoing basis, in alignment with National Treasury's mSCOA requirements.	On going	On going

IDP & SDBIP	Full utilization of the module	31 August 2023	On going

## **12. CURRENT STATUS AND REQUIREMENTS**

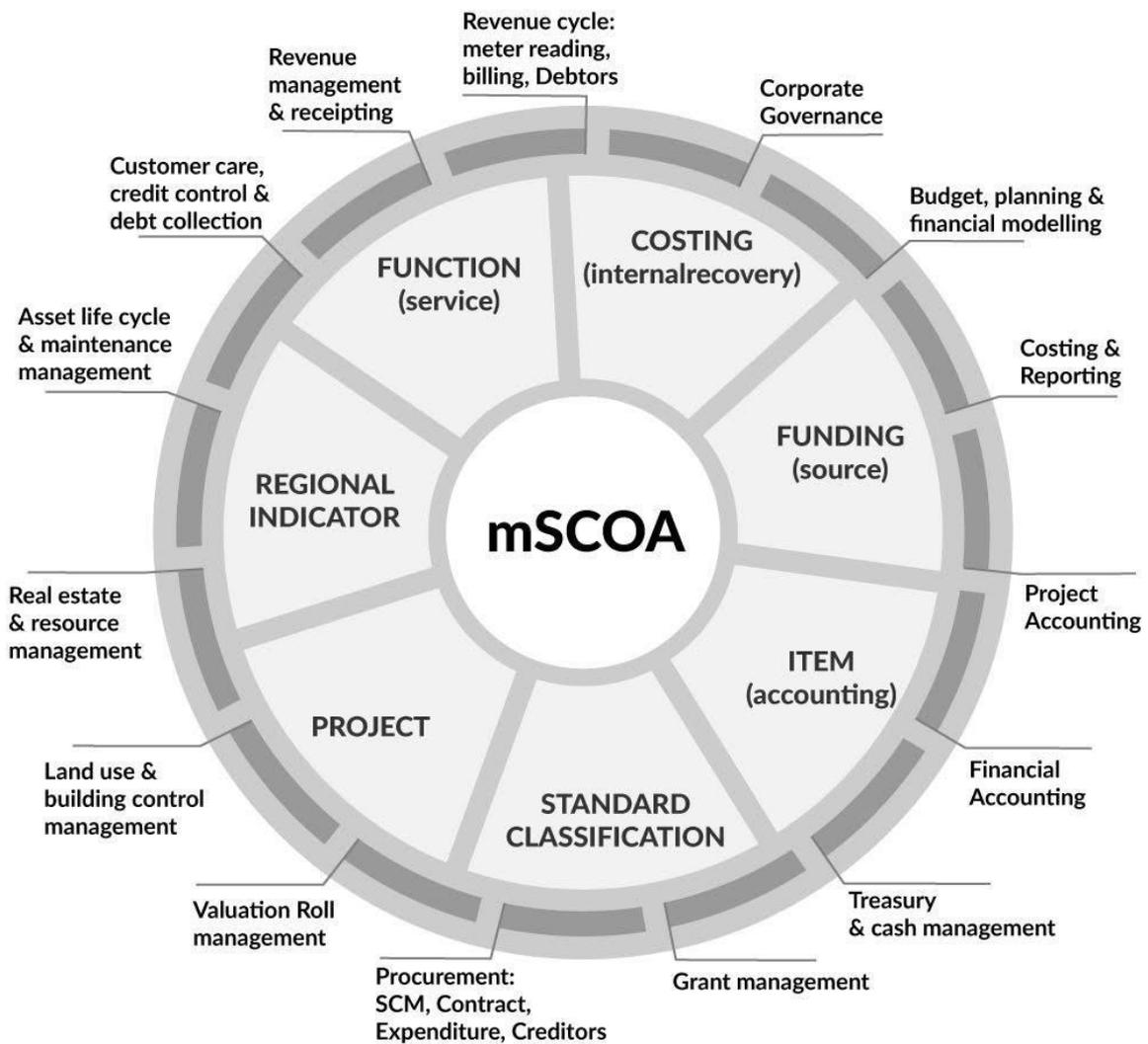
- a) The following are the requirements for a municipality to be *mSCOA* compliant; the municipality should:
- I. **Have acquired, upgraded and maintain the hardware, software and licences required to be and remain *mSCOA* compliant;**
    - Our municipality have acquired the required municipal system (Munsoft)
    - The system has been upgraded and maintained.
    - Software and licences required to be and remain *mSCOA* compliant
  - II. **Implementation timelines;**
    - The hardware is still usable and reliable.
    - The hardware still has warranty.
    - BTO includes IT in all FMS related, *mSCOA* engagements and planning with the service providers.
    - BTO shares all National Treasury circulars with regards to finance municipal system.
- b) **Budget, transact and report on all six (6) legislated *mSCOA* segments and directly on the core financial system and submit the required data strings directly from this system to the Local Government Portal;**
- The municipality is complying of the above requirement relating to budgeting, transacting and reporting, the data strings are also directly extracted from the core system and submitted to the Local Government Portal as and when they are due.
- c) **Lock down the budget adopted by Council on the core municipal financial system before submitting the budget (ORGB) data string to the local government portal;**  
The 2023/2024 budget has been locked – June 2023.
- The municipal budgets will be locked after adoption by council on the core municipal financial system before submitting the ORGB data strings to the local government portal.
  - The budget is amended through the adjustment budget in terms of section 28 of the MFMA; and
  - The budget is also amended through the virement as per the virement policy adopted by council. There are processes followed to get necessary approval from the transferring and receiving departments and the municipal manager before the transfer is effected on the municipal system under budgeting module.
- d) **Closed the core financial system at month-end as required in terms of the MFMA before submitting the monthly data string to the local government portal; and**
- The municipality is complying in terms of the above, the core financial system is closed at month-end as required in terms of the MFMA before the monthly data strings to the local government portal are submitted.

