

mSCOA for Local Government



Accredited vs Non-accredited Training



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

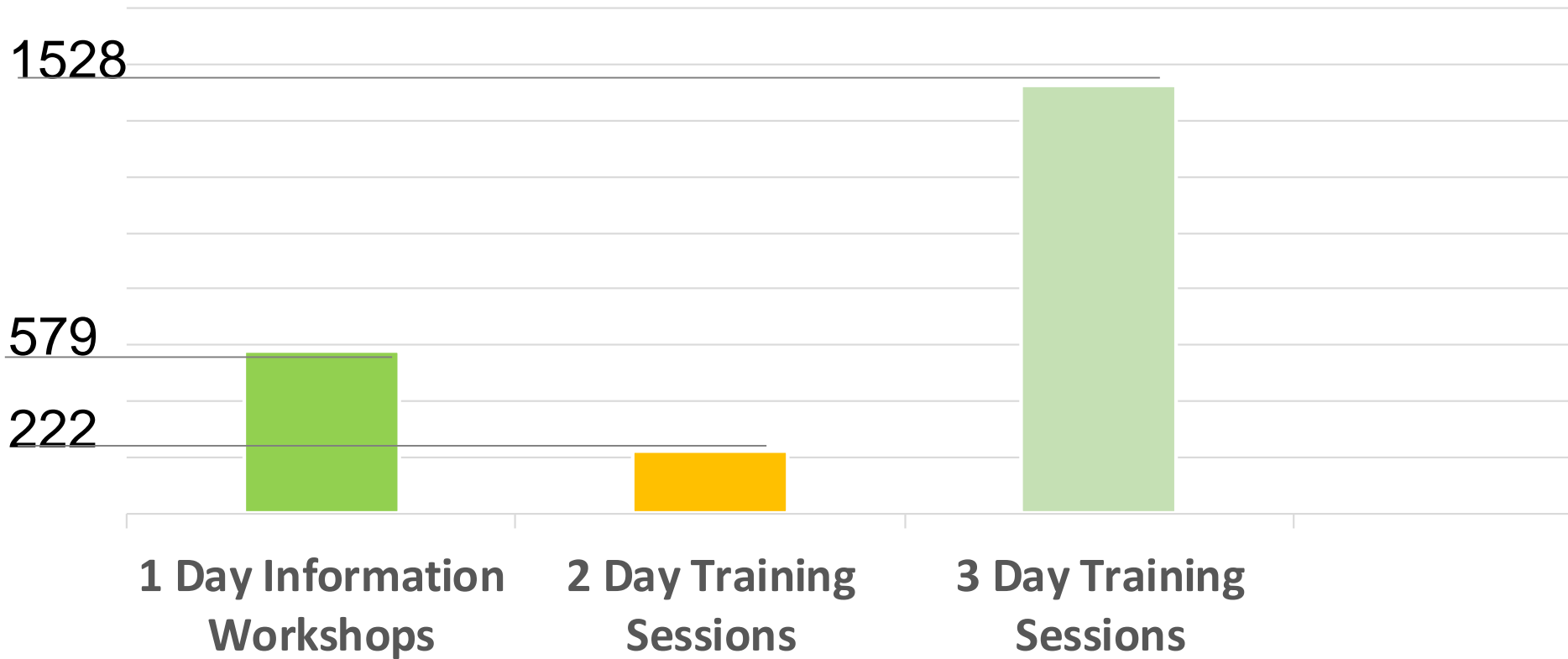
Problem Statement

- With the regulation issued on mSCOA, a need arose to upskill municipal officials to deal with the institutional reform
- Various documents were issued and communication forums held to address what mSCOA is, how it works, how it will affect municipalities and what the future of mSCOA is going to be
- Furthermore, National Treasury sponsored non-accredited training throughout South Africa to which all municipalities were invited and in addition deployed various mSCOA advisors across the Provinces to further assist with awareness, training and upskilling of municipalities



Progress to date

Non-accredited Training



Training provided by mSCOA Advisors

- National Treasury mSCOA advisors have been working across the provinces to create awareness and provide support to municipalities
- To date, 3 691 individuals from various municipalities have attended training workshops held by the advisors
- On 31 March 2017, the advisors role will change and they will no longer be providing this assistance across the Provinces.
- Skills transfer has occurred between NT & PT to ensure that PT can continue assisting municipalities.

