



**Western Cape
Government**

Local Government

mSCOA IMPLEMENTATION

AN ERP PROJECT GOVERNANCE APPROACH

01 December 2014

Why mSCOA ?

- Successes of SCOA reform for National and Provincial Governments to be translated to Local Government.
- Seeks to deliver on National objectives of standardization and reporting.
- Not merely a financial reform .
- ERP approach to ensuring consistency in Municipal Accounting, Reporting and Business Processes.
- Affects all areas of the Municipality.

Towards a mSCOA ERP Project Governance Framework...

*“A framework that consists of the **leadership, organisational structures and processes** that ensure that the organisation’s **Management Information Systems** sustains and extends the organisation’s **strategies and objectives.**”*

mSCOA- The Implementation Approach

- Must be implemented through an agreed Governance Structure
- Governance structures must exist at a National, Provincial and Municipal level.
- Governance Framework to take an ERP Governance approach.
- Must ensure decision making structures and feedback mechanisms exist.

Project Governance Framework seeks to achieve

Strategic alignment -

So that project supports the municipalities' objectives;

Ensure value delivery-

Ability to identify and perform those activities that will ensure that the project delivers value to the Municipality;

Risk management / Compliance -

Ensures that the internal audit function must become an integral part of the SCOA project implementation processes so that risks are identified and be dealt with;

Performance measurement -

that the municipality establishes timeframes and performance metrics to ensure that project goals are reached and that the municipality is enabled to provide direction for improvements where deviations are observed.

mSCOA Governance - Priorities

- Investment Prioritization
- Decision making
- Reporting
- Communication
- Change Management
- Compliance and Standards
- Guidance and Support

SCOA Project Governance Logic



Governance of SCOA – Roles and Functions

- I. **National Treasury:** Developing and legislating the mSCOA reform.
- II. **Provincial Treasuries:** Coordinating the SCOA reform in each province through establishing Norms and Standards and providing very specific support to municipalities in achieving their mSCOA reform.
- III. **Municipalities:** Taking the necessary actions so as to make sure that the Municipality is in compliance with the stipulated reforms as communicated within the specified timeframes whilst ensuring all the municipal risk and compliance targets are maintained.