- The monthly data strings are uploaded from the core system and uploaded successfully on the National Treasury local government portal.
- e) **Generate regulated Schedules (A, B, C) directly from the core municipal financial systems.**
- The municipality is currently using Castware system to generate the regulated Schedules (A, B and C). The schedules are generated directly from the core municipal financial system.
  - The municipality is currently using the system provider Munsoft in assisting with the uploading on the budget

**13. A FEW OF THE CHALLENGES / CONCERNS IDENTIFIED:**

- Constant change in Versions-New reforms / regulations
- Possible Audit Risks in terms of account code reclassifications (GRAP Compliance)
- Extent of compliance with Accounting Standards
- mSCOA organisational structure varies to Bela-Bela Local municipality's current structure, 85% alignment.
- BBLM needs to determine to what level it will report on (areas , wards)
- Budget to be prepared in accordance with the latest mSCOA version released, new version every budget year with new requirements
- Possible changes in future financial reporting formats
- Only NT is allowed to create new account codes
- Effect on current IT infrastructure
- Impact of mSCOA implementation on current work processes
- Treatment of historical data (legacy issues)

**14. MSCOA SEGMENTS AND BUSINESS PROCESSES**



Source: (Ducharme Consulting, 2017)

Above depict the mSCOA design based on the use of seven segments, each of which should be populated when a transaction is recorded. National Treasury has identified 15 Business processes that are impacted upon to various degrees by each of the seven MSCOA segments. The BBLM is currently complaint with regard to the mSCOA seven segment designed process plan.

**15. MODULES USAGE (Functionality of the Sub-modules)**

**1. Payroll Module**

- The municipality payroll functions are currently done on the Payday system. Thereafter, an integration journal is passed to the core system. The sub-module in the core financial system is not functional.

