



7 June 2016

## **MAKHADO MUNICIPALITY**

### **SCOA IMPLEMENTATION - STATUS REPORT AS AT 7 June 2016.**

The project commenced on the 20 July 2015.

After taking the above considerations into account, the optimal solution was formulated as follows:

1. Ground work – After scrutinizing the Annual report 2014, the IDP and trial balance (current and 30 June 2014) the SCOA item selections be selected by Munsoft Consulting with input/assistance from Makhado Municipal Budget Manager and staff. Details of the selections to date are as follows:
  - Assets & liabilities – Completed.
  - Gains & losses – Completed.
  - Revenue – Completed.
  - Expenditure – Completed.
  - Function – Completed.
  - Projects – Finalized (anticipated to total approximately 2000 after capacity building and SCOA budgeting phases)
  - Funding – Completed.
  - The selections for costing have been set as default.
  - The region segments have been set as the “whole of the Municipality”.
2. Build SCOA ledger – Completed. 2121--- SCOA “items” built. These are combinations of selections made from point 1 above.
3. Aligned MC to SCOA ledger - completed
4. Migrated balances from MC to SCOA – completed.
5. Reconciling balances as at 30 June 2014, 30 June 2015 as well the current trial balance (2015/2016). Identifying splits in PPE and system enhancements. Target date 6 November 2015 – Completed

6. During the public participation phase (MTREF 2016/2017 and two outer years) the following capacity programmes will commence with Municipal staff (including HOD's and all key stakeholders):
- Selecting items – Assets and Liabilities, Gains & losses, Revenue, expenditure, Function, projects, regional indicators, Funding and costing. This will cover work done in point 1 above – ground work. The training will be hands on training and combining desk top and class room training.
  - Building SCOA items
  - Aligning SCOA items
  - Reconciling MC to SCOA
  - Identifying projects for MTREF 2016/2017 and two outer years
  - Creating the projects, including populating the segments, IDP information, costing, funding and regional indicators
  - Balancing the SCOA MTREF 2016/2017 and two outer years
- Target date 31 May 2016 – 98% Completed.
7. Extracting A Schedules from SCOA, using CaseWare (Munsoft/CaseWare and Munsoft Consulting with Budget Section Manager and staff)
- Target date 8 June 2016. (run concurrently with point 3 above) ( Outstanding )
8. Transaction accounting on SCOA ledger – on-site testing. Constant review and reconciling to ensure that SCOA module is running optimally on site.
- Target date 17 June 2016.
9. Year end on MC
- Target date 30 June 2016
10. Commence with SCOA as from 1 July 2016.

Projects for the purpose of capturing the draft 2016/2017 operating budget has been created.

Projects for the purpose of capturing the draft capital budget has been done together with the HODs as capital projects have their own descriptions

VIP Sage payroll staff is on site starting the mapping of the MSCOA segments for the purpose of the monthly journal which interfacing with Musoft financial system.

We have reached a stage now that SCOA steering committee meetings must be held on a regular basis.

May we take this opportunity to express our appreciation to Makhado Municipal staff who have been most helpful and accommodating.

Dick Du Rand

Munsoft Consulting