

# CIGFARO *m*SCOA NATIONAL WORKSHOP

## ITEM 16.1

Planned chart changes for version 6.6

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## OBJECTIVE OF THE SESSION

- To provide guidance on the 6. 6 Chart changes

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## Project Segment

**10025+10088:** Revenue recognition requirements of iGRAP 1 with regards to discount on early settlement and estimation of fines revenue on mSCOA and discount given on municipal services in accordance with Council policies to assist in distress periods.

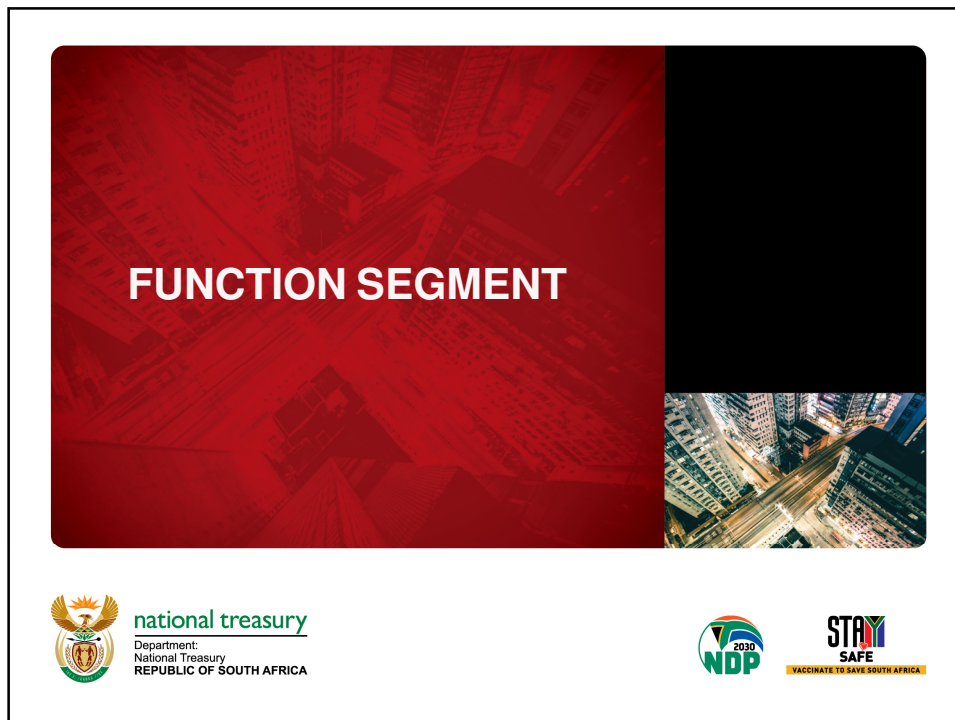
— Revenue Cost of Free Services(PO-003-058)

Electricity (Other Energy)(PO-003-058-001)
Housing (Top Structures)(PO-003-058-002)
Rental Rebates(PO-003-058-003)
Waste Management(PO-003-058-004)
Waste Water Management(PO-003-058-005)
Water(PO-003-058-006)

+ Property Rates Rebate(PO-003-059)

**Change:**  
**Add 2 new Typical Work streams under:**  
**Revenue Cost of Free services:**  
**1. Temporary Relief Distress**  
**2. Fines**  
 These new projects will assist in the recognition of IGRAP where any discount is given on revenue.

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## Function Segment

**10039:** Internal Audit under the function segment does not have a posting level under Non-Core Function. A posting level FX 008002001 should be added or retired as a non core function.