Training provided by mSCOA Advisors

- The advisors and NT are moving away from training to practical implementation and data analysis.
- It is to the benefit of the municipalities to make use of the advisor in their provinces before this date

Progress to date – Accredited Training

- National Treasury together with IMFO are overseeing the accredited training process
- A formal tender was issued for accredited trainers
- 50 Applicants were chosen from the tender results for the first round of accredited train the trainer sessions.
- These 50 applicants attended a 4 day accredited training course and were subjected to a series of written assessments

Progress to date – Accredited Training

- 36 of these applicants were successful and were asked to present a 20 minute mSCOA session in front of a panel consisting of both IMFO and National Treasury, after which they were asked a round of questions
- The successful candidates will be accredited and with the assistance of IMFO, will begin rolling out this accredited training to various institutions and municipalities
- The applicants who were unsuccessful in the written assessment, have attended a further 2 day training course and were asked to complete a fourth written assessment.

Progress to date – Accredited Training

- Those who were successful during the re-assessment will join those who were unsuccessful in the first round of presentations, to present to a panel in the next few months.
- Those successful will be accredited – Nov/Dec
- A second group of individuals selected from the tender process will go through the same process during the next few months
 - Training
 - Written Assessment
 - Practical Presentation
 - Accreditation



Progress to date – Accredited Training

- The next phase of the accredited training will be to train and accredit provincial and local government staff

Accredited Training vs Non-accredited Training

- The non-accredited training provided by National Treasury is being phased out.
- Going forward
 - practical implementation assistance/training will be given
 - both Non-accredited and Accredited Training will have to be paid for.
- To gain access to accredited training, kindly contact IMFO

Questions



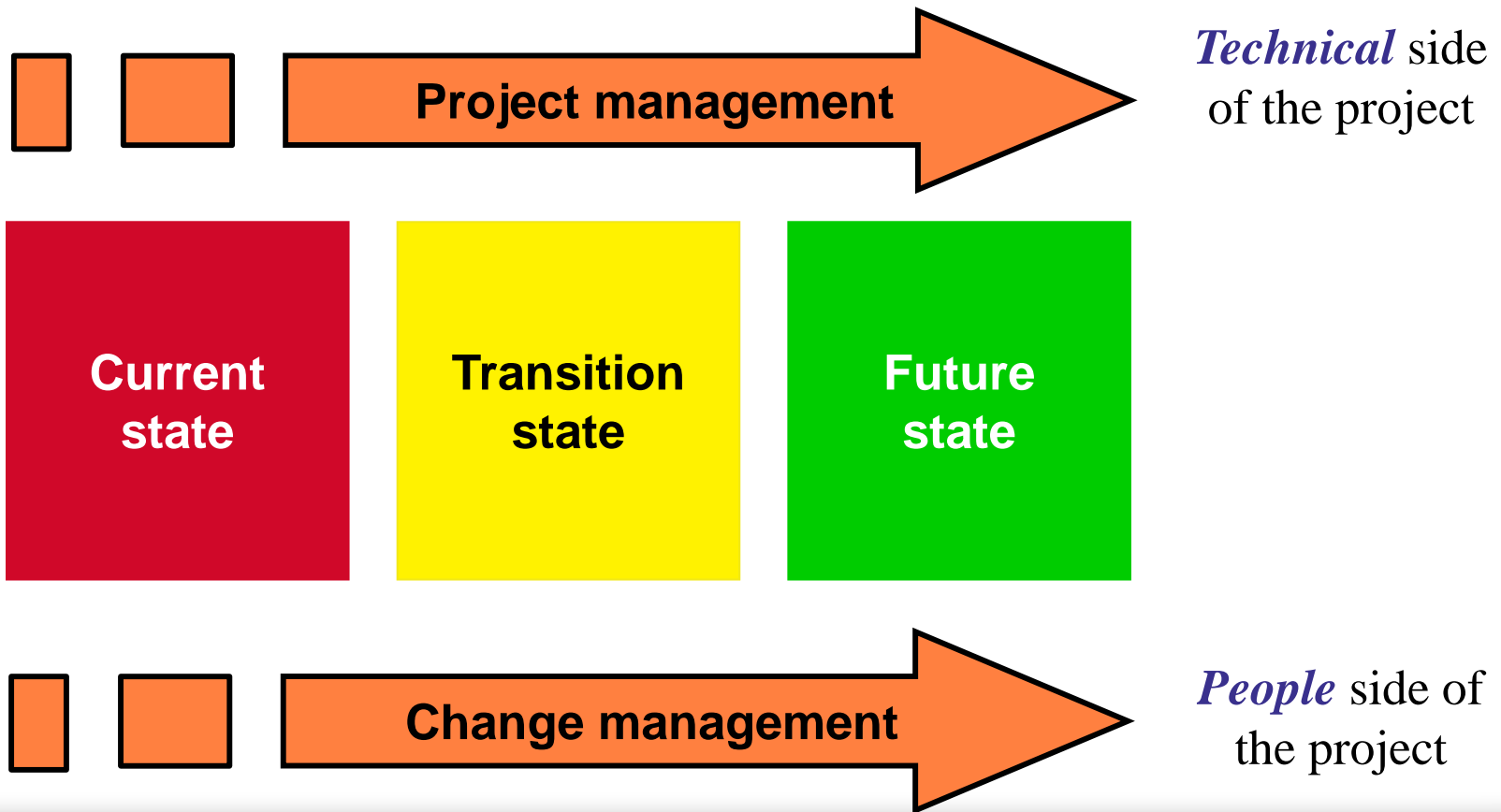
What is “Change Management”?

