

OVERSTRAND



Standard
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Function

mSCOA ICF

Piloting roadmap and lessons learnt to date – A municipal perspective

Regional
Location

Project

Item

08 September 2015

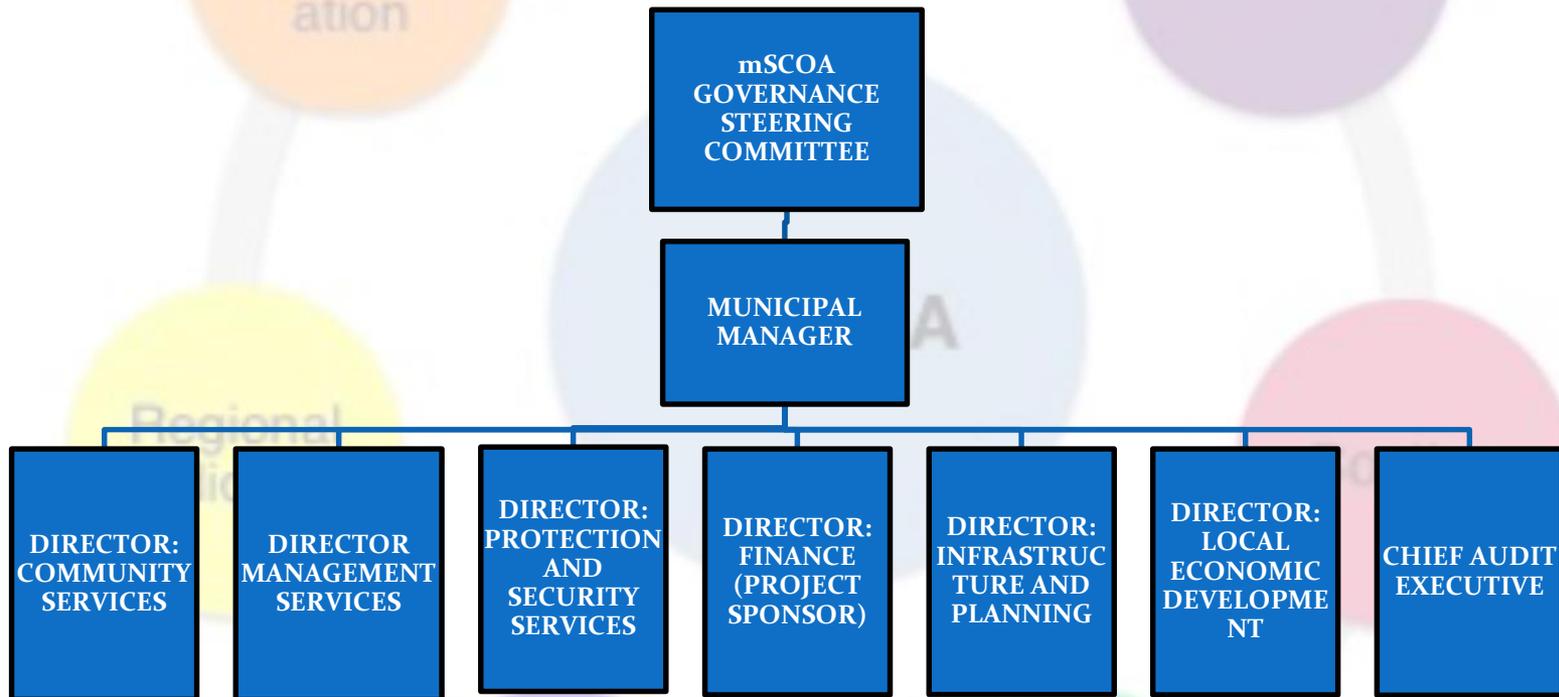
Overstrand mSCOA Roadmap

- The mSCOA implementation has taken place from July 2014 with Overstrand being fully compliant when Phase 4 ends in June 2017. The project has been split into 5 Phases in order to enable a smoother implementation that is the least disruptive.
- In collaboration with Bytes Universal Systems, Overstrand has taken a three-phased approach to the system development and piloting processes. Two further phases have been adopted in order to implement the mSCOA regulations by 01 July 2017.

