NCPT
NORTHERN CAPE PROVINCIAL TREASURY

Office of the Provincial Accountant General (PAG) – Municipal Accounting Services

mSCOA Progress

Presenter
Mr. H Salome

Table of Content

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1. Requirements

- Prepare the annual budget on the structure (V6.1) for the 2017/18 MTREF

- Submission of below via LG Database

  ❖ TABB - 23 June 2017

  ❖ ORGB - 23 June 2017

  ❖ PROR - 30 June 2017

  ❖ MO1   - 15 August 2017

  ❖ MO2   - 15 September 2017

  ❖ M03   – 15 October 2017

- Go Live Assessment - July – September 2017

- Verification of Adopted A1 Schedule – 29 September 2017

2. LG Database submissions

STATUS	TABB	ORGB	M01	M02	Criteria	PROR	Criteria
Completed	29	29	17	11	Stage 1 & 2 Complete	12	Stage 1 Complete
In Progress	0	0	2	0	Stage 1 Complete	6	Submission Attempt
Not Started	1	1	11	19	No Successful Submissions	12	No Submission

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3. Go Live Assessment

Assessment on mSCOA Compliance were conducted during July – September 2017.

The following modules were practically assessed:

- ✓ Supply Chain Managements

- ✓ Payments

- ✓ Billing & receipting

- ✓ Payroll

- ✓ Budget Management

- ✓ Inventory

- ✓ Asset Accounting

- ✓ Reporting

4. Verification Summary

Province	Number of municipalities	Municipality verifications completed	Number of municipalities PARTIALLY transacting on mSCOA	Number of verifications still to be done *
NC - Delegated	30	30	22 #	0
NC - Non-delegated	1	1	1	0
Totals	31	31	23	0

Verifications is an on going process – until March 2018
# 8 = Municipalities not transacting Live – Next slide
4 = Municipalities almost fully transacting on version 6.1
 (Dawid Kruiper, Ga-Segonyana, Kgatelopele and Frances Baard District Municipality)

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5. Verification – Partially Transacting

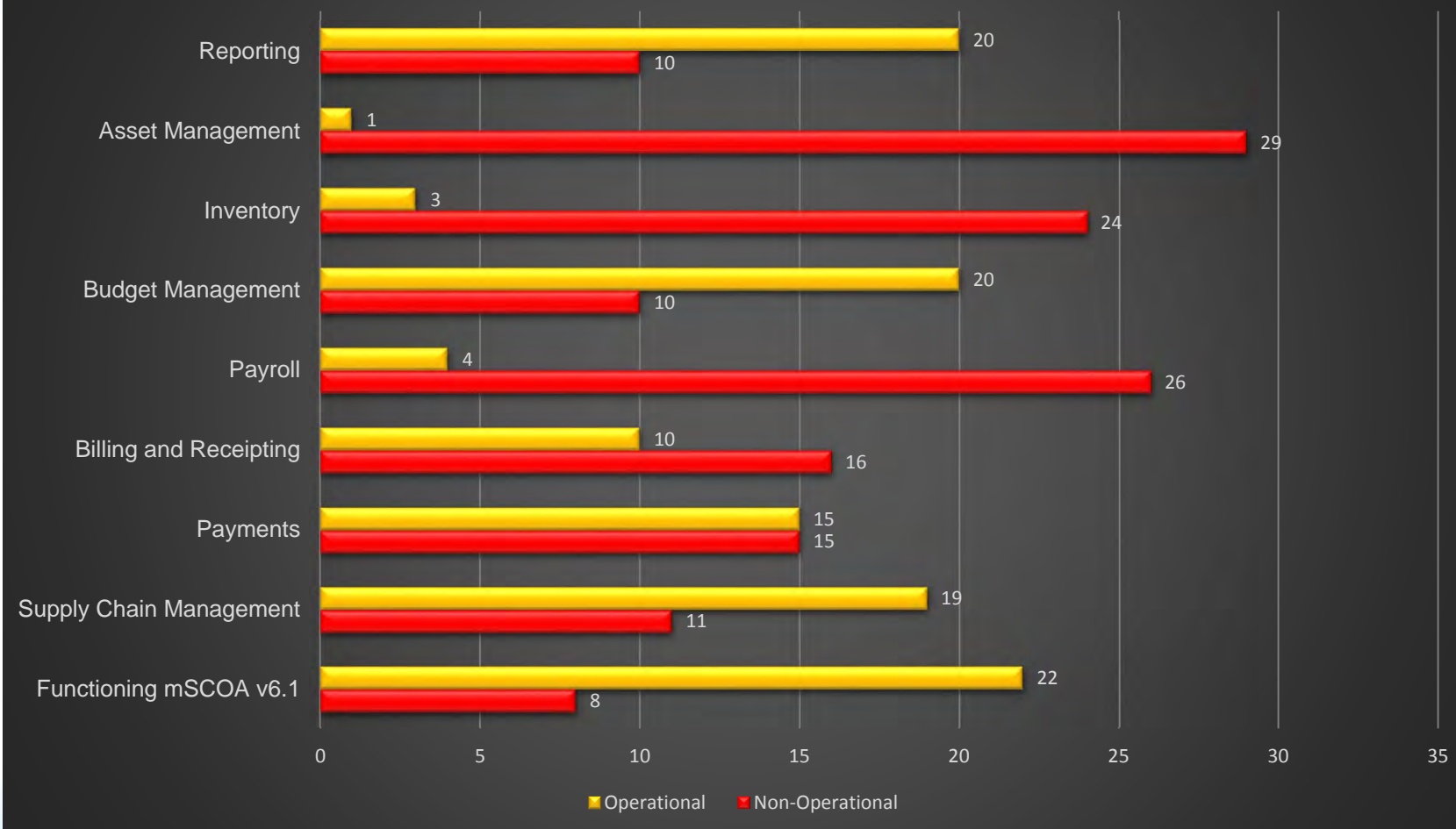| Municipalities Partially Transacting	
Municipalities	**System Vendor**
John Taolo Gaetsewe District Municipality	Sebata
Ga-Segonyana Local Municipality	MunSoft
Joe Morolong Local Municipality	Sebata
Siyancuma Local Municipality	Sebata
Siyathemba Local Municipality	Sebata
Emthanjeni Local Municipality	Sebata
Hantam Local Municipality	Business Connexions
Karoo Hoogland Local Municipality	Sebata
!Kheis Local Municipality	Samras
Frances Baard District Municipality	Business Connexions
Tsantsabane Local Municipality	Sebata
Phokwane Local Municipality	Business Connexions
Kgatelopele Local Municipality	Samras
Gamagara Local Municipality	Vesta/Phoenix
ZFM District Municipality	Samras
Dawid Kruiper Local Municipality	Quill
Khaima Local Municipality	Business Connexions
Pixley Ka Seme District Municipality	Business Connexions
Nama Khoi Local Municipality	Rdata
Namakwa District Municipality	Business Connexions
Richtersveld Local Municipality	Rdata
Dikgatlong Local Municipality	Sebata

