



CITY OF CAPE TOWN  
ISIXEKO SASEKAPA  
STAD KAAPSTAD

## SCOA Integrated Consultative Forum – feedback from the City of Cape Town

18 & 19 September 2014

Making progress possible. **Together.**

# AGENDA

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## 1. Piloting Project Plan

- 1.1 High level project plan - Metros
- 1.2 Challenges and inhibiting factors
- 1.3 Progress to date

## 2. Risk Management

- 2.1 High level project plan – piloting

## 3. SCOA Elements

- 3.1 SCOA classification framework, segments and project documentation

## 4. Technical Matters

- 4.1 Municipal accountability cycle – matters of importance
- 4.2 Matters raised with NT SCOA Project Team
- 4.3 Data/SQL update

## 5. Lessons Learnt

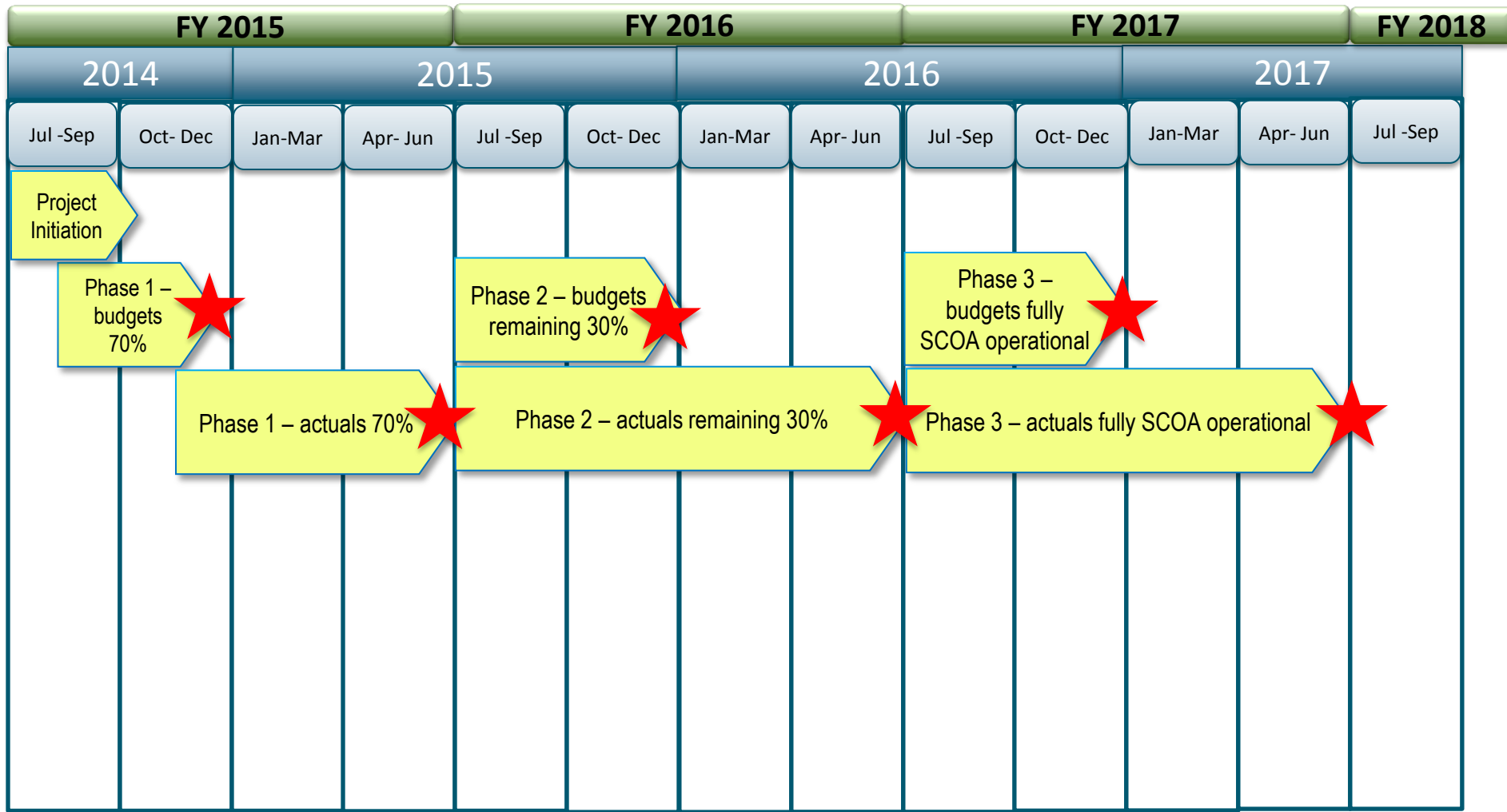
- 5.1 Vendors are requested to share any valuable lessons learnt with the SCOA ICF as part of the SCOA implementation plan

# Piloting Project Plan

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High level project plan - Metros

# High level project plan – City of Cape Town



# High level project plan – City of Cape Town

**SCOA Pilot Phase 1 = target 70% SCOA compliance**

**SCOA Pilot Phase 2 = remainder 30% SCOA compliance**

**Full SCOA Operational compliance**

**Budget**

**Actuals**

**Budget**

**Actuals**

**Budget**

**Actuals**



**Oct 2014**

**Jul 2015**

**Oct 2015**

**Jul 2016**

**Oct 2016**

**Jul 2017**

- Compare SCOA versions 4 & 5
- Identify new accounts
- Create new GL accounts
- Update budget guidelines
- Balance Sheet Planning on Profit Center