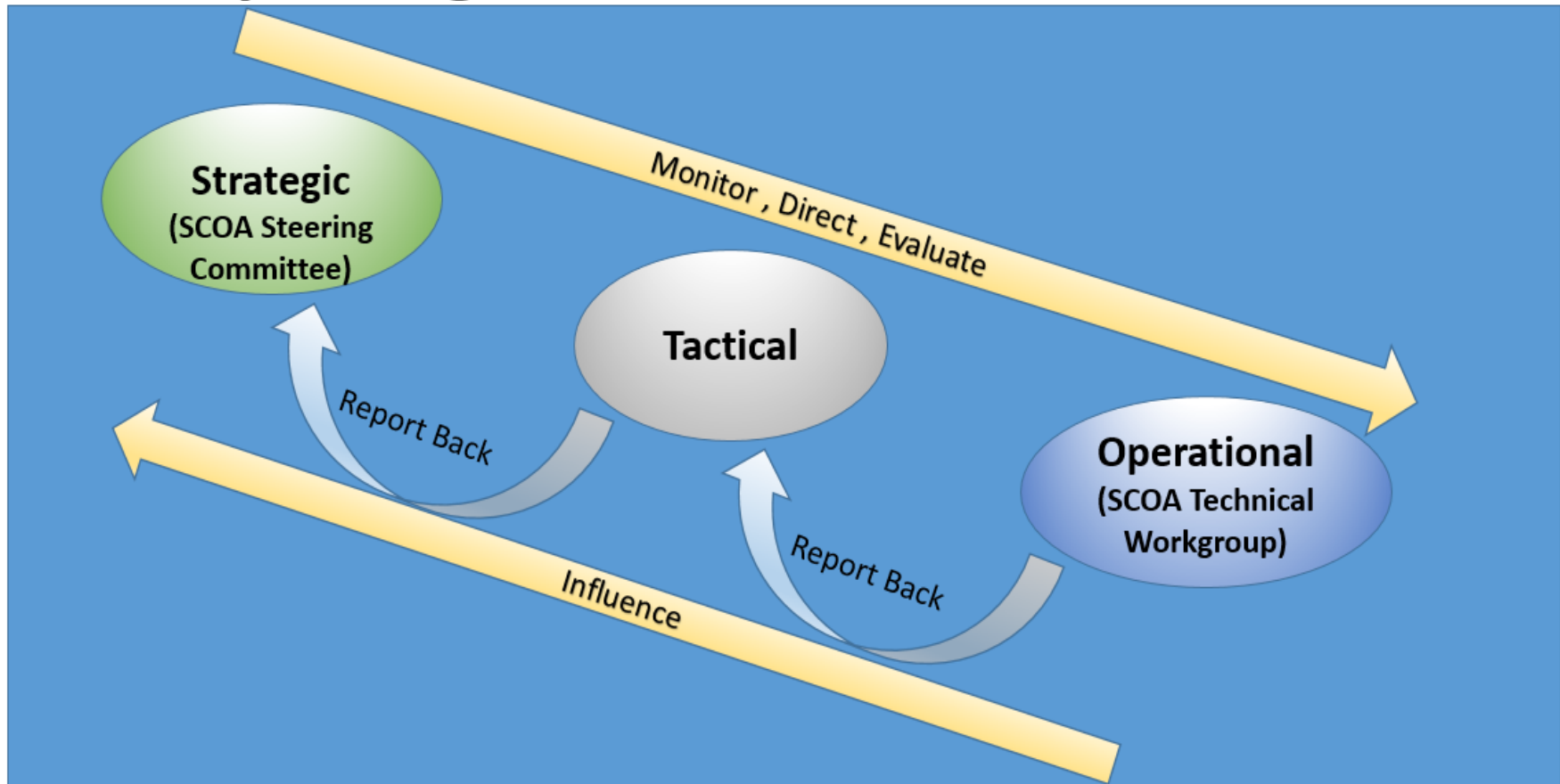
Governance of SCOA – Layered Approach

Strategic Management: involves the identification of the project Goals, approval of project Plans, allocation of project Resources, Monitoring the project progress and the general Project Risk Management.

Tactical Management: involves the development of project plans, establishing project execution milestones, assessing project risks, identifying project resource requirements (technological, human and financial) and reporting to the strategic segment on the project progress, change management and deviations.

Operations: carries out the functional tasks as identified in the project plan. Reports on progress of functional tasks and alerts the project's tactical management sphere of any impediments risks in the delivery of its functional tasks.

mSCOA Project Governance - Cyclical interaction model





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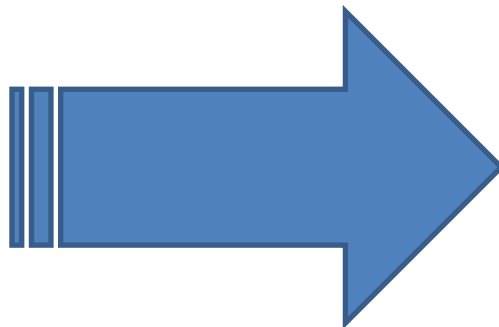
**mSCOA
GOVERNANCE APPROACH**

Provincial Treasuries

mSCOA Project Governance: Provincial Steering Committee



Strategic



Membership	
Head of Department:	Provincial Treasury
Head of Department:	Provincial DLG
Chairperson:	Municipal Managers Forum
Chairperson -	Municipal CFO's Forum
National Treasury -	SCOA Project Leader
Provincial Treasury -	SCOA Project Leader
Provincial Accountant General	

mSCOA Project Governance:

Provincial Steering Committee

Key Activities – mSCOA Provincial Steering Committee

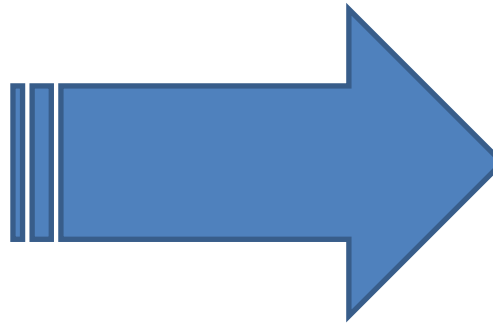
1. Provide Strategic Direction for the Provincial wide mSCOA project.
2. Establish Terms of Reference and Charters for various committees.
3. Formulate Project team and allocate resources.
4. Approve Provincial Implementation Strategy
5. Monitor Project implementation
6. Monitor Project Risks

mSCOA Project Governance:

Provincial Tactical Management



**Tactical
Project
Committee**



Membership
Provincial Accountant General
Representatives from National Treasury
mSCOA Pilot Municipalities (CFO's and IT Managers)
Provincial Treasury - SCOA Project Leader
Provincial MFMA coordinator
Provincial DLG

mSCOA Project Governance:

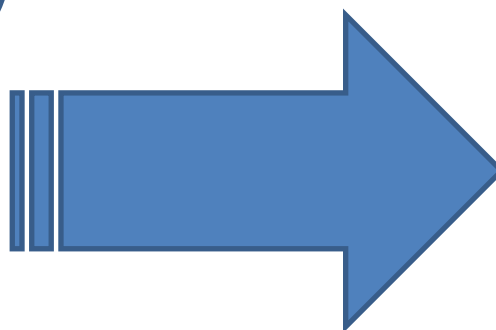
Provincial Technical Workgroup

Key Activities - mSCOA Provincial Tactical Committee

1. Establish Centralised Communications.
2. Facilitate Coordination with National Treasury.
3. Facilitate Coordination with Vendors.
4. Establish Provincial and Municipal SCOA Governance.
5. Develop Skills, Capacity and support for future reforms.
6. Establish Standardised mSCOA reporting templates for Municipalities.

