



# SCOA INTEGRATED Consultative Forum UMDM SCOA Pilot

**Sage Evolution  
ERP**

by Sage Pastel



**national treasury**

Department:  
National Treasury  
REPUBLIC OF SOUTH AFRICA

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**Presented by: Mr. W Muwandi**

18 September 2014

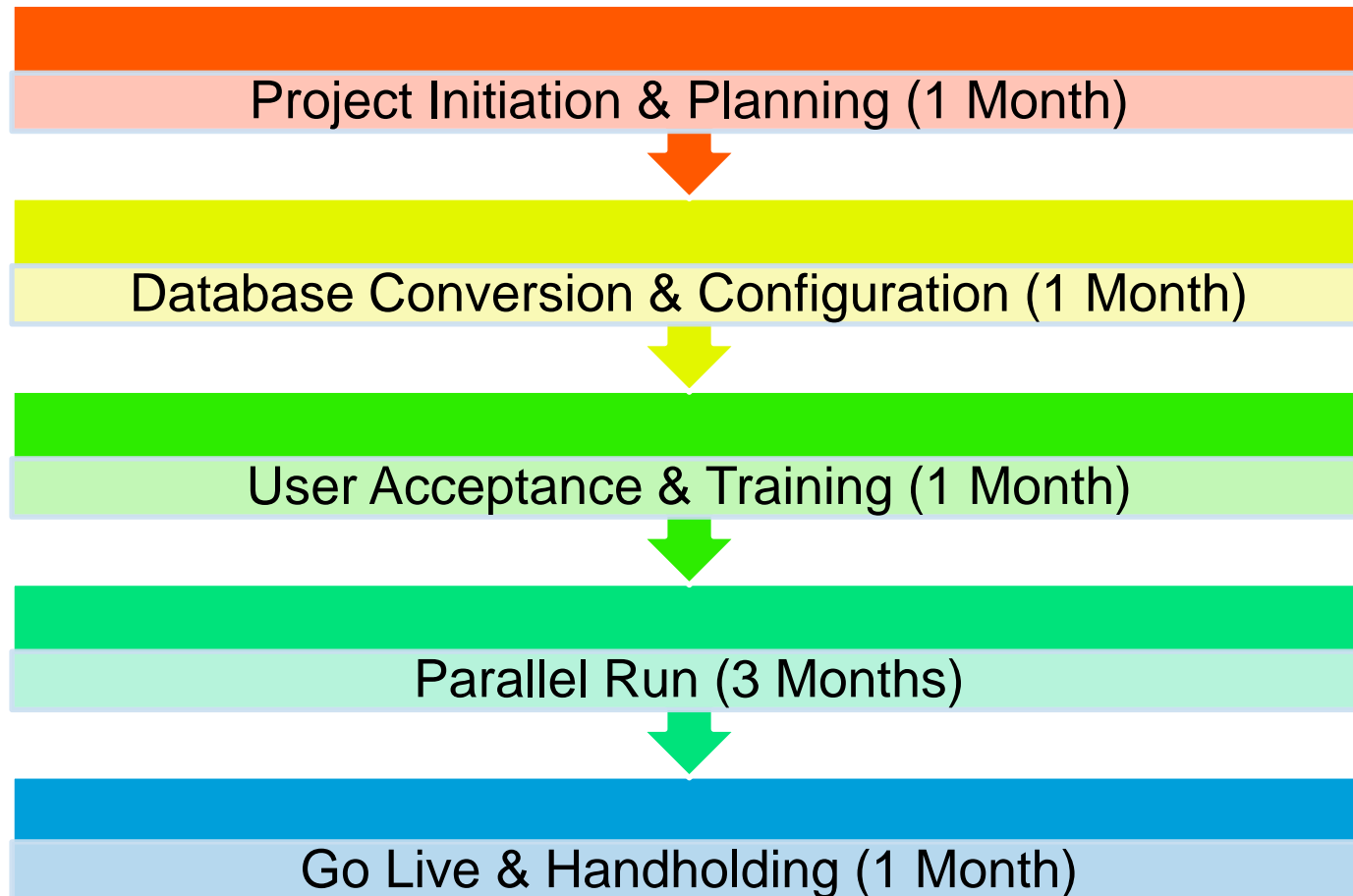
# High Level Project Plan



Task Name	Planned Start Date	Planned Finish Date	Planned Duration	Percent Complete
PROJECT INITIATION	2014-06-03	2014-06-10	7	100%
PROJECT PLANNING	2014-05-01	2014-06-03	33	100%
PROJECT EXECUTION PRE GO LIVE	2014-06-03	2014-10-30	149	100%
SCOA TRAINING	2014-06-23	2014-09-18	87	100%
SYSTEM TESTING- USER ACCEPTANCE/TESTING	2014-08-06	2014-08-13	7	100%
PARALLELL RUNNING	2014-08-01	2014-08-31	30	100%
GO LIVE	2014-08-13	2014-09-18	36	100%
HANDHOLDING	2014-08-01	2014-09-30	60	80%
PROJECT MEETINGS	2014-06-03	2014-10-30	149	80%
REPORTING (NT, MONTHLY FINANCIALS & AFS)	2014-10-01	2014-10-30	29	50%