- System config & developments
- Automatic account assignments
- Master data updates
- NT reporting formats
- Portal access for NT

- Treatment of operational projects
- Reporting drill-down functionality
- Refine system config, reports , user access & developments to address 30% non-compliance

- Refine system config, reports , user access & developments to address 30% non-compliance
- Compile AFS reporting formats aligned to SCOA
- SCOA internal controls

- Budgets fully aligned with SCOA classification framework

- Actuals fully aligned with SCOA classification framework

Project management & governance

Pilot progress management, evaluation & issue resolution

Continuous business process changes

Change Management & training

Continuous feedback to NT & CoCT SteerCom



Project preparation & mobilisation

# Piloting Project Plan

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Challenges and inhibiting factors

# Challenges and inhibiting factors

Item	Remedial measures
<p>NT SCOA version management – to identify the variances (delta) between version 4 and 5.1</p> <ul style="list-style-type: none"> <li>Time and effort involved in identifying the delta between the current and future SCOA versions.</li> </ul>	<p>The differences between version 4 and 5 have been identified . A comparison to version 5.1 still needs to be performed.</p> <ul style="list-style-type: none"> <li>Waiting on NT SCOA project team to provide version management tool.</li> </ul>
<p>Resource availability due to Finance Structures project. Objective of the Finance Structures project is to prepare the system foundation for the SCOA framework.</p>	<p>Set realistic targets for the 1<sup>st</sup> SCOA deliverable – Oct/Nov 2014.</p>
<p>The interpretation of certain SCOA elements are still unclear and is preventing the City from implementing these items.</p>	<p>The City of Cape Town has provided NT SCOA project team with a set of detailed questions and is awaiting feedback.</p>

# Piloting Project Plan

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Progress to date

# Progress to date

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No	Item
1	Presented the high level project plan and implications to City of Cape Town's EMT (Executive Management Team) on the 25th of August 2014.
2	Launched the formal SCOA project within the City Of Cape Town and secured relevant funding for the project.
3	Compared version 4 to version 5, identified differences and will be conducting workshops to discuss the impact of these differences on the pilot implementation.
4	In the process of identifying additional general ledger accounts that should be created before the budgeting cycle.

# Risk Management

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High level project plan - Piloting

# High level project plan – risk management

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No	Risk Item	Risk Mitigation
1	The non-resolution of SCOA clarification items will impact on the CoCT pilot timelines and deliverables.	Timeous engagement with NT SCOA project team on clarification items and record keeping of items logged.
2	The creation of unnecessary GL accounts and changes to business processes whilst still uncertain on the outcome/decisions from the SCOA Technical Committee. The premature implementation of items which are still unclear would result in system configuration re-work.	These items will be excluded from the scope of the 1 <sup>st</sup> deliverable due Oct/Nov 2014 (budgeting).
3	User acceptance and understanding of the new general ledger accounts introduced during the budget cycle may be problematic due to the level of detail required.	Implement a targeted Change Management strategy and initiatives on all levels of the organisation.

# SCOA Elements

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SCOA classification framework, segments and project documentation

# SCOA Elements

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No	Item
1	All SCOA matters of concern already raised with NT SCOA project team. The City of Cape Town requires timeous feedback on matters raised with the NT SCOA project team.

# Technical Matters

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Municipal accountability cycle – matters of importance

# Municipal accountability cycle – Matters of importance

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## Budgeting

- 1<sup>st</sup> Phase of pilot implementation FY2015/2016
- Cycle start date Oct 2014

## In-year reporting framework

- 1<sup>st</sup> Phase of pilot implementation FY2015/FY2016
- Cycle start date July 2015

## Annual financial statements

- 1<sup>st</sup> Phase of pilot implementation FY2015/FY2016
- AFS to be compiled during Aug/Sep 2016

## General accounting aspects

- Continuous GRAP compliance



# Technical Matters

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Matters raised with NT SCOA Project Team

# Matters raised with the NT SCOA Project Team

No	Item	Status
1	Clarification required on the implementation of the item “Current Assets: Inventory – Water” since it has been expanded from 1 to 12 accounts.	Unresolved
2	Example of the SCOA reporting format which consolidates the 7 SCOA segments.	Unresolved
3	Concerns re the SCOA Account number length. To utilise the ‘alternative account number’ field in SAP, we are restricted to 10 digits. In certain cases the SCOA code structure is 27 digits long.	Unresolved
4	Uncertainty regarding level of Balance Sheet planning required.	Unresolved
5	Waiting on NT SCOA version management tool.	Unresolved
6	Clarification required on certain SCOA Function and Item elements.	Unresolved

# Technical Matters

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Data/SQL Update

# Data/SQL update

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- The City of Cape Town has not seen this solution yet.

# Lessons Learnt

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Vendors are requested to share any valuable lessons learnt with the SCOA ICF as part of the SCOA implementation plan

# Lessons Learnt

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- A detailed analysis of SCOA framework requires extensive time and effort from both the City's Business and ERP(systems) departments.
- The endorsement and commitment from the City's senior management team is vital to ensure a successful pilot implementation.



**CITY OF CAPE TOWN  
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**Thank You**

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**Making progress possible. Together.**