- Several engagements by the BBLM were made with both service providers (MUNSOFT & PAYDAY) to cobblestone approach in advancing with regard to the system integration.  
Payroll System integration
- Payday has required the segment or budget file for the Municipality.
- The municipality will have to link the employees into correct mSCOA Functions.
- The municipality will have extract the SCOAMUNPAY from FMS to be provided to Payday

This process is currently underway and the test is targeted at year end 31 October 2023.

## **2. Assets Module**

- The assets module is currently not functional; the municipality is using the Microsoft Excel to do the assets register.

### Fixed assets register Conversion Process

- The assets manager had an engagement with the system vendor since the November 2021 to discuss the fixed assets register conversion process.
- The municipality have submitted the audited annual financial statements and the assets register to Munsoft to commence with the conversion and to this date the process has not had positive results.
- The fixed assets register must be SCOARized by the implementation team in conjunction with the municipal assets team.
- Assets team to do benchmarking exercise with other municipalities to gain more insight regarding the Munsoft assets module and will also contact Munsoft if there are any challenges encountered during the implementation

## **3. Integrated Development Plan (IDP) Module**

- The IDP module is partially functional, the municipality is using the Microsoft word to prepare the IDP document.
- Training is arranged with Munsoft to attend the IDP projects setup with Munsoft. Budget and Treasury will assist with the training schedule for October 2023
- After the trainings are conducted, the municipality will engage Munsoft to discuss the project plan and benchmark with neighbouring municipalities on usage of the module. The engagement will be conducted in the preparation of the 2023/24 IDP.

## **4. Supply Chain Management Module**

- The municipality module is fully functional and is integrated with CSD. Training of all employees is done on continues basis (annually).
- Inventory module not being used as Municipality inventory relate to water which are only accounted for at year end for AFS reporting purpose.

**5. Sundry debtors (Sundry register)**

- The sundry debtors' module is currently not functional; the municipality is using the consumer debtor to recognised loans transactions.
- The Module is currently not functional, the municipality is using the consumer debtor to recognised traffic fines, rental of facilities, cemetery and burial fees, and donations transactions.
- The municipality has not yet started with the implementation plan.
- The Revenue Manager will request training for officials on how to use the modules.

**6. Creditors**

The module is fully function and linked to the procurement to pay business system process.

**7. Billing and Receipting**

The module is fully function and aligned to debtors module. Continues training is required to ensure all control accounts are in balance.

**16. Implementation status summary**

Bela-Bela Local Municipality signed the agreement with Munisoft (Pty) Ltd for the implementation of the mSCOA enabling solution that included the following modules:

1. Planning – Budget/IDP.
2. Ledger.
3. Cashbook.
4. Supply Chain Management.
5. Inventory.
6. Billing

Below is a summary of the percentage complete for each module implemented.

Task Name	% Complete
<b>mSCOA Implementation</b>	<b>83%</b>
• Stakeholders	0%
• Budget and Planning	100%
• Ledger-other	100%
• Ledger	100%
• Contract Management	0%
• Inventory Management	100%
• Assets	0%
• Performance Management	0%
• Payroll	100%
• Billing	100%
• NT Assessment for monthly strings 2020-21	100%
• Adjustment budget take -on 2021-22	100%
• Council adopted budget	100%
• 2021-22 Roll-over	100%
• Billing-config setup for 2021-22	100%
• System Refresher Training	100%
• 2021-22 NT Monthly Reviews	100%
• Pre-Audited Strings	100%

#### **Hardware and software licenses**

Munsoft system is hosted locally, and the agreement was signed between the BBLM and Munsoft. The municipality has received an assessment and specification from Munsoft to host on the local servers.

