

**EKURHULENI METROPOLITAN
MUNICIPALITY**

**IMPLEMENTATION OF STANDARD CHART
OF ACCOUNTS (SCOA)**

Introduction

Acknowledgement on National Treasury requirements:

- All metros need to pilot hence inclusion in the SCOA Integrated Consultative Forum (ICF)
- Pilot processes is intended to test the SCOA classification framework within local government and the specific functionality

Ekurhuleni Metro Response:

- Executive Mayor accepted the nomination to serve as a pilot municipality without reservation
- The SCOA project has been tabled in EMM Council for noting

EMM Implementation Strategy

EMM has established a task team for a period of 3 years that will manage the implementation of SCOA

SCOA team key focus areas:

- Ensure full implementation by June 2015
- Continue with refinement July 2015 - 2017
- The Project will be driven by the EMM Budget Office and Pay office within the Dept. of Finance
- EMM SCOA team participates fully in the SCOA Integrated Consultative Forum as a pilot municipality

EMM Implementation Strategy

SCOA team approach:


- Consultations with departments to establish their needs (i.e the detailed different functions they require for managing their respective departments):
 - 23 Departments
 - 3 Municipal Entities
- Design a structure based on the outcomes of the consultations
- Ongoing consultations with the service provider regarding business application changes and to set up new environments for SCOA

EMM Implementation Strategy

SCOA team approach (conti.):

- Environments will be created to conduct testing with the assistance of service provider
- Plan to include EMM Entities on the SCOA platform however within the 3 year timeframe
- Milestones:

Phase 1: November 2014 – 80% Budget module completion



Phase 2: February 2015 – 90% Transactional posting level



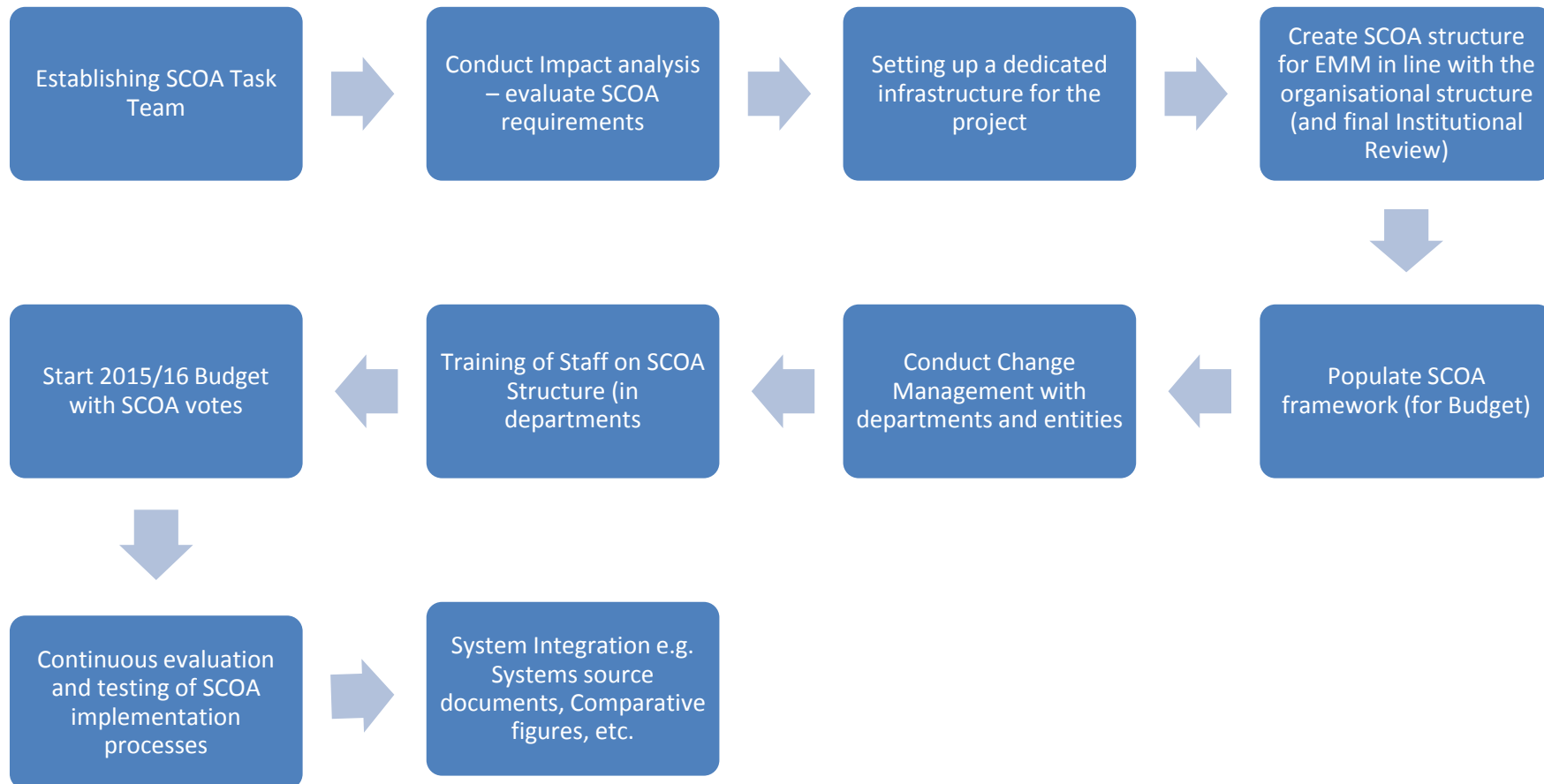
Phase 3: March 2015 – Reporting & Web portals



Phase 4: July 2015 Go Live!!!!

Broad Implementation Plan

- Once the EMM SCOA Task team is fully operational over the next 3 years these are the key activities they will be engaged in towards full implementation



Key Risks

Key Risks	Mitigation strategy
Normal operational demands and staff capacity	Management plan of Ops and contingency demands
Annual budget process and its requirements	Ensure we stick to the SKD approved and aligned it strictly to project plan – Vendor understanding and alignment is key
Availability of key staff/team members	Problematic issue, however key resources will be booked timeously
Funding	Reprioritisation and cost identification e.g. holistic view + infrastructure requirements
Infrastructure requirements	Vendor reliance – since they understand application changes
Interpretation and understanding of NT SCOA requirements and measurements to be used for compliance	Continuous engagement with NT, vendor and other participating metros will aid in clarifying issues of concern

Concluding Remarks

- The role of the service provider is critical with the implementation of SCOA
- Continuous consultations with the service provider, Top Management with PT & NT through SCOA CIF will take place as and when necessary throughout the implementation
- Evolving financial management requirements both at an political and administrative executive level i.e. Budget blocking; Quarterly budgets, early warning systems, etc.
- Municipal Entities integration must be factored
- Alignment with MFMA Compliance reporting – e.g. Sec 71, Withdrawal Statement, Sec 72, Early Warning systems