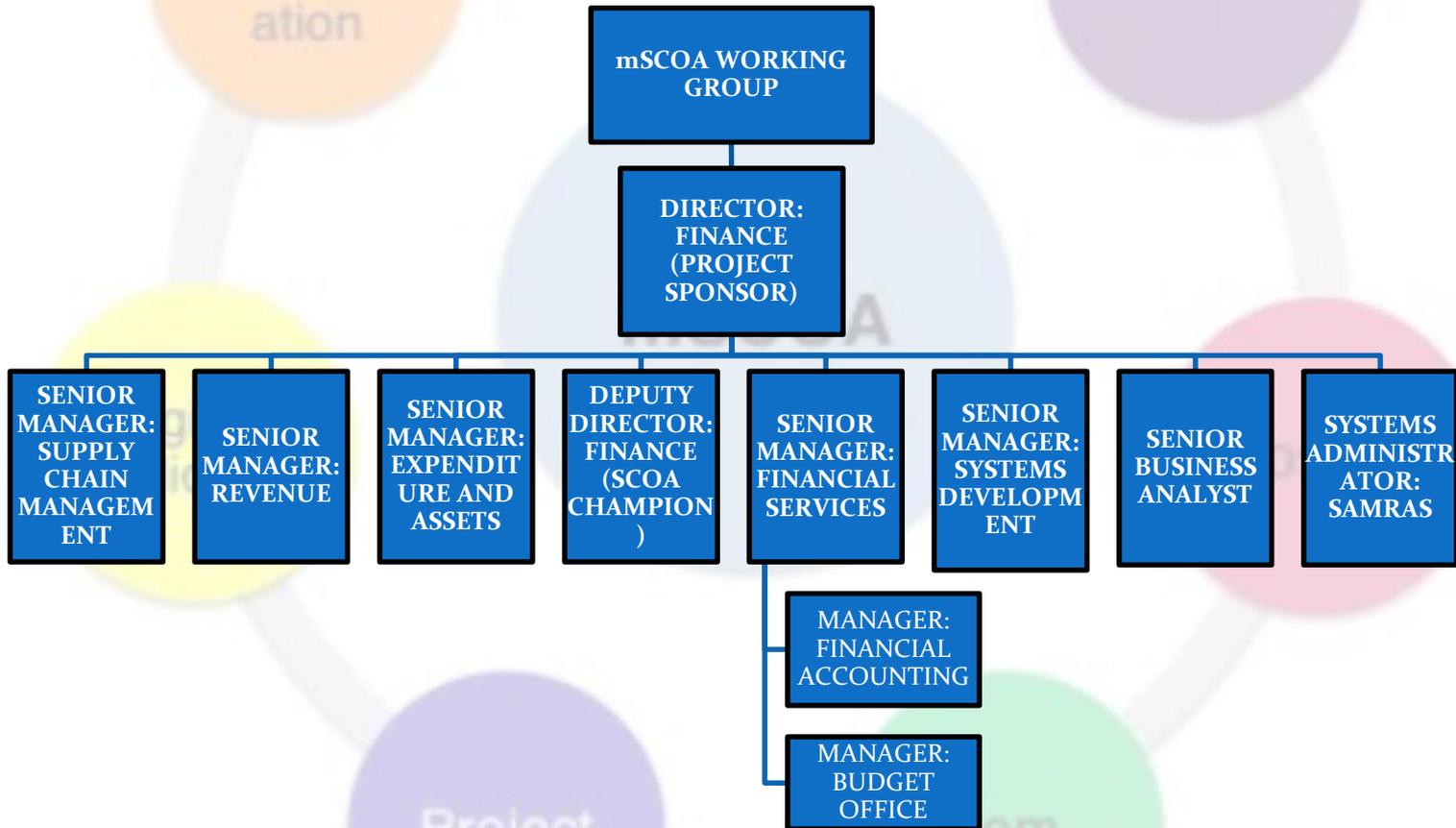
Overstrand mSCOA Roadmap

- Phase 1 – Budgeting Module
- Phase 2 – Transactional Posting Levels
- Phase 3 – Reporting Modules
- Phase 4 – mSCOA Piloting Implementation
- Phase 5 – Full mSCOA Operational Compliance
- It is anticipated that the most difficult components, i.e. those requiring detailed business process changes or system transactions, will be implemented during Phase 4 as it will take longer to configure or design.