#### **Budget and planning**

Council adopted budget (2022-2023 FY) were approved and was rolled over to the new financial year. All configurations regarding the budget have also been completed on Munsoft. No virement can be performed if the budget is not approved

The approved budget was submitted to treasury (Gomun website) on time (refer to the below screenshot)

**Status of Schedule of Submissions**

Demarcation Description	Demarc Code	Financial CAP	Year	Submission Code		Due Date	Status of Schedule	Date of Submission	Version of Submission	SCOA Version	Borr/Invest Nil Return
<b>Financial Data</b>											
<b>Location Level Selected: Municipality: LIM366</b>											
Bela Bela	LIM366	M	2023	ADJB	Adjusted Budget	-	N/A	-			6.6
Bela Bela	LIM366	M	2023	M01	In-Year Monthly 01	2022/08/14	Submitted/Successful	2022/08/22	04		6.6
Bela Bela	LIM366	M	2023	ORGB	Original Budget	2022/07/01	Submitted/Successful	2022/05/31	01		6.6
Bela Bela	LIM366	M	2023	TABB	Tabled Budget	2022/04/01	Submitted/Successful	2022/03/31	01		6.6

**LEDGER**

All ledger strings are submitted to National Treasury (Gomun) on-time.

The municipality run data strings from Munsoft and upload them to treasury website (Gomun) monthly. The following screenshot Submissions for M01 (2022-2023 FY)

Upload Date	Financial Period	Submission Type	Document Name	Document Status
2022/08/15 09:45:35	2023	Monthly Primary Bank Statement-M01	LIM366_Monthly Primary Bank Statement_2023_M01_20220815T094535Z_mas ehlas .pdf	Approved
2022/08/15 09:07:13	2023	Monthly Trial Balance-M01	LIM366_Monthly Trial Balance_2023_M01_20220815T090713Z_mojebek .pdf	Approved

Upload Source File Date	Date/Time Imported	Log Entry Status	Log File Message
2022/08/15 12:49:46.000	2022/08/15 13:30:05.660	SUCCESSFUL	LOG: Data successfully loaded into Creditors Age Reporting Table

The municipality is currently ensured that all reconciliation from submodules (Billing/SCM/Creditors and inventory) reconcile to the ledger  
 Bela-Bela Local Municipality ensures that the following reconcile:

The municipality is currently ensured that all reconciliation from submodules (Billing/SCM/Creditors and inventory) reconcile to the ledger  
 Bela-Bela Local Municipality ensures that the following reconcile:

- Grant Register
- Cashbook
- Investments
- Vat

**National Treasury report the following:  
 M01 and M02 (2022-2023 FY)**

**Status of Schedule of Submissions**

Demarcation Description	Demarc Code	CAP	Financial Year	Submission Code		Due Date	Status of Schedule	Date of Submission	Version of Submission	SCOA Version	Borr/Invest Nil Return
<b>Financial Data</b>											
<b>Location Level Selected: Municipality: LIM366</b>											
Bela Bela	LIM366	M	2023	ADJB	Adjusted Budget	-	N/A	-		6.6	
Bela Bela	LIM366	M	2023	M01	In-Year Monthly 01	2022/08/14	Submitted/Successful	2022/08/22	04	6.6	
Bela Bela	LIM366	M	2023	ORGB	Original Budget	2022/07/01	Submitted/Successful	2022/05/31	01	6.6	
Bela Bela	LIM366	M	2023	TABB	Tabled Budget	2022/04/01	Submitted/Successful	2022/03/31	01	6.6	
<b>Non Financial Data</b>											
<b>Location Level Selected: Municipality: LIM366</b>											
Bela Bela	LIM366	M	2023	A1D	A1 Schedule Draft	2022/04/01	Outstanding	-		6.6	
Bela Bela	LIM366	M	2023	A1F	A1 Schedule Final	2022/07/01	Outstanding	-		6.6	
Bela Bela	LIM366	M	2023	CR01	Creditors Monthly-M01	2022/08/14	Submitted/Successful	2022/08/17	02	6.6	
Bela Bela	LIM366	M	2023	DB01	Debtors Monthly-M01	2022/08/14	Submitted/Successful	2022/08/17	01	6.6	
Bela Bela	LIM366	M	2023	PRAD	Project Details Adjusted Budget	-	N/A	-		6.6	
Bela Bela	LIM366	M	2023	FROR	Project Details Original Budget	2022/07/01	Submitted/Successful	2022/05/31	01	6.6	
Bela Bela	LIM366	M	2023	FRTA	Project Details Tabled Budget	2022/04/01	Submitted/Successful	2022/04/01	01	6.6	