The process, tools and techniques to manage the people side of change, to achieve the required business results.

Change management drives project success by supporting individual transitions required by organizational projects and initiatives



Change vs Project Management



Why apply change management?

- Increase probability of **project success**
- Manage **employee resistance** to change
- Build **change competency** in the organization





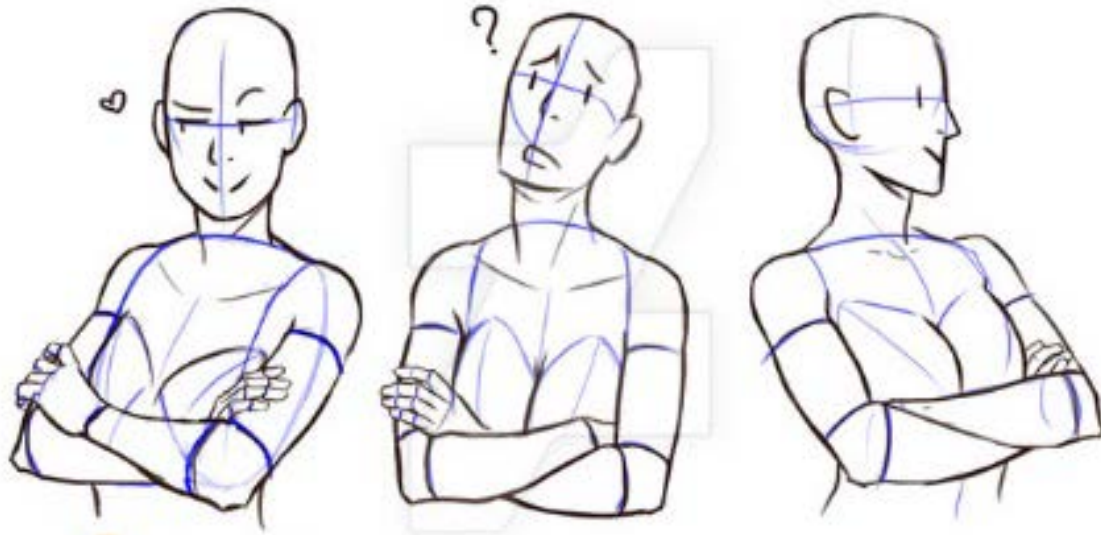
**Change in
Government is
not new –**

**change is
constant...**

**its how you
approach it that
makes all the
difference**

EXERCISES

1: Crossed Arms



2: Seat Swop

What will happen if the 'people side' of change is not managed?

