**XXXXXXXX**

**Municipality**

**PROJECT SPONSOR APPOINTMENT**

***m*SCOA Project**

**Date**

**Appointment of an *m*SCOA Project Sponsor**

Name: \_\_\_\_\_\_\_\_\_\_\_

You are hereby appointed as the *m*SCOA Project Sponsor for \_\_\_\_\_\_\_\_\_\_\_\_\_ effective from \_\_\_\_\_\_\_ to \_\_\_\_\_\_\_\_\_\_\_\_\_. In this capacity you will report to \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

1. **Role/Purpose of the *m*SCOA Project Sponsor:**

The Minister of Finance promulgated Government Gazette No. 37577, Municipal Regulations on Standard Chart of Accounts (*m*SCOA), on 22 April 2014.

The objective of this Regulation is to provide a national standard for uniform recording and classification of municipal budget and financial information at a transaction level by providing a standard chart of accounts:

* aligned to budget formats and accounting standards; and
* enable uniform information sets across the whole of government to better inform national policy coordination and reporting, benchmarking and performance measurement.

In accordance with this regulation, all municipalities and related municipal entities are required to be *m*SCOA compliant on/ or before 01 July 2017.

Section 62(1) read in conjunction with Section 63(2)(a) of the Municipal Financial Management Act, 2003, tasks the Municipal Manager(MM), with managing the financial administration of the municipality as well as with maintaining a management, accounting and information system that accounts for the assets and liabilities. Therefore, the Municipal Manager (MM) has the overall responsibility to manage the successful implementation of the *m*SCOA project within the municipality, to ensure compliance by the effective date of 1 July 2017. However, the MM can, acting within the ambit of the law and prescripts, delegate some of these responsibilities, in this case the MM’s role of *m*SCOA Project Sponsor.

1. **Term of the appointment:**

This Term of this appointment is effective from dd/mm/yyyy (insert start date) and shall continue until satisfactory implementation of the *m*SCOA project and will only terminate by agreement of the Municipal Manager and with the approval of the municipal council, the earliest date contemplated being 1 July 2017, or when full compliance with the regulations has been achieved.

1. **Roles and Responsibilities of the *m*SCOA Project Sponsor:**

The responsibilities of the *m*SCOA Project Sponsor are as follows:

1. To establish a sufficient and proper governance framework/ or environment in accordance with the delegated responsibilities in order to ensure successful implementation of the mSCOA project. This include amongst others:
	* Appointment of an mSCOA Steering Committee to oversee the implementation of the Municipal Regulations on a Standard Chart of Accounts, 2014 in the municipality;
	* Appointment of a Project Manager to lead mSCOA implementation within the municipality;
	* Ensure that mSCOA responsibilities are incorporated in the Performance Agreements, Performance Evaluation Templates and other applicable documentation for the identified officials; and
	* Identify and appoint individuals responsible and accountable per mSCOA Segment/ or work stream.
2. Monitor successful implementation of the mSCOA Project, which include amongst others:
	* Review the mSCOA Project Implementation Plan, with the required activities, responsible persons and timeframes;
	* Monitor the progress made in terms of implementation of the mSCOA project plan, and implement action plans to address any challenges and backlogs;
	* Ensure organisational awareness of mSCOA by means of internal workshops, feedback to the various internal committees and to the municipal council;
	* Ensure that mSCOA is adopted as a permanent standing item on EXCO, top management and portfolio committee agendas for tracking progress and noting institutional risk;
	* Oversee the risk matrix assessment and the development of a risk register, with implementation of mitigating action plans, and regular tabling to the municipal council for consideration;
	* Monitor the implementation of the risk mitigating action plans. Quarterly assess the project risk register, and provide feedback to the municipal council;
	* Ensure the municipality's current ‘chart of accounts’ is compared on an account by account level to mSCOA (all 7 segments). Notify the relevant provincial treasury of any anomalies;
	* Consider the impact of mSCOA on business processes and develop a business process implementation plan to address change, with specific regard to, among others:
	* Impact on current municipal Vote Structure, Functions, Internal Operational Work Flows, Costing Methodology, and business Processes;
	* Impact on Operational and Capital Projects (Setting Up Project based Budgeting);
	* Oversee the appointment process for the accounting system service provider and consultants by means of providing input to the bid specification and evaluation processes;
	* Review the Service Level Agreement with the successful service provider(s) to ensure that all mSCOA requirements are addressed and value for money is achieved;
	* Preparation of a detailed project implementation plan for data purification, conversion and movement to an mSCOA compliant system once the service provider is appointed, with input from all the relevant stakeholders;
	* Ensure the assessment of current IT infrastructure requirements and suitable acquisition and implementation plans to address current infrastructure needs; and
	* Facilitate the budgetary planning and provisions for mSCOA to ensure that the project is adequately funded for the implementation.
3. Foster collaboration between the municipality, service providers, National Treasury and the Provincial Treasury and other key stakeholders through:
	* Engagement meeting(s) with the service provider, to clarify roles and responsibilities, and timeframes;
	* Finalise the Memorandum of Agreement or Service Level Agreement for approval by the Municipal Manager;
	* Establish vendor target dates for converting data and implementation - incorporated into the mSCOA project plan;
	* Attend and Participate in Vendor forums and progress meetings;
	* Monitor the municipality’s compliance with the Municipal Regulations on a Standard Chart of Accounts, 2014, including any guidance provided by the National Treasury and Provincial Treasury; and
	* Ensure that the Project Manager/ municipality maintains ongoing communications with the National Treasury and Provincial Treasury during the implementation of the project.
4. **Meetings:**
* The mSCOA Project Sponsor will chair the meetings of the mSCOA Steering Committee and attend the Municipal Risk and Audit meetings to represent the mSCOA project on that forum.
* The mSCOA Project Sponsor should confirm key decisions and where consensus cannot be achieved have the casting vote in determining the final decision.
* The mSCOA Project Sponsor shall act as arbitrator between the stakeholders and parties involved with the mSCOA implementation, always considering the best interest of the municipality and compliance with the requirements of the Municipal Regulations on a Standard Chart of Accounts, 2014.
* The mSCOA Project Sponsor shall regularly update the municipal council with regard to progress, key challenges and compliance with the Regulations.
1. **Amendment, Modification or Variation:**

This appointment may be amended, varied or modified in writing after consultation between the involved parties.

Signed by Project Sponsor: Signed by Councilor

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Name of Project Sponsor Name of Councilor

Designation Designation

Date Date