**17. RISK REGISTER**

mSCOA Risk Register is developed and in place. The committee need to assess and review the register, further identify new possible risks by 31 October 2023. Review the mSCOA Project Risk Register prepared and presented by the Project Manager, which register should include the identified and evaluated risks, allocates responsibilities for mitigation of the risks to specific official(s) with set timeframes, deliverables and acceptance criteria for managing these risks.

***(Register attached)***

**2010/2021 m-SCOA Risk register**

No	Link to objective	Risk description	Background to the risk	Impact		Likelihood	Inherent risk		Current controls	Perceived control design	Residual risk	Risk owner	Actions to improve management of the risk	Time scale			
1	m-SCOA	Lack of adequate support and oversight on m-SCOA by	Council and Senior Management might not understand the m-SCOA regulation thus leading to lack of	Critical	5	Likely	4	Maximum	20	No control	Weak	0.80	Minimum	3	Accounting Officer	Training of Councillors on m-SCOA and oversight role by Budget and transformation over	Before end of December 2021
2		Inadequate scope of m-SCOA implementation plan	The current plan is not in detail and does not include all requirements	Critical	5	Common	5	Maximum	20	Current m-SCOA implementation plan	Weak	0.80	Minimum	3	Chief Financial Officer	Review the current plan	31 August 2021
3		Lack of awareness to employees	Lack of communication from top management to employees with regard to new regulation on m-SCOA	Critical	5	Likely	4	Maximum	20	No control	Good	0.40	Low	3	Accounting Officer	Awareness campaigns to employees	On going
4		Insufficient skill to implement m-SCOA project	Staff not all trained on m-SCOA	Major	4	Common	5	maximum	20	No control	Satisfactory	0.65	low	3		Provision of training to key staff members on capturing and other processes of budget on m-SCOA system.(FMG to be utilised)	On going
5		Resistance to change to m-SCOA	Slow change of attitude and habits	Critical	5	Likely	4	high	16	No control	Satisfactory	0.65	high	8	Head of Departments and Divisional Managers	Close supervision and support	monthly
6		inadequate support by external stakeholders	inadequate support by sector departments on m-SCOA	Major	4	Likely	4	high	16	No control	Satisfactory	0.65	high	8	Chief Financial Officer	To raise challenges encountered in the Provincial Technical committee on SCOA. To engage with fully compliant municipality to ensure knowledge	Quarterly
7		Failure to intergrate the ICT systems	the municipality utilise different ICT systems such Munsoft,payday.	Major	4	Common	5	maximum	20	utilisation of current ICT system vendors which are not yet complying	Satisfactory	0.65	low	3	Divisional Manager-IT	Committee will check whether service providers are in the process of complianing with m-SCOA and ensure intergrations with other ssystems(e.g	on-going
8		Possible letigation due to termination of	municipality have entered into contract with several system	Major	4	Unlikely	2	low	8	No control	Satisfactory	0.65	low	3	Divisional manager - legal	Treasury to provide guidance on which system vendors are	30 November 2021

**18. CONCLUSION AND RECOMMENDATIONS**

The primary objective of this consignment was to assess the readiness and effectiveness of the implementation of the municipal standard chart of accounts, furthermore to establish and investigate the challenges related to such implementation. Outline the role of various stakeholders on mSCOA implementation and the availability of appropriate technological resources to facilitate effective implementation and continues use of mSCOA.

This road map documented an mSCOA project steering committee, a project management team and an implementation plan and business continuity that would achieve implementation success of all modules.

It is recommended that the municipality has in place mechanisms to ensure that business transformation, skills development and change management is taking place since mSCOA is a financial reporting reform which is used on daily basis.