



**By 2030 eThekweni will be Africa's
most caring and liveable city**



ICF Metro Presentation

8 September 2015

Governance Structure

- Established a Steering Committee
- Project Charter
- Project Implementation Plan
- Risk Register
- Secondment of Staff
- Internal Control and Internal Audit providing oversight
- Change Management Team

Process followed

- Need to get a full understanding of mSCOA and its impact on the municipality.
- It is vital that the system vendor understands the requirements so that the solution is mSCOA compliant.
- Initially looked at a quick fix, easy solution which was mapping and this was rejected by National Treasury as they made it clear that you have to transact at segment level. We have had continuous engagement with National Treasury to ensure that our solution met with their requirements
- In hindsight, we realized that mapping was not a solution due to the number of variables involved and due to the chart being multi-dimensional as well.
- These were proven when we looked at some practical examples and realized that the user would have many selections available to them which could not be hardcoded onto a two dimensional chart.

Process followed

- The mapping permutations would have been massive and very difficult to maintain
- If you focus on a mapping solution, you also lose out on the flexibility that the multi-dimensional chart affords you.
- Explored options available on the existing version of our ERP and identified that there were system constraints. We brought forward our system upgrade timeline as the latest version of JDE had more functionality.
- We are doing a fresh install of JDE as the charts and concepts differ significantly. Historical data would reside in the previous version of JDE, only open balances would be migrated.
- When implementing the solution we identified that it is impossible to run parallel systems – old and new, as the concepts and the chart differ significantly. We also realized that you cannot implement mSCOA in a phased approach, you are either transacting on all segments or you are not.

Process followed

- Vigourous engagements were held with our implementation partner, EOH and vendor, Oracle to find a solution. This also involved interaction with their International counterparts.
- It must be noted that everyone understood the concept of a Standard Chart and reporting on it. It however took them awhile to understand the animal that is mSCOA and that the key is transacting and not reporting.
- Our implementation partner, EOH will be presenting after us on the process and methodology from a technical stand point.
- The proposed solution has been presented to National Treasury and all parties are happy with the outcome.

Benefits of the mSCOA Implementation

- Improvements in business process emanating from the exercise
- Clean up of chart of accounts. More understanding of the chart. Definitions stored on ERP making it easier to identify, search function available
- Clean up of old balances, unreconciled items, suspense account, etc
- Multi-dimensional reporting that will be available
- Relook at reporting from the General Ledger, we tried with our previous chart to comply with all reporting requirements from the GL – will now be generating reporting from sub modules.

Challenges

- Secondment of appropriate dedicated staff to the project
- Timeframes. Although pilot sites have to implement on 1 July 2016, budgeting commences now.
- Electricity Unit utilizing a different GL System to the rest of the City. Decision only finalized recently to bring them onto JDE
- Integration of stand alone systems to the GL
- Re-configuring the Budget Module
- Change Management. Need to convince line that this is not an accounting reform but a change in the way we do business. Managing internal resistance to change.
- Delays in finalizing chart, impacts on the system readiness.
- Chart structured alphabetically, needs to align with reporting framework as the short codes are structured as such for online viewing.

Questions