- Internal Audit(FX-008)

- Core Function(FX-008-001)

Governance Function(FX-008-001-001)

Non-core Function(FX-008-002)

+ Other(FX-009)

**Change: Retire Non Core Function of Internal Audit Non Core**

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## Fund Segment

**10026:** Consumer Deposits are normally receipted with the Fund for the service, such as Electricity or Water which can result in a duplicated calculation in the Cash flow

- Revenue(FD-001-001)
- General Revenue(FD-001-001-001)
- Fuel Levy(FD-001-001-001-012)
- Transfer to Capital Funds(FD-001-001-001-013)

**Change:** Create a new Fund source Consumer deposits

- FD001001001014

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## Item Segment: Expenditure

**10024:** Expenditure: Operational Cost: Licences  
Application for Aerodrome Licence - Amendment/Renewal

- Licences(IE-010-033)
  - Licence Agency Fees(IE-010-033-001)
  - Motor Vehicle Licence and Registrations(IE-010-033-002)
  - Performing Arts(IE-010-033-003)
  - Liquor Licences (entities)(IE-010-033-004)

**Change:** Add line :IE010033005 " License fees for Aerodrome renewal or amendment

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## Item Segment: Expenditure

**10028:** For Water Bulk purchases: Retire IE 002002 as Water should be purchased in Inventory Assets

Bulk Purchases(IE-002)

Electricity(IE-002-001)

Water(IE-002-002)

**Change :** Retire Bulk Water purchase Expenditure IE002002

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<b>Item Segment: Expenditure</b>		
<b>10046:</b> Traffic Fine Management to include traffic control services		
Outsourced Services		
3cdfbe87-dfe9-4811-8183-f5926f8f0301		
110c2de1-e47f-4faf-9924-9a2098cd8570		
IE00300103100000000000000000000000		
Definition of SCOA Code:	This account provides for the outsourcing of traffic management for example camera fine management and collection thereof.	
<b>Change:</b> Change Description to: Traffic Management posting level Definition: Expand definition to include all Traffic related Expenditure on outsourced services. New definition: This account provides for outsourcing of traffic management e.g. Camera fines, collection of fines and other traffic management / control services.		

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## Item Segment: Expenditure

**10084:** Please clarify on whether ward committees is required to be classified as employee costs. There are a few municipalities that are disclosing this as such, and clarity is required.

Level Description:

Remuneration to Ward Committees

Definition of SCOA Code:

Remuneration to ward committee members in accordance with Council policy.

**Change:** Description: Ward Committees: Definition: The reimbursement for out of pocket expenses to ward committee members in respect of participation by ward committee members in the activities of the ward committees in terms of Sec 73. 5(c) of the Structures act No 117 of 1998.

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## Item Segment: Expenditure

**PSD update:** Actuarial Gains/losses was moved to Gains/Losses chart however Under Senior Management and Board

Post-retirement Benefit(IE-005-001-018)

Medical(IE-005-001-018-001)

Current Service Cost(IE-005-001-018-001-001)

Interest Cost(IE-005-001-018-001-002)

Actuarial Gains and Losses(IE-005-001-018-001-003)

Past Service Cost(IE-005-001-018-001-004)

Effect of asset recognition ceiling(IE-005-001-018-001-005)

Pension(IE-005-001-018-002)

Current Service Cost(IE-005-001-018-002-001)

Interest Cost(IE-005-001-018-002-002)

Actuarial Gains and Losses(IE-005-001-018-002-003)

**Change:** Retire all actuarial gains and losses in item Expenditure under Senior Managers and Board of Directors

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## Item Segment: Revenue

**10060:** SA18 requires the inclusion of fuel levy as a grant, however it is other revenue.

- Non-exchange Revenue(IR-003)
  - + Fines, Penalties and Forfeits(IR-003-001)
  - + Licences or Permits(IR-003-002)
  - + Property Rates(IR-003-003)
  - + Surcharges and Taxes(IR-003-004)
  - + Transfers and Subsidies(IR-003-005)
  - + Interest, Dividend and Rent on Land(IR-003-006)
  - + Service Charges(IR-003-007)
  - + Property Rates by Usage(IR-003-008)

**Change:** The Fuel levy must be **reclassified** in Item Revenue from Transfers and Subsidies **to IR 003009 Non-Exchange Transactions** in *mSCOA*. This will correct the reporting in the SA 18.