Municipalities not live	
Municipality	Vendor
Thembelihle	SEBATA - EMS
Kai! Garib	
Kareeberg	
Ubuntu	
Renosterberg	BCX - E-VENUS
Kamiesberg	
Magareng	
Umsobomvu	VESTA - PHOENIX

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Go-Live Verification Results - Functional View

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	Frances Baard	Magareng	Phokwane	Dikgatlong
Functioning mSCOA v6.1	Yes	No	Yes	Yes
Supply Chain Management	Yes	No	Yes	No
Payments .	Yes	No	Yes	No
Billing and Receipting .	Yes	No	No	No
Payroll	Yes	No	No	No
Budget Management	Yes	No	Yes	Yes
Inventory	Yes	No	No	No
Asset Accounting	No	No	No	No
Reporting	Yes	No	Yes	No

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7.2 Verification per Module – John Taolo Gaetsewe

	John Taolo Gaetsewe	Joe Morolong	Ga-Segonyana	Gamagara
Functioning mSCOA v6.1	Yes	Yes	Yes	Yes
Supply Chain Management	Yes	No	Yes	Yes
Payments .	No	No	Yes	Yes
Billing and Receipting .	N/A	No	Yes	Yes
Payroll	No	No	No	No
Budget Management	Yes	No	Yes	Yes
Inventory	No	No	No	No
Asset Accounting	No	No	Yes	No
Reporting	Yes	Yes	Yes	Yes

7.3 Verification per Module - Namakwa

	Nama Khoi	Kamiesberg	Hantam	Namakwa	Richtersveld	Karoo Hoogland	Khai Ma
Functioning mSCOA v6.1	Yes	No	Yes	Yes	Yes	Yes	Yes
Supply Chain Management	Yes	No	Yes	Yes	Yes	Yes	Yes
Payments .	Yes	No	Yes	Yes	Yes	Yes	Yes
Billing and Receipting .	Yes	No	Yes	N/A	Yes	No	Yes
Payroll	No	No	No	No	No	No	No
Budget Management	Yes	No	Yes	Yes	Yes	Yes	Yes
Inventory	Yes	No	No	N/A	No	N/A	No
Asset Accounting	No	No	No	No	No	No	No
Reporting	Yes	No	Yes	Yes	Yes	Yes	No