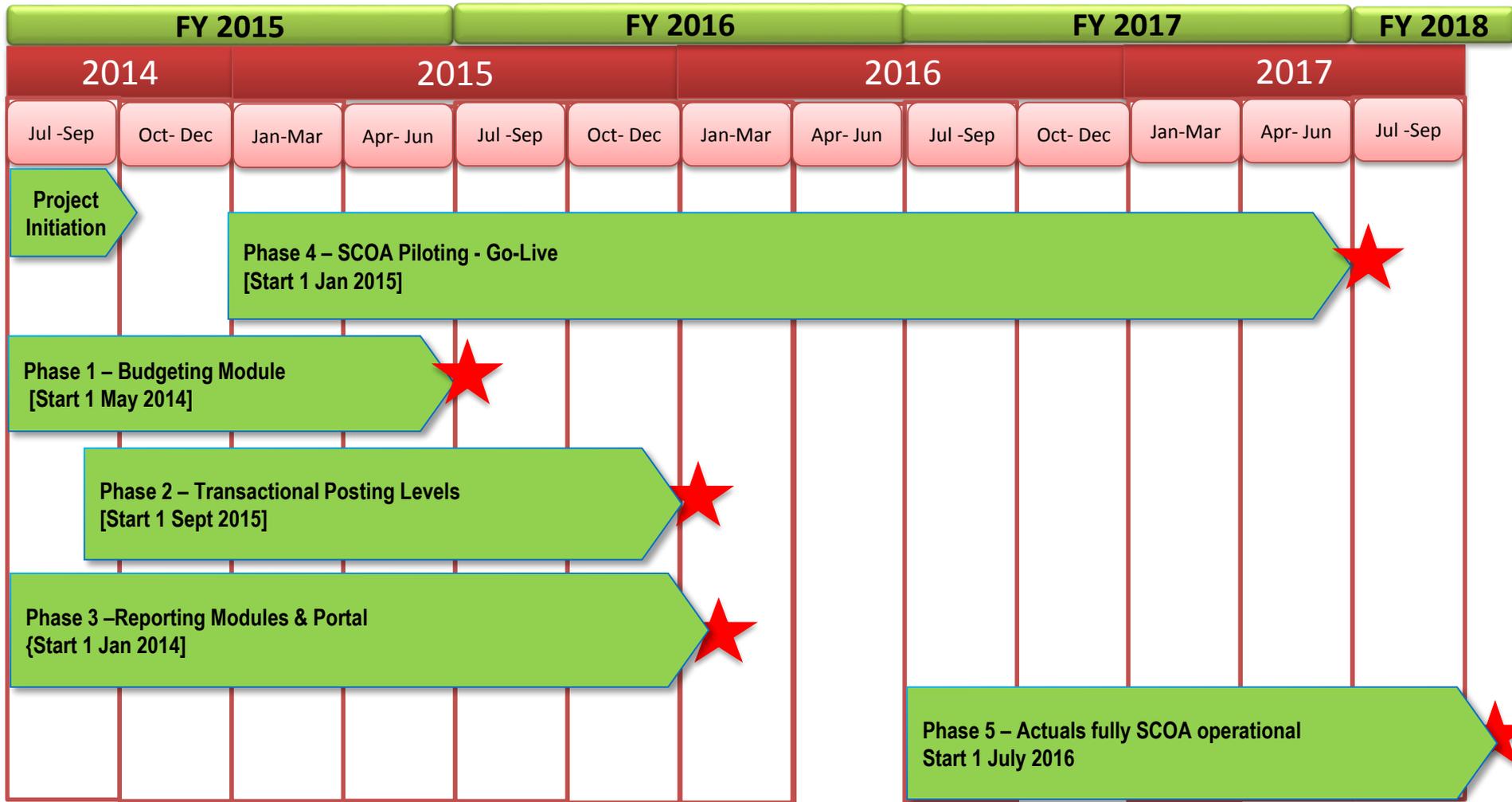
mSCOA Governance Steering Committee



mSCOA Working Group



mSCOA Project Timeline



High Level Scope - Project Plan

SCOA Pilot Phase 1 – Budgeting Module & Phase 2 – Transactional Posting Levels

SCOA Pilot Phase 3 - Reporting Modules & Phase 4 – Go Live

Full SCOA Operational compliance

Phase 1

Start-May 2014

- **Phase 1 - Budgeting Module**
- Develop Budget modules
- Testing by SAMRAS
- **SAMRAS key roll-out of programmes**
- User Acceptance Testing
- User Training
- Start Transacting and handholding – Go-live Phase 1

End-June 2015

Phase 2

Start-Sep 2015

- **Phase 2 – Transactional Posting Levels**
- Development of all posting levels
- Testing by SAMRAS
- **SAMRAS key roll-out of programmes**
- User Acceptance Testing
- User Training
- Start transacting and handholding

End-Dec 2015

Phase 3

Start-Jan 2014

- **Phase 3 - Reporting Modules**
- Development of web portal & reporting modules
- Testing by SAMRAS
- **SAMRAS key roll-out of programmes**
- User Acceptance Testing
- User Training
- Start Transacting and handholding

End-Feb 2016

Phase 4

Start-Jan 2015

- **Phase 4 - SCOA Piloting - Go-Live**
- Alignment of Data on Payroll
- Cleanup of data on Billing
- Aligning tariffs to requirements
- Billing Parameters
- All parameters & votes/accounts final verification
- Initiate piloting phase

Phase 4

End-June 2017

- **Phase 4 – SCOA Piloting**
- Compile AFS reporting formats aligned to SCOA SCOA internal controls
- Budgets fully aligned with SCOA classification framework

Phase 5

Start-July 2016

- **Phase 5 – SCOA Operational Compliance**
- Actuals fully aligned with SCOA classification framework

End-June2018

Project management & governance

Pilot progress management, evaluation & issue resolution

Continuous business process changes

Change Management & training

Continuous feedback to NT & Overstrand SteerCom

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Costing

mSCOA Lessons Learnt

Financial Services / Budget Office

Project

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Budget Preparation & Implementation

START EARLY

- Appoint a Project Manger to manage implementation plan
- Draw up a detailed implementation plan
- Study the project documents and latest Version spread-sheets, with special emphasis on the definitions for all item descriptions in all segments
- Document and minute all meetings and discussions
- The service provider must be on site

BEFORE THE START OF THE BUDGET PROCESS

- Workshop the regulations with all role-players and budget holders in the organisation
- Budget office to prepare segment layout for assistance to organisation

Budget Preparation & Implementation

- Draft matching of previous chart with the SCOA segments as departure point
- Approach the implementation from a project based perspective
- Gain an understanding of what can be achieved from the system

IMPLEMENTATION

- Regular project team meetings to monitor system implementation
- The implementation plan should drive the system and not the system dictating what can be done
- Regular review of SCOA segment allocations during the budget process is essential

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mSCOA Lessons Learnt Revenue Section

