

# SCOA Integrated Consultative Forum - 18 & 19 September 2014

## Minutes of Meeting

Presented by National Treasury: Chief Directorate Local Government Budget Analysis – 1 August 2014



**national treasury**

Department:  
National Treasury  
REPUBLIC OF SOUTH AFRICA

# SCOA ICF 18 & 19 September 2014 – Opening & Welcome

- The Meeting was opened by:  
Mr Aziz Hardien - CA(SA) and Registered Auditor (RA), Provincial Accountant General, Chief Directorate: Financial Governance  
Provincial Treasury, Western Cape Government
- Carl Stroud proceeded to call the First Vendor to present their presentation.

# SCOA ICF 18 & 19 September 2014 – Presentation Feedback - Vendors

## ***Sage - Presented by Walter Muwandi – Camelsa Consulting Group***

- Have always been using segmental reporting
- Only needed to implement costing and project segment
- 2 data bases are being maintained
- Budget been aligned to SCOA accounts
- Pilot a district municipality
- Vote structure an issue; have created short codes (complaints from users)
- Senior management challenges (CFO resigned, new one being appointed)
- Project and regional classification issue
- Treasury requested to do final assessment check of system
- Holding user group conference
- KZN PT involvement
- Used version 5 - Conversion tool
- 2 data bases, DB1 still running on old budget, DB2 revised budget 2014/15 , only GL changes, seems as if it is a flat structure
- Question: Have they submitted an implementation plan to council?
  - municipality has been involved since day 1 and project plan submitted, non-piloting sites implementation plans are also being addressed

# SCOA ICF 18 & 19 September 2014 – Presentation Feedback - Vendors

## ***Munsoft – Presented by Evette Walters***

- All tables changed in Oracle data base
- All changes can be accommodated within a SCOA template designed by Munsoft, any changes can be accommodated easily
- Have viewing to old notes when capturing data
- All non-piloting sites running on new Munsoft version
- Excellent participation from piloting municipalities
- No technical challenges but data challenges
- Need to have meeting with district municipalities
- Need to have discussion project and costing segment
- PT need to play more prominent role in informing non-piloting municipalities of SCOA
- Only training of finance personnel - have now involved the other departments

## ***Sebata – Presented by Maritz van Zyl***

- Recouping of costs
- What data cleansing needs to be done (give examples)
- Need to drive risk matrix more aggressively
- Need assistance with councillor change management (political landscape) need to involve CoGTA and SALGA as well as PT's

# SCOA ICF 18 & 19 September 2014 – Presentation Feedback - Vendors

## ***Fujitsu – Presented by Theo Gregorowski***

- Upgraded version
- Doing process analysis
- Client discovery
- Fujitsu tool for classification (generic tool to assist municipalities to ensure all segments are represented within SCOA requirements)
- Finalising classification and budget
- 3<sup>rd</sup> party integration testing
- Budgeting will be taking place very late, can't the module be in place earlier? (Risk, speak to Hilton to drive this)
- Various interpretation of SCOA between stakeholders (needs to be alignment)
- Some key position issues
- Proposing single point of contact between PT & municipality
- Problem with costing and project (technical assistance)
- Need to provide guidance document for non-piloting municipalities
- Lack of definition for SCOA compliance

# SCOA ICF 18 & 19 September 2014 – Presentation Feedback - Vendors

## ***Bytes (Samras) - Presented by Pierre Gerrits***

- Changes to SCOA need to be done more speedily and inform vendors of changes on a weekly basis (Proposal)
- 3<sup>rd</sup> party systems – how does the piloting process from the main vendor incorporate? Pierre to address 3<sup>rd</sup> party communication.

## ***Rdata – Presented by Rod Dunbar***

- No project plan – A formal plan to be put together
- Complexity of capturing transactions
- Job accounting (need to discuss further) how the person doing a task will capture
- Note taken of needing faster feedback from the SCOA Team.

## ***BIQ – Presented by Danie van Heerden***

- Problems with coding structure, have made proposal to NT - coding structure, was a mistake from our side and it has been rectified.
- Requested NT to define output requirement
- NT to follow up apparent recovery of development costs

# SCOA ICF 18 & 19 September 2014 – Presentation Feedback - Vendors

## ***BCX – Presented by Andries Fourie***

- General remark, need to realise that municipalities have to do proper 3 year budgeting (project and costing)
- Good point raised – “do not over-think”
- Carl mentioned about the helpdesk that will be set up in the future, but also added that the helpdesk will not be there to replace the ability of people to read. A SCOA dedicated e-mail address will also be set up. All Parties concerned will be informed of the e-mail address once working.