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## Item Segment: Revenue

**10061** Development Charges under Revenue from Exchange services : Sales of Goods and Services must be reclassified as Revenue from Exchange services :Operational Revenue: Development Charges

Sales of Goods and Rendering of Services(IR-002-005)

Development Charges(IR-002-005-008)

**Change: Reclassify** Development charges

Operational Revenue(IR-002-003)

Development Charges(IR-002-003-008)

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# ITEM SEGMENT GAINS & LOSSES



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## Item Segment: Gains & Losses

**10036:** Gains account (Gains: Natural Water Resources) to be created on the mSCOA Grid to make provision to report Water inventory correctly.

— Inventory(IZ-007)

Increase to net-realisable Value(IZ-007-001)

Decrease in net-realisable Value(IZ-007-002)

**Change:** Create Line item: Gains and losses : Inventory Fair value assessment : Natural Water Gains.  
Definition: Water acquired without direct outflow of cash, where the fair value of water is determined in accordance with GRAP 12.

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## ITEM SEGMENT ASSETS



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## Item Segment: Assets

**10080:** Add Control account: Item Asset Receivables for Sport Fields as per version 6.5 of the chart for property rates new category

- Property Rates by Usage(IR-003-008)	+ Property Rates by Usage(IA-001-004-010)
Business and Commercial Properties(IR-003-008-001)	+ Business and Commercial Properties(IA-001-004-010-001)
Industrial Properties(IR-003-008-002)	+ Industrial Properties(IA-001-004-010-002)
Mining Properties(IR-003-008-003)	+ Mining Properties(IA-001-004-010-003)
Residential Properties(IR-003-008-004)	+ Residential Properties(IA-001-004-010-004)
Agricultural Properties(IR-003-008-005)	+ Agricultural Properties(IA-001-004-010-005)
Public Benefit Organisations(IR-003-008-006)	+ Public Benefit Organisations(IA-001-004-010-006)
Public Service Purposes Properties(IR-003-008-007)	+ Public Service Purposes Properties(IA-001-004-010-007)
Public Service Infrastructure Properties(IR-003-008-008)	+ Public Service Infrastructure Properties(IA-001-004-010-008)
Vacant Land(IR-003-008-009)	+ Vacant Land(IA-001-004-010-009)
Sport Clubs and Fields(IR-003-008-010)	

**Change:** Add :Sport Clubs and Fields as Receivables control account

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## Item Segment: Assets

**10083:** Prior period correction posting account for Receivables from non-exchange: Traffic fines.

+ Unauthorised, Irregular, Fruitless and Wasteful Expenditure(IA-001-004-003)
- Fines(IA-001-004-004)
Opening Balance(IA-001-004-004-001)
Fines Issued(IA-001-004-004-002)
Reductions on Receivables Fines(IA-001-004-004-003)
Withdrawals(IA-001-004-004-004)
Payments/Receipts(IA-001-004-004-005)
Debt Write-offs(IA-001-004-004-006)
(Retired) Closing Balance(IA-001-004-004-007)

**Change:** Add Prior Period Correction posting level for Fines

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## Item Segment: Assets

**10085:** Include a prior period correction item for construction work in progress

- Construction Work-in-progress(IA-002-016)

Opening Balance(IA-002-016-001)

- + Acquisitions(IA-002-016-002)

🗑️ (Retired) Closing Balance(IA-002-016-003)

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Transfer to PPE(IA-002-016-004)

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Transfer to Intangible Assets(IA-002-016-005)

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Accumulated Impairment(IA-002-016-006)

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Transfer to Investment property(IA-002-016-007)

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Transfer to Heritage asset(IA-002-016-008)

**Change:** Add prior period error correction as a posting level in Construction Work in Progress

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## Item Segment: Assets, Liabilities & Expenditure

**10103:** Change the VAT accounts names to reflect Input Tax and Output Tax instead of Input VAT and Output VAT. This will render an improved alignment with the Tax legislation.