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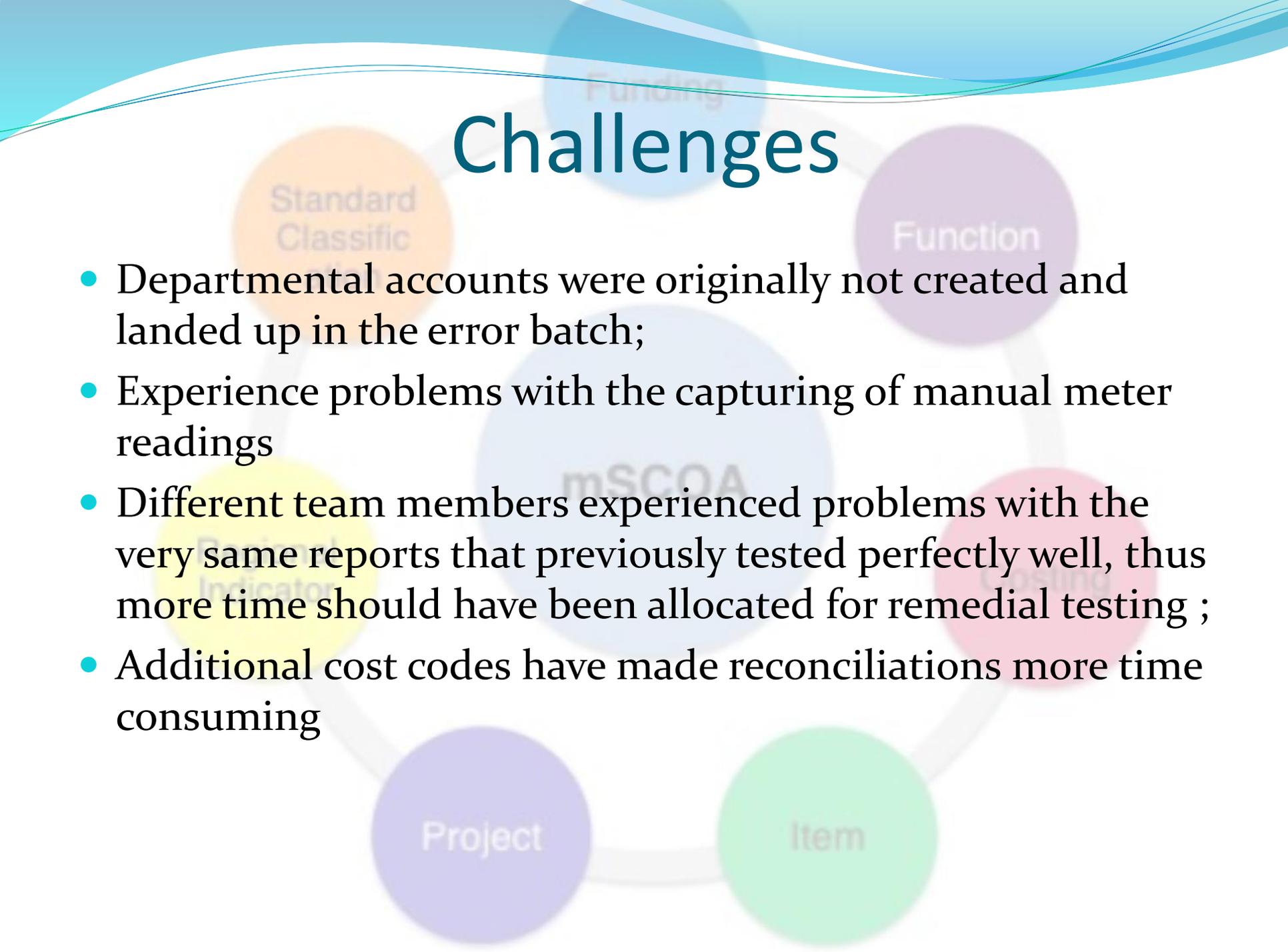
Positive Points

- Rates tariffs were in line with Section 8 of the MPRA in order to reduce the impact on billing;
- Billing parameters were in line with mSCOA prior to going live;
- Regular trial runs of all processing/transactions on UAT testing environment;
- Monthly debit raising performed for May and June in mSCOA format in the UAT testing environment
- Minimal impact/changes to the reporting procedure (age analysis etc.)