## ***Vesta – Presented by Danie du Plessis***

- Data structure 80% completed
- Building migration wizard (assist user to identify old account where it now lies)
- What about balance sheet, when budgeting for 3 years
- Contingency plan needs to put in place should system fail

# SCOA ICF 18 & 19 September 2014 – Presentation Feedback – Metros

## ***Tshwane – Presented by Jonathan Patrick***

- Need to intervene (DDG to engage with MM if necessary) need to get a project manager in place.

## ***City of Johannesburg – Presented by Ishwar Ramdas, Yagan Moodley***

- Need to move to SAP upgrade (ECC6) for all entities
- SCOA internal committee will also have group champion
- Change management crucial
- Lack of skilled resources
- Have risk register in place
- Timeline very ambitious
- Need to get all entities at transactional level (onto the same application), to eliminate duplications
- Striving for a vanilla solution (80-20)
- No In-house solution centre in place (are considering this)



# SCOA ICF 18 & 19 September 2014 – Presentation Feedback - Metros

## ***eThekweni – Presented by Chris Nagooroo***

- Will be SCOA compliant before July 2015 (very tight timelines)
- Need to put milestone in place

## ***Ekurhuleni – Presented by Owen Witbooi***

- Need guidance from NT, who should form part of steering committee
- Senior management involvement
- Striving for full implementation June 2015 ( Not sure of this as there is very little communication between the vendor and the metro)
- They proposing quarterly budgets, funds management, (what about periodic planning)

## ***Cape Town – Presented by Liesel Kotze***

- 70% compliant by June 2015
- Unclear items will be parked before system changes are implemented

# SCOA ICF 18 & 19 September 2014 – Presentation Feedback - Metros

## ***Nelson Mandela Bay***

- Need to intervene immediately with senior officials.
- Metro has very limited idea of what is required from them
- ***Cannot distribute their presentation (falsely used City of Cape Town as reference) need to retract.***

## ***Mangaung***

- Need to involve all departments, not a finance reform
- Need to articulate a better project plan
- Put milestones in place

## ***Buffalo City***

- Cannot understand why an external SCOA project team needs to be appointed, when project is being managed by BCX as well as there is a full time BCX consultant on site
- Caution: Metro needs to take ownership of implementation and have own project team. This project is over a long-term.

# Current municipal financial system (vendor) landscape and SCOA pilot municipalities *(Refer to ICF 3 for update on Pilot Sites)*

System Vendor	System	Municipality	Province	Provincial Treasury	Pilot Advisor
Sage Evolution	Pastel ERP	uMgungundlovu District Municipality	KwaZulu-Natal, Limpopo	Limpopo	Greater Giyani Local Municipality
Munsoft	Munsoft	Nkangala District Municipality & Elias Motsoaledi Local Municipality	Mpumalanga and Limpopo	Mpumalanga	Elias Motsoaledi Local Municipality
Sebata	Sebata	Victor Khanye, Senqu & Setsoto Local Municipalities	Mpumalanga, Eastern Cape & Free State	Free State	Setsoto Local Municipality
Fujitsu	Abacus & Promis	uMhlathuze, Richmond & Bergrivier Local Municipalities	KwaZulu-Natal & Western Cape	Kwazulu - Natal	uMhlathuze Local Municipality
Bytes Technologies	Samras	Overstrand Local Municipality	Western Cape	Western Cape	Overstrand Local Municipality
Rdata	ProMun	Knysna & Camdeboo Local Municipality	Western Cape, Eastern Cape	Eastern Cape	Camdeboo Local Municipality
BIQ	Quill	Merafong Local Municipality	Gauteng	Gauteng	Merafong Local Municipality
Business Connexion	Venus, eVenus & Solar	Drakenstein Local Municipality, Hessequa Local Municipality and Ekurhuleni Metro	Western Cape, Gauteng & Northern Cape	Northern Cape	Sol Plaatje Local Municipality
Veritas	Platini	Thabakweng Municipality	North West	North West	Thabakweng Local Municipality