# High Level Project Plan (Non Pilots)



# Milestones Leading up to 1 July 2015



- Preparation of AFS & NT Returns on SCOA

- Upgrade of Systems to Sage Evolution 7

- Conversion of Database to SCOA

- Re-aligning & Importing Budget on SCOA

- Training, Go Live & Handholding



# Milestones Subsequent to 1 July 2015



# Significant Amendments & Changes to Milestones (PILOT)



Initial Target	Amended Target	Comments
Live date - 01 July	13 August	<ul style="list-style-type: none"> <li>• Infrastructure capacity. Server loaned to the Municipality</li> <li>• Year end processes , 2 data bases maintained .</li> <li>• Training and change management for the Municipality</li> </ul>
Implementation of SCOA codes – 15 June	01 July	<ul style="list-style-type: none"> <li>• Not all accounts were linked to SCOA</li> <li>• Re assigning of the budget to SCOA</li> </ul>

# Remedies Significant Amendments & Changes to Milestones (PILOT)



- 
- Loaned Municipality a server for SCOA Pilot until 30 October 2014.
  - System upgrade to customise and enhance SCOA functionality.
  - Changes to Go Live Date and Parallel Run for in year monitoring reports and monthly financial statements.
  - Review & Update of Database after User Testing.
  - Refresher training, monthly progress meetings & extension of Handholding Period.

# Challenges & Inhibiting Factors



Issue	Recommendation
ICT Server & Infrastructure – Network Failure	Municipality to procure Server and Upgrade Infrastructure  Network has to be stabilized and maintained.
Timeframes	Continuous review of tasks and getting more resources to assist
Database Compliance to GRAP, MFMA, Tax Regulations and other Legislations	Committee to do full testing of all the possible items SCOA has to meet in terms of Reporting, Regulations & Legislations
Lack of adequate GL Votes in SCOA Database	Incorporation of all possible GL Votes to SCOA Database across all Municipal Functions & Services Country wide
SCOA in General	Change Management & Awareness. Assigning of SCOA Votes
Lack of Interest in SCOA by end users	Change Management
Prior Year Adjustments, Reconciliations	A Register of Adjustments to be kept and updated, reconciled in both databases.
Backups not done on a daily basis	Daily Back up of Database
Offsite Backup storage of database	Use of Cloud or Iron Tree
Long SCOA Segments & GL Votes	Short & User friendly SCOA Segment Codes & Vote
Change in Senior Management	Consistency of Senior Management (CFO resigned and currently there is an acting CFO, new CFO starting 1 October 2014)

# Municipal Pilot Involvement and Readiness



- 
- There was a very high level of involvement & support especially Management
  - SCOA Status Report/Feedback to Management & Finance, Supply Chain & Customer Relations Staff
  - Continuous Change Management and or Training especially after updates on SCOA from NT
  - Municipality is Currently using the SCOA Database for day to day transactions



# General Risks

## Mitigating the Risks



- 
- Users not comfortable with Long Codes
  - Users are likely to make mistakes and reduce efficiency
  - Verification of take on transactions
  - Timing – Going live on or before AFS/Audit
  - Incorporation of Municipal Entities (Not Applicable)
  - Quality Checks & Testing
  - Replaced Long Codes with Short Codes that are linked to Long Codes

# General Risks

## Mitigating the Risks



- 
- Assigned and replaced GL Vote with SCOA Vote
  - Created 2 databases (SCOA & UMDM) with Parallel processing for Transactions that affect Prior Years
  - Interval internal check up signed offs by Sectional Managers from the Municipality
  - NT to provide assessment and or feedback on Pilot thus far



# Classification Frame Segments & Project Matters



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Any matters arising from Pilot

- ✓ None. Submitted by pilot
- ✓ NT to respond on Issues raised
- ✓ Providing of Full “SCOA” Chart of Accounts in SQL