- Lower productivity
- Passive resistance
- Active resistance
- Turnover of valued employees
- Disinterest in the current or future state
- Arguing about the need for change
- More people taking sick days or not showing up
- Changes not fully implemented
- People finding work-arounds
- People revert to the old way of doing things

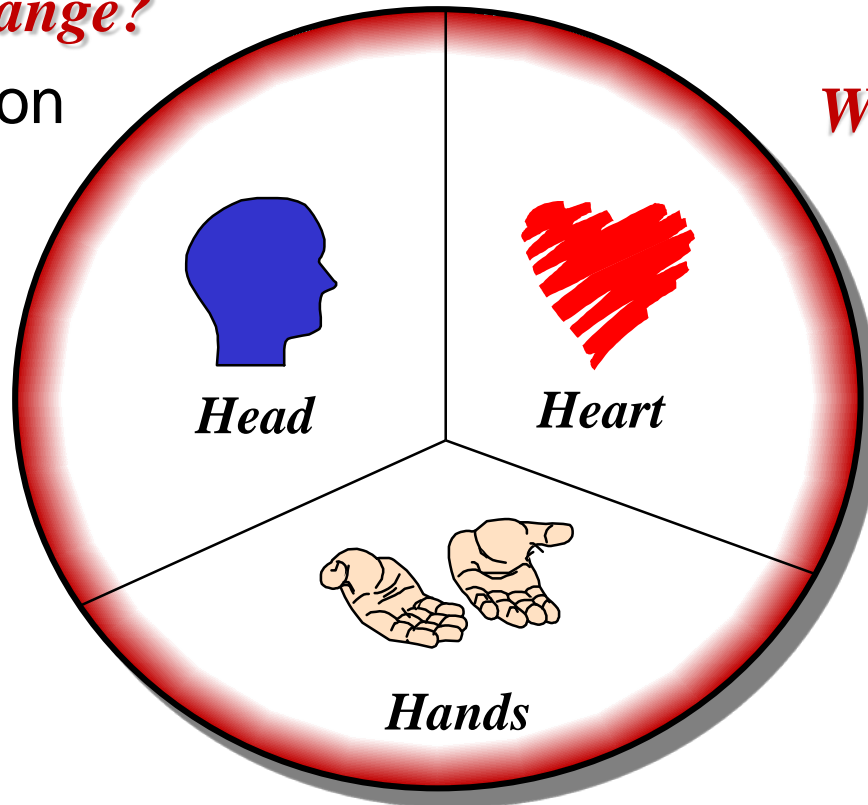


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Psychology of change

Why should I change?

Mental/Reasoning



What's in it for me?

Feelings/Emotions

What should I do differently?

Physical

Changing the head



Head

- Create an understanding of mSCOA across the organisation
 - **Awareness sessions**
 - Awareness sessions within the municipality using material on NT website
 - **Training**
 - Accredited mSCOA training through IMFO

Changing the heart

- Can be frightening
- Guide officials from now until mSCOA becomes business as usual



Heart

- Best way to address “changing the heart”
 - **Constant and positive communication**
 - All individuals should define and implement their own solutions - create ownership of their part in mSCOA implementation
 - Articulate benefits of mSCOA
 - Celebrate every small victory

Changing the heart

➤ Ideas for communicating mSCOA

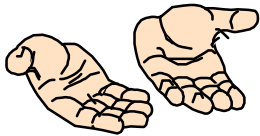
- Posters and newsletters
- Dedicated repository where officials can find mSCOA information
- Distribute regular mSCOA information snippets via email
- Create information sessions in the municipalities and facilitate open discussions



Heart

Changing the hands

➤ mSCOA is an organisational reform and as such includes – all employees, departments and functions in the municipality