<ul style="list-style-type: none"> <li>- VAT Receivable(IA-001-011)</li> </ul>	<ul style="list-style-type: none"> <li>+ VAT Control (Payable)(IL-001-008)</li> </ul>
<ul style="list-style-type: none"> <li>+ Input Accrual(IA-001-011-001)</li> </ul>	<ul style="list-style-type: none"> <li>+ VAT Credit: Output Accrual(IL-001-009)</li> </ul>
<ul style="list-style-type: none"> <li>+ Input VAT General(IA-001-011-002)</li> </ul>	<ul style="list-style-type: none"> <li>+ Output VAT(IL-001-010)</li> </ul>
<ul style="list-style-type: none"> <li>+ Input VAT Capital(IA-001-011-003)</li> </ul>	<ul style="list-style-type: none"> <li>+ Output VAT: Provision for Doubtful Debt Impairment(IL-001-011)</li> </ul>

**Bad Debts Written Off(IE-001)**

**Change:** Input tax accrual, Input tax General, Input Tax Capital, Output tax Accrual, Output tax, Output tax : Provision for Doubtful debt Impairment, Irrecoverable debt

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## Item Segment: Assets

**10082:** Please breakdown the movement for impairment of assets for construction work in progress on the Item Assets Segment

- Opening Balance
- Impairment recognised
- Impairment reversed

- Construction Work-in-progress(IA-002-016)
Opening Balance(IA-002-016-001)
+ Acquisitions(IA-002-016-002)
(Retired) Closing Balance(IA-002-016-003)
Transfer to PPE(IA-002-016-004)
Transfer to Intangible Assets(IA-002-016-005)
Accumulated Impairment(IA-002-016-006)
Transfer to Investment property(IA-002-016-007)
Transfer to Heritage asset(IA-002-016-008)

**Change:** Add breakdown for accumulated impairment for Construction Work-in-progress with movement accounting

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## Item Segment : Assets

**10081:** No item guide for NON-Current receivables from Non-exchange transaction for property rates or statutory receivables

- Non-current Receivables from Non-exchange Transactions(IA-002-011)
+ Associates(IA-002-011-001)
+ Car(IA-002-011-002)
+ Computer and Electronic Equipment(IA-002-011-003)
+ Housing Land Sales(IA-002-011-004)
+ Housing Loans(IA-002-011-005)
+ Housing Selling Schemes(IA-002-011-006)
+ Joint Ventures(IA-002-011-007)
+ Subsidiaries(IA-002-011-008)
+ Public Organisation(IA-002-011-009)

**Change:** Create Non Current receivables from Non- Exchange transaction for property rates

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## Item Segment: Assets

**PSD update: Corrections**

<div style="display: flex; align-items: center;"> <div style="width: 15px; height: 15px; background-color: #ccc; margin-right: 5px;"></div> Annual Licence Fees(IA-001-010-002-008) </div>
<div style="display: flex; align-items: center;"> <div style="width: 15px; height: 15px; background-color: #ccc; margin-right: 5px;"></div> Opening Balance(IA-001-010-002-008-001) </div>
<div style="display: flex; align-items: center;"> <div style="width: 15px; height: 15px; background-color: #ccc; margin-right: 5px;"></div> Monthly Billing(IA-001-010-002-008-002) </div>
<div style="display: flex; align-items: center;"> <div style="width: 15px; height: 15px; background-color: #ccc; margin-right: 5px;"></div> Interest Charge(IA-001-010-002-008-003) </div>
<div style="display: flex; align-items: center;"> <div style="width: 15px; height: 15px; background-color: #ccc; margin-right: 5px;"></div> Prior Period Corrections and Recognised(IA-001-010-002-008-004) </div>
<div style="display: flex; align-items: center;"> <div style="width: 15px; height: 15px; background-color: #ccc; margin-right: 5px;"></div> Collections(IA-001-010-002-008-005) </div>
<div style="display: flex; align-items: center;"> <div style="width: 15px; height: 15px; background-color: #ccc; margin-right: 5px;"></div> Debt Write-off(IA-001-010-002-008-006) </div>
<div style="display: flex; align-items: center;"> <div style="width: 15px; height: 15px; background-color: #c00; color: white; margin-right: 5px;"></div> (Retired) Closing Balance(IA-001-010-002-008-007) </div>
<div style="display: flex; align-items: center;"> <div style="width: 15px; height: 15px; background-color: #0070c0; color: white; margin-right: 5px;"></div> Impairment Un-used Prepaid Electricity(IA-001-010-002-008-008) </div>

