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OR TAMBO DISTRICT MUNICIPALITY

COUNCIL

NON DELEGATED MATTER

FOR NOTING

OUT OF COMMITTEE

OFFICE OF THE MUNICIPAL MANAGER

MR B. MASE

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17 APRIL 2024

QUARTERLY REPORT (Q3) ON MSCOA PROGRESS IMPLEMENTATION.

1. ANNEXURE

Government Gazette 37577 – Municipal Regulation on Standard Chart of Accounts.

2. BACKGROUND

Government Gazette 37577 – Municipal Regulation on Standard Chart of Accounts read with mSCOA circulars 1-14 states that the mayor of the municipality-

- Must, within 30 days of the end of each quarter, submit a report to the council on the implementation of mSCOA within the municipality.

3. PURPOSE

The purpose of this report therefore is to comply with the requirements of Government Gazette 37577 – Municipal Regulation on Standard Chart of Accounts read with the mSCOA circulars 1-14. Furthermore, the report determination is to:

- To provide council with an update on the implementation of mSCOA; and
- To request council to take note of the progress on the mSCOA project implementation plan.

It further seeks to inform the MAYCO on the status of implementation of mSCOA for the third quarter ended on 31 March 2024.

4. DISCUSSION

4.1 Functionality of the mSCOA steering committee.

The mSCOA Steering Committee is functional and is sitting at least once in a quarter. The committee is chaired by the Municipal Manager who is the project sponsor and comprises of Senior Managers of the district, Ntinga CFO and the mSCOA project manager. The officials from the Provincial and National Treasury have a standing invitation on the steering committee and advise accordingly.

The last meeting of the steering committee was on the 31 March 2024, wherein a progress on the mSCOA project implementation plan was presented.

OR Tambo District municipality was using Venus before upgrading to Solar system which is mSCOA compliant though it was not part of transversal contracts. The OR Tambo District Municipality was live and transacting on mSCOA by the 1st July 2017 as per the regulations.

4.2 Update on mSCOA implementation

4.2.1 Milestones achieved

The council approved the mSCOA project plan in January 2024, detailing key activities and milestones to be achieved. The spread sheet outlines responsibilities to the officials and service provider.

After the mSCOA live system demonstration on the 6 February 2024, the CFO engaged BCX to close the gaps raised by the National Treasury. Accordingly, bi-weekly meetings with the service provider we established. National and Provincial 2023/2024 2nd Quarter mSCOA Progress Implementation Report.

Treasuries were invited to attend the meetings. These meetings are assisting to the municipality as there is an action tracker that was developed and progress is reviewed on each sitting.

The municipality has successfully submitted the following mSCOA data strings in the third quarter:

- Monthly Actuals M07 to M09
- Monthly Aged Creditors M07 to M09
- Monthly Aged Debtors M07 to M09
- Quarterly Borrowings Q3
- Quarterly Investment and Monitoring Q3
- Adjustment Budget Data string for 2023-2024
- Draft Budget & IDP data strings for 2024-2025

The mSCOA project implementation plan has been updated and is attached.

The director Corporate Services presented the ICT Infrastructure report to the mSCOA steering committee on the 28th March 2024. (Report attached).

4.2.2 Challenges

- Lack of training on solar on all modules. BCX has been contacted and they are busy scheduling trainings.
- The asset register has not been incorporated into the financial system. BCX did a system demonstration on the Asset, SCM, budget and AFS modules on the 6th November 2023. The municipality visited ERWAT at Ekurhuleni Water Care Company for the live demonstration on the Asset Management Module on the 11th April 2024. The municipality will be visiting other sites where BCX has the following modules functioning payroll, budget and stores modules.
- The inventory module is not available.
- There is no integration with the entity. This is caused by the lack of space on the server of the municipality.

- ICT infrastructure is not adequate to fully implement mSCOA. Waiting for National CoGTA to assist the municipality through MSIG to conduct due diligence on the mSCOA system and ICT capacity.
- Resolve mSCOA in-year reporting data strings issues.
- The National Treasury visited the municipality for a live system demonstration on the 6th February 2024.

6. ANNEXURES

- National Treasury mSCOA upload report January, February and March 2024.
- Attendance Register mSCOA live demonstration 6th April 2024.
- Agenda and Attendance Register mSCOA Steering Committee Meeting 28th March 2024.
- Letter from BCX on the site visit at ERWAT.
- ICT Infrastructure report presented to mSCOA Steering Committee on the 28th March 2024.
- Updated mSCOA progress implementation plan.

7. RECOMMENDATIONS

It is recommended that:

- Mayoral Committee notes the mSCOA quarterly progress report as at 31 March 2024 and the updated mSCOA Project Implementation Plan.
- Executive Mayor to present the third quarter mSCOA progress report and mSCOA Project Implementation plan to Council.