mSCOA Project Governance:

Provincial Technical Workgroups



Membership
Representative from National Treasury
mSCOA Pilot Municipalities (CFO's and IT Managers)
mSCOA non- Pilot Municipalities (CFO's and IT Managers)
Provincial Treasury - SCOA Project Leader
Provincial DLG
Designate officials from Provincial Treasury

mSCOA Project Governance:

Provincial Technical Workgroups

Agenda Setting – Focus Areas
1. mSCOA seven segments
2. Municipal ICT Capacity
3. Project Governance
4. Vendor Engagements



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Municipalities

Municipal Governance of mSCOA – Roles and Functions

- I. **Executive Authority level:** Mayor, Councillors and Municipal Managers Monitor , Direct and Evaluate the performance of the SCOA project against plans, internal policies, external obligations and strategic objectives.

- II. **Executive Management Level:** Municipal Managers / Executives Plan, Supervise, Check and Act to effectively and efficiently leverage SCOA Project resources. Establish an **SCOA Project steering committee**, chaired by the Municipal Managers to ensure coordinated decisions taken.

- III. **Process / Operational Level:** activities are performed, controlled and checked in alignment with business objectives.

mSCOA Project Governance:

Municipal Strategic Committee



Strategic

**Portfolio
Committee of
Council**

mSCOA Project Governance:

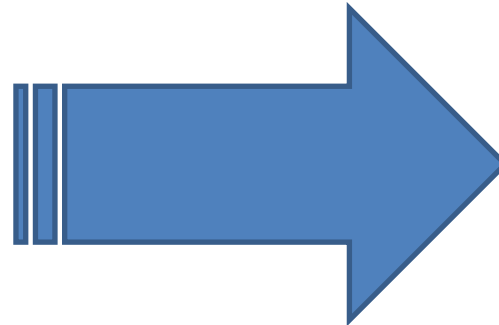
Municipal Strategic Committee

Key Activities - mSCOA Portfolio Committee of Council

1. Provide Strategic guidance for the mSCOA project in the Municipality.
2. Establish the mSCOA Project Governance model for the Municipality.
2. Define the mSCOA Project Direction in terms of deliverables.
3. Ensure the mSCOA Project Controlled in terms of agreed framework.
4. Monitor the mSCOA Project implementation against agreed deliverables.
5. Monitor and evaluate the mSCOA Project Risks in line with the risk appetite of the Municipality.

mSCOA Project Governance:

Municipal Steering Committee



Membership
Municipal Manager
All Municipal Directors & Section 56/57 Managers
Municipal CFO
Municipal IT Manager
Municipal Risk Officer

mSCOA Project Governance:

Municipal Steering Committee

Key Activities - mSCOA Municipal Steering Committee
Has a specific delegated responsibility to ensure the planning, monitoring and evaluation, of the municipalities mSCOA Project implementation with reference to:
<ul style="list-style-type: none">• The functioning of mSCOA Project structures.
<ul style="list-style-type: none">• Ensuring that Policies, Procedures, processes, mechanisms and controls regarding all aspects mSCOA project are clearly defined, implemented and enforced.
<ul style="list-style-type: none">• Ensuring that the mSCOA Project is delivered against the agreed deliverables with time and budget.
<ul style="list-style-type: none">• Ensuring that the most appropriate mSCOA Project Change Management methodology is followed.
<ul style="list-style-type: none">• Management of the Security and Integrity of financial and related data.
<ul style="list-style-type: none">• Ensuring mSCOA Governance compliance.
<ul style="list-style-type: none">• Facilitating mSCOA and ICT Infrastructure enablement.
<ul style="list-style-type: none">• Vendor Management.

The AGSA will test – post implementation end 2017

- Project methodology – Direct , Monitor , Evaluate
- Change Management
- SLA Management with vendors
- System Security
- System Backups
- Disaster Recovery Plans

How to ensure compliance

- Treasuries to establish NORMS and STANDARDS.
- Standardised and co-ordinated communications.
- Clearly defined Change Management Processes
- Clearly Manage all risks associated to the project.
- Stick to municipal policy prescripts.
- Evaluate project success...
- The post implementation question.....fit for purpose solution.

Next Steps – mSCOA Governance Implementation Plan

- Develop Municipal mSCOA **Governance Implementation Plan** .
- Establish a sample **Project Governance Charter**.
- Establish Project Plans which include **Project Resources , Milestones , Reporting Schedules** and **Change Management Methodology**.
- Establish communications framework which regularly updates project team through the standardised **RACI Chart** (Responsible, Accountable, Consulted, Informed).
- Establish **Measurement and Monitoring Criteria**.
- **Internal Audit** (evaluate governance processes; asses effectiveness of risk management and internal controls...)



Thank you