**Change:** Correct Description of account and Definition  
 Impairment of : Annual fees,  
 Subscriptions,  
 Maintenance Contracts,  
 Abeyance debtors

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# ITEM SEGMENT LIABILITIES

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## Item Segment: Liabilities

**10023:** Prior period Correction posting level for IL items

<ul style="list-style-type: none"> <li>+ Consumer Deposits(IL-001-002)</li> <li>+ Financial Liabilities(IL-001-003)</li> <li>+ Income Tax Payable(IL-001-004)</li> <li>+ Provision and Impairment(IL-001-005)</li> <li>+ Trade and Other Payable Exchange Transactions(IL-001-006)</li> <li>+ Trade and Other Payable Non-exchange Transactions(IL-001-007)</li> <li>+ VAT Control (Payable)(IL-001-008)</li> <li>Intercompany/Parent-subsidary Transactions(IL-001-012)</li> <li>+ Defined Benefit Obligations(IL-001-013)</li> <li>Deferred Tax Liabilities(IL-001-014)</li> </ul>	<ul style="list-style-type: none"> <li>Deferred Tax Liabilities(IL-002-001)</li> <li>+ Defined Benefit Obligations(IL-002-002)</li> <li>+ Financial Liabilities(IL-002-003)</li> <li>+ Provision and Impairment(IL-002-004)</li> </ul>
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**Change:** Add Prior period Correction to Item Liabilities Current and Non Current Liabilities

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## Item Segment: Liabilities

**FAQ 10041:** Equitable share is an unconditional grant and hence should be recognised in revenue and NOT raised as a liability.

— Equitable Share(IL-001-007-002-002-005-047)
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Opening Balance(IL-001-007-002-002-005-047-001)
Receipts(IL-001-007-002-002-005-047-002)
Transferred to Revenue/Capital Expenditure(IL-001-007-002-002-002-

(Retired) Closing Balance(IL-001-007-002-002-005-047-004)

Re-pavment of Unspent Grant(IL-001-007-002-002-005-047-005)
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**Change:** Retire Item Liabilities : Equitable share

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## Item Segment: Liabilities

**10077:** No current liability account has been made available.

- Financial Liabilities(IL-002-003)
- Operating Lease Liability(IL-002-003-004)
  - + Specify(IL-002-003-004-001)
  - + Specify(IL-002-003-004-002)
- Financial Liabilities(IL-001-003)
  - + Unamortised Premium on Long-term Debts(IL-001-003-001)
  - + Concessionary Loan(IL-001-003-002)
  - + Short-term Borrowings(IL-001-003-003)
  - + Current portion of Non-current Borrowings(IL-001-003-004)
  - + Current portion of Finance Lease Liabilities(IL-001-003-005)

**Change:** Add Current portion of Non Current liabilities: Operating Leases

-Current portion of Operating Lease liabilities (With specify and movement accounting)

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## REGION SEGMENT

- Financial Liabilities(IL-002-003)
- Operating Lease Liability(IL-002-003-004)
  - + Specify(IL-002-003-004-001)
  - + Specify(IL-002-003-004-002)
- Financial Liabilities(IL-001-003)
  - + Unamortised Premium on Long-term Debts(IL-001-003-001)
  - + Concessionary Loan(IL-001-003-002)
  - + Short-term Borrowings(IL-001-003-003)
  - + Current portion of Non-current Borrowings(IL-001-003-004)
  - + Current portion of Finance Lease Liabilities(IL-001-003-005)

**Change:** Add Current portion of Non Current liabilities: Operating Leases

-Current portion of Operating Lease liabilities (With specify and movement accounting)



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## Regional Indicator

**10058:** Please add a new WARD 15 for Mossel Bay Municipality on the Region chart as was approved by Demarcation board

Ward 13(RX-002-003-009-002-004-004-003-002-013)

Ward 14(RX-002-003-009-002-004-004-003-002-014)

Whole of the Municipality(RX-002-003-009-002-004-004-003-003)

**Change:** Add Regional indicator Ward 15

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# THANK YOU



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