Positive Points

- Debtors Account numbers remained unchanged – easy for cashiers
- Differentiated cost allocation; for example electricity - resulted in more detailed reports (single phase domestic, single phase commercial etc)
- UAT test environment allowed team members to practice upfront and familiarise themselves with the “new” mSCOA programmes
- Weekly meetings to report on progress

Challenges

A background diagram consisting of a circular arrangement of seven colored nodes connected by a light gray line. The nodes are: 'Funding' (blue, top), 'Standard Classific' (orange, top-left), 'Function' (purple, top-right), 'mSCOA' (light blue, center), 'Project' (purple, bottom-left), 'Item' (green, bottom-right), and 'Closing' (pink, right). The text 'Indicator' is faintly visible on the left side of the diagram.

- Departmental accounts were originally not created and landed up in the error batch;
- Experience problems with the capturing of manual meter readings
- Different team members experienced problems with the very same reports that previously tested perfectly well, thus more time should have been allocated for remedial testing ;
- Additional cost codes have made reconciliations more time consuming

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mSCOA Lessons Learnt Supply Chain Management

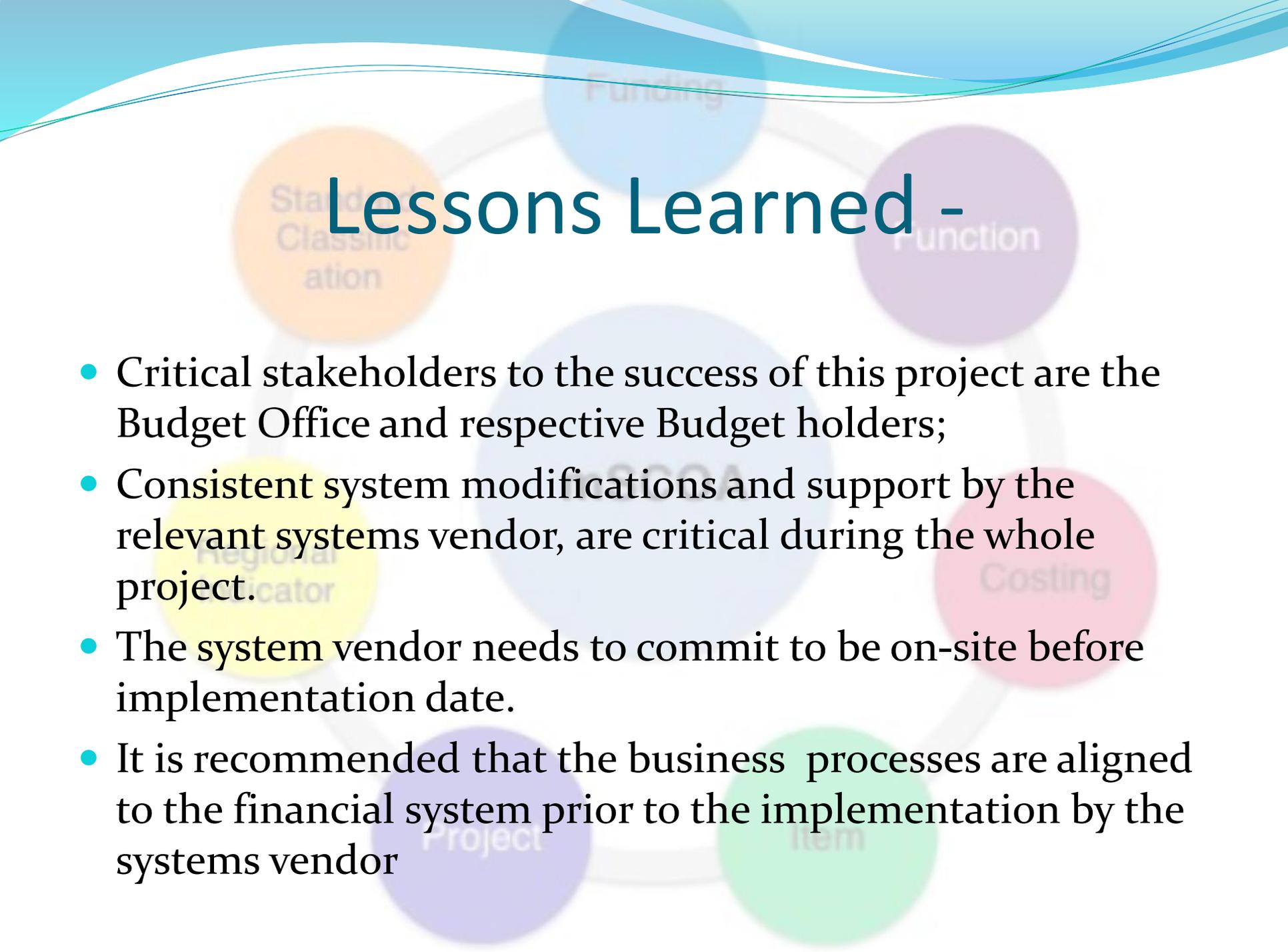
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Lessons Learnt -