7.4 Verification per Module – Pixley Ka Seme

	Pixley Ka Seme	Emthanjeni	Siyathemba	Siyancuma	Renosterberg	Kareeberg	Thembelihle	Umsobomvu	Ubuntu
Functioning mSCOA v6.1	Yes	Yes	Yes	Yes	No	No	No	No	No
Supply Chain Management	No	Yes	Yes	Yes	No	No	No	No	No
Payments .	Yes	No	No	No	No	No	No	No	No
Billing and Receipting .	N/A	No	No	No	No	No	No	No	No
Payroll	No	No	No	No	No	No	No	No	No
Budget Management	Yes	Yes	No	Yes	No	No	No	No	No
Inventory	No	No	No	No	No	No	No	No	No
Asset Accounting	No	No	No	No	No	No	No	No	No
Reporting	Yes	Yes	Yes	Yes	No	No	No	No	No

7.5 Verification per Module – ZF Mgcawu

	Z F Mgcawu	!Kai! Garib	!Kheis	Tsantsabane	Kgatelopele	Dawid Kruiper
Functioning mSCOA v6.1	Yes	No	Yes	Yes	Yes	Yes
Supply Chain Management	Yes	No	Yes	Yes	Yes	Yes
Payments .	Yes	No	Yes	No	Yes	Yes
Billing and Receipting .	N/A	No	Yes	No	Yes	Yes
Payroll	Yes	No	Yes	No	Yes	No
Budget Management	Yes	No	Yes	Yes	Yes	Yes
Inventory	No	No	N/A	No	No	Yes
Asset Accounting	No	No	No	No	No	No
Reporting	Yes	No	Yes	Yes	Yes	Yes

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Go-Live Verification Results - Vendor View

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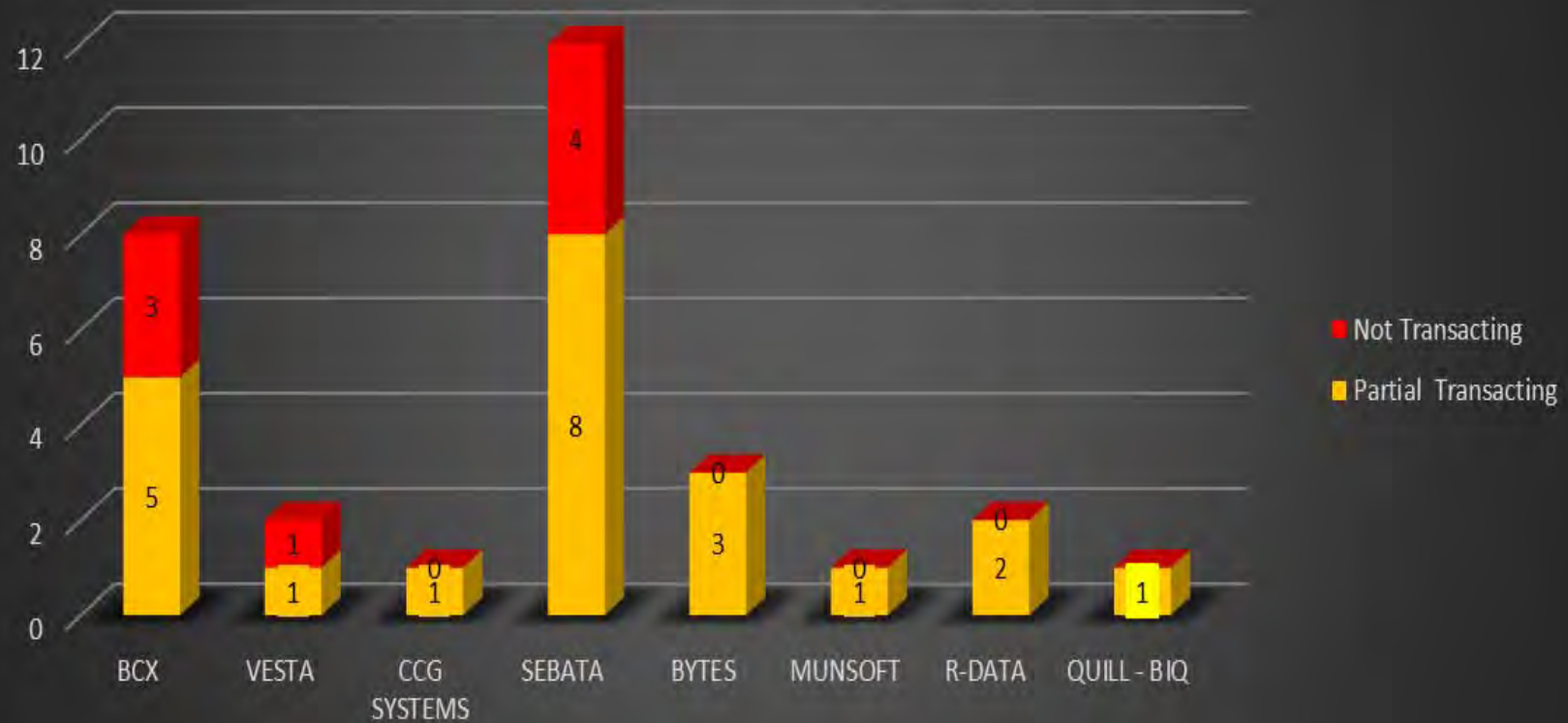
9. Key Issues