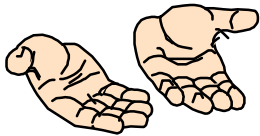


Hands

- Encourage individuals to
- Review their own business activities
 - Identify changes effected by mSCOA
 - Get involved in the mSCOA project implementation

Changing the hands

- mSCOA implementation team to break down their work stream activities in to smaller actions and nominate officials from the various user departments to help with these – smaller activities more easily achieved



Hands

Progress to date

- ❖ It has been noted that a vast majority of municipalities are not addressing change management
- ❖ This is causing resistance due to a lack of understanding and lack of vision of the benefits that are attached to the mSCOA reform
- ❖ Going forward, municipalities and municipal entities need to ensure that change management is a high priority
- ❖ Accredited training is one of the options that can be used to address change management in municipalities

"THE SECRET OF
CHANGE IS TO FOCUS
ALL OF YOUR ENERGY,
NOT ON FIGHTING THE
OLD, BUT ON BUILDING
THE NEW."

— *SOCRATES*



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Questions



mSCOA for Local Government



Benefits Realisation



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Problem Statement

- mSCOA is a business reform
- It affects the entire organisation at various levels
- The benefits of mSCOA will equally affect the entire organisation once implemented

Objective of the mSCOA Regulations

To provide a national standard for the uniform recording and classification of municipal budget and financial information which:

- are *aligned to the local government budget formats and accounting standards*
- are aligned to the national and provincial SCOA, and
- will enable *uniform information sets* across the whole of government for the purposes of national policy coordination and reporting, benchmarking and performance measurement

Exercise

What benefits can you think of that will result directly from the implementation of mSCOA?



10 minutes



Benefits of mSCOA

- ✓ Seamless alignment
- ✓ Standardisation (GFS classification)
- ✓ Reduces reporting costs
 - Reporting at the click of a button
- ✓ Credible, timely, reliable reports
- ✓ Multi-dimensional reporting
- ✓ Brings officials together (must budget together)
- ✓ Guides business processes

Benefits of mSCOA

- ✓ Skills development (project management, change management)
- ✓ Proper planning and budgeting
 - mSCOA through the segments forces proper planning and budgeting and supervisory and management checks and balances throughout operations – this means there will be *more time for managing* vs current prioritisation of compiling reports

Benefits of mSCOA

- ✓ Improved transparency and accountability
 - Leading to increased level of service delivery
- ✓ Pro-active support by NT and PT
- ✓ Enables sound financial information, customised reporting, easier to attract financial staff, *comparability and benchmarking between similar municipalities in district/province/national*
- ✓ Automated reporting to *improve audit outcomes*

Benefits of mSCOA

- ✓ Alignment of mismatched information
 - between IDP, Budget, SDBIP and service delivery
 - Through the project segment *links annual deliverables* (IDP), Budget, SDBIP , in-year reporting, annual report and AFS for *better public consultation*

Benefits of mSCOA

- ✓ mSCOA enhances council oversight of municipal information
- **Seamless link in reporting** - all reports across accountability cycle compiled from the same mSCOA information
- **Improve reporting on service delivery** - provided the municipality adequately populate the 'Project Segment'
- **Evidence-based financial management** - improved municipal benchmarking, policy making and interventions



Benefits of mSCOA

- ✓ SDBIP information available to ward councillors through the use of the 'Regional Segment'
- ✓ Municipal and "functional" information available to improve oversight over the overall performance of the municipality
- ✓ Provide level of comfort on quality of information used by Council for decision making
- ✓ Timely availability of detailed financial information
- ✓ Classification remain more or less stable from period to period which enables analytical review on financial performance and position
- ✓ Budget versus actual information easily available

Going forward

Currently there are approximately **24** of the **256** municipalities that are live on mSCOA.

That means that approximately **232** municipalities still have to make this transition before 1 July 2017.

Furthermore, budgeting has to take place in November 2016 already on the new mSCOA enabled system.

TIME IS RUNNING OUT

The benefits of mSCOA will only be realised once municipalities are live!

Remember...

Good things come to
those
Who BELIEVE.
Better things come to
Those who are PATIENT,
and the BEST things
come to
those who *DON'T GIVE
UP.*



Questions