# Vendor Community Current Clients



- 
- User Group Conference (All) – 7<sup>th</sup> to 8<sup>th</sup> of April 2014
  - Project Kick off Meeting (UMDM Pilot) – 16<sup>th</sup> of June 2014
  - SCOA Workshop (MANCO – UMDM Pilot) – 23<sup>rd</sup> of June 2014
  - Training/Workshop with UMDM Staff – 23<sup>rd</sup> to 27<sup>th</sup> June 2014
  - User Transactional Training on SCOA Votes (UMDM Pilot) – 11<sup>th</sup> to 14<sup>th</sup> August 2014
  - Monthly ICT Steer Meetings -UMDM Pilot (effective from June 2014 to current)
  - IMFO KZN (All) - 8<sup>th</sup> of July 2014
  - CFO's Forum (All) Scheduled for the 22<sup>nd</sup> & 23<sup>rd</sup> of September 2014
  - Provisional Treasury has been invited twice
    - 27<sup>th</sup> June 2014 and the 16<sup>th</sup> of September 2014



# Aspects Communicated to User Groups



- 
1. Introduction to SCOA
  2. Steps for Municipality to be SCOA Compliant
  3. SCOA Segments
  4. Compliance to GRAP, MFMA & Accounting Standards
  5. Budgeting
  6. Reporting



# Attendance User Groups



Workshop	Attendants
User Group Conference (All) – 7th to 8th of April 2014	+/- 90
Project Kick off Meeting (UMDM Pilot) – 16th of June 2014	15
SCOA Workshop (UMDM Pilot)- MANCO) – 23rd of June 2014	+/- 15
Training/Workshop with UMDM Staff – 23rd to 27th June 2014	28
User Transactional Training on SCOA Votes (UMDM Pilot) – 11th to 14th August 2014	+/- 18
Monthly ICT Steer Meetings - UMDM Pilot (effective from June 2014 to current)	12
IMFO KZN (All) - 8th of July 2015	All of the KZN Municipalities
CFO's Forum (All) Scheduled for the 22nd & 23rd of September 2014	TBA
Provisional Treasury has-been invited twice (27th June 2014 & 16th of September 2014)	+/- 12 per visit



# Municipal Accounting Cycle



- 
- Budgeting – updating Budget to SCOA Votes
  - In-year Reporting Framework – Everything is maintained with added aspects of Sage Intelligence Reporting for NT Returns
  - Annual Financial Statements – Everything is maintained with added aspects of Sage Intelligence Reporting for NT Returns & Annual Financial Statements using Pastel Auditor
  - The reporting deadlines, templates and structure remain unchanged; changes where made to the GL Votes to align term to the SCOA Votes
  - General Accounting Aspects – treatment of various tax and vat types



# Matters Raised with SCOA Project Team



- 
1. Replacement of long SCOA codes with short/user friendly codes
  2. Inadequate Item, Fund, Project & Function segments for some Services e.g. Bulk Water
  3. Cost segment to be optional
  4. Continuous Training on SCOA and Change Management
  5. NT to provide SQL SCOA Database (Work In Progress)



# Data or SQL Update



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## Technical Matters

- The reporting deadlines, templates and structure remain unchanged; changes were made to the GL Votes to align term to the SCOA Votes
- Linking of long SCOA codes with short user friendly codes
- NT to provide SQL SCOA Database (Work In Progress)
- Updated the Chart of Accounts in the System, all other data and the history remained unchanged

## Suggestions on Pilot

- Train the users
  - on their day to day transactions per department on using the SCOA Votes (long and short codes)
  - SCOA segments/votes and the importance of processing from the reporting perspective
- Change Management



# Valuable Information



- 
- The reporting deadlines, templates and structure remain unchanged; changes were made to the GL Votes to align them to the SCOA Votes
  - Creation of Stencil of all Votes Per Service or Expenditure Item for all SCOA possible Votes
  - Consultation with all Stakeholders and feedback on SCOA Stencil
  - User Acceptance Testing and Pilot Run of Full SCOA Stencil/Database



# Feedback & Experience



- 
- Work closely with SCOA Project Team from Provincial & National Treasury
  - Updating Budget to SCOA Votes
  - Engagement with other Service Providers for Integration Purposes
  - Conversion of Transactional History as well as Master Files
  - Ability of System using SCOA Votes to produce Financials right up to Treasury Returns & Annual Financial Statements
  - Flexibility of ERP System to incorporate changes on the Chart of Accounts & System Functionality on SCOA



# Feedback & Experience



- 
- Customised to be a User Friendly system – linked Long Codes to Short Codes
  - Involvement of Key Stake Holders – Mayors Office, EXCO, MANCO, ICT Steer Committee etc.
  - Continuous Review & Analysis, Change Management and Training



# Questions



CCG SYSTEMS

# Thank you



# for your time