PROR data strings not submitted

✓ Unable to confirm if the budget supports the IDP

Monthly reports outstanding (M01, M02 & M03)

Systems not integrated

✓ Payroll & Asset systems were not integrated or seamlessly integrated/non-functional.

  ❖ 26 (87%) of the 30 municipalities payroll module is non-functional

  ❖ 29 (97%) of the 30 municipalities assets module is non-functional

✓ SCM not fully functional

✓ 16 (53%) of the 30 municipalities billing & receipting modules is non-functional

✓ 24 (88%) of 27 municipalities Inventory modules is non-functional – 3 Not Applicable

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✓ 15 (50%) of the 30 municipalities payments module is non-functional

Budget module not implemented

✓ Municipality are unable to produce a mSCOA compliant budget, extract A and C schedule

✓ Budgets are not reconciling

Virement policy not updated

✓ mSCOA requires municipalities to transact on six regulated segments. Most municipalities have not updated their policies to ensure that it accommodates the six segments.

All other policies not updated

Business Processes not updated

✓ Municipalities are still working with old business processes and have not revised to accommodate the new system

Due to financial year end, mSCOA was placed on hold

Municipal officials knowledge on the systems are poor

10. mSCOA Targeted support

What will be done?	Who will do it?	When will it happen?	What role will PT /NT LGBA/Advisor play?
mSCOA Awareness/Internal Audit Training	PT	October/November 2017	PT will facilitate the sessions
mSCOA non-accredited training on the mSCOA chart v6.1 amd budget training	CIGFARO	November 2017	PT is funding and coordinating the training
Engagements through Quarterly Provincial CFO Forum and other relevant forums	PT	CFO Forum 18 - 19 October 2017	PT will evaluate, report progress, advise and coordinate concerns raised
Continuation of mSCOA live operation testing, evaluation of functionality of governance structure etc.	PT district champions	Monthly	PT will advise and build capacity within municipality and conduct the testing
Follow- up on PROR submissions, and M01,02 & 03 report reviews	PT - Municipal Finance	Monthly	PT & NT LGBA Perform the verification of the data strings submitted via portal

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11. Key Activities

- Urgently submit the update on the corrections of the ORGB mSCOA data string from the system (budget module) and re-submission the corrected ORGB (mSCOA data string) aligned to the council adopted 2017/18 MTREF to the National Treasury;

- Should the municipality be unable to correct any errors relating to incorrect classification of information in its 2017/18 adopted MTREF:

  - ❖ The Chief Financial Officer must communicate (via email) to the National Treasury and the relevant Provincial Treasury:

    1) The specific data string that cannot be corrected;

    2) The reason(s) why it cannot be corrected; and

    3) How such will be addressed, including through the adjustments budget process.

- Monthly Reporting

  - ❖ Section 71 & 72 (mSCOA excel)

  - ❖ M01, M02 & M03 data strings (system generated).

- Submit PROR Project Details (Original Budget) - Immediately

N.B NT submission due date for PROR was 29 September 2017

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12. Additional Information

o National Treasury meetings with Poor performing vendors – 20 Oct 2017
  - Sebata – 12 Municipalities in NC
  - BCX – 8 Municipalities in NC
  - Vesta – Phoenix – 2 Municipalities in NC
  - BIQ – Quil – 1 Municipality in NC
o Common modules not operational
  - Assets, Inventory, Payroll, Billing & Receipting
o Municipalities not to procure Asset Management & Valuation Roll Systems – Fruitless & Wasteful expenditure
o Municipalities to use all systems functionality – BCX assets is available etc.
o **Municipalities to revisit Circular 80 – Systems Specifications**
o **Data strings must be from the system – not compiled outside**
o NT meeting COGTA to discuss their involvement
o **Delegated officials submitting data strings must be permanent.**
o No SLA – No service

Thank you

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