- Earlier project planning would have resulted in less pressure on departments before implementation (Analyse/Design/Implement).
- Training of staff members: business will continue as normal BUT officials need to walk the extra mile to meet deadlines.
- Keep record of all analysis/set-up/test documentation.
- Active testing across departments before implementation eliminated various risks for the municipality
- Early role-players identification is critical to successful implementation and all internal stakeholders informed.



Lessons Learned -

- Critical stakeholders to the success of this project are the Budget Office and respective Budget holders;
- Consistent system modifications and support by the relevant systems vendor, are critical during the whole project.
- The system vendor needs to commit to be on-site before implementation date.
- It is recommended that the business processes are aligned to the financial system prior to the implementation by the systems vendor

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mSCOA Lessons Learnt Expenditure & Payroll

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Expenditure & Payroll

- Avoid unnecessary pressure towards the end, by starting as early as possible;
- Have a detailed departmental project implementation plan which dove-tails into the organisational high-level plan;
- Set aside dedicated time periods to conduct testing, this assists in focussing attention to do comprehensive testing while normal operations also continues;
- Do not only do isolated transactional testing, but do a complete test to cover the entire process (e.g. start one transaction at the initial requisition stage and then “walk” that transaction through all the stages by creating an order, receipting / issuing stock, paying the creditor, etc);

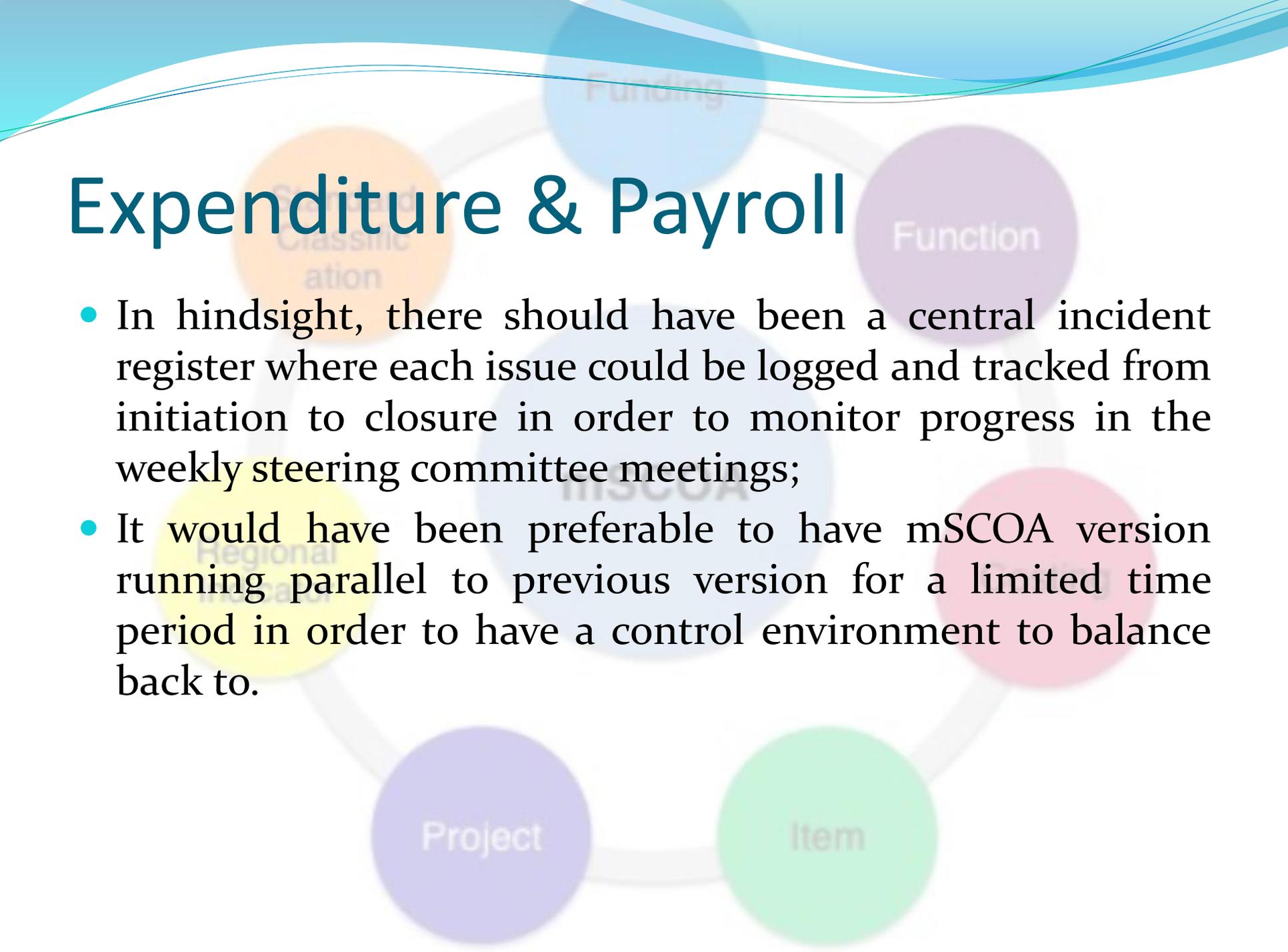
Expenditure & Payroll

- Keep proper record of all testing done as well as the outcome of any changes required during the process;
- Continuous communication between all stakeholders involved in order to keep everybody informed about the problems / solutions encountered;
- Important to establish dialogue between service provider and any third party vendor;
- Do not try to interpret communication between service provider and third party vendors, rather facilitate direct communication;

Expenditure & Payroll

- Preferable to have developers on-site with users while testing is done in order to assist with response time and understanding of practical environment;
- Ensure that ALL staff (financial and technical) are well versed with the requirements and workings of mSCOA to minimize incorrect input data and to ensure that budget is done correctly;
- Format and content of Management Information reports must be resolved up front;

Expenditure & Payroll

A background diagram consisting of a circular arrangement of six colored circles connected by a light grey line. The circles are: a blue circle at the top labeled 'Funding', a purple circle at the top-right labeled 'Function', a pink circle at the right labeled 'Item', a green circle at the bottom-right labeled 'Item', a purple circle at the bottom-left labeled 'Project', and a yellow circle at the left labeled 'Regional'. There are also faint, semi-transparent circles in the background with labels like 'Classification' and 'Regional'.

- In hindsight, there should have been a central incident register where each issue could be logged and tracked from initiation to closure in order to monitor progress in the weekly steering committee meetings;
- It would have been preferable to have mSCOA version running parallel to previous version for a limited time period in order to have a control environment to balance back to.

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For Overstrand, working together tirelessly as a team at all times, resulted in successful mSCOA implementation.

Thank You