

CIGFARO *m*SCOA NATIONAL WORKSHOP

ITEM 3

Minimum Business Processes and
Systems Specifications Requirements
of *m*SCOA

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national treasury
Department:
National Treasury
REPUBLIC OF SOUTH AFRICA



2030
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NATIONAL TREASURY

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OBJECTIVES

- Key business processes
- Minimum system specifications required to comply with the *m*SCOA Regulations

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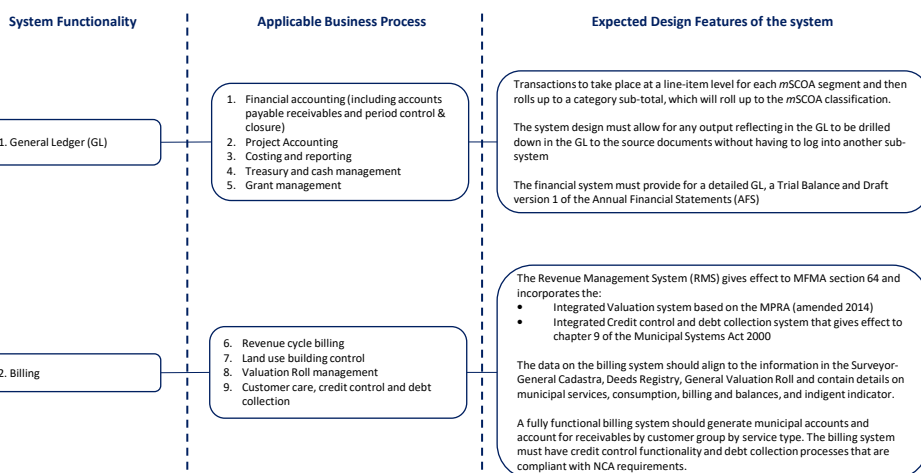
KEY BUSINESS PROCESSES AND MINIMUM SYSTEM SPECIFICATIONS

In terms of the *mSCOA* Regulations, all municipal systems of financial management and internal control (also referred to as Enterprise Management Systems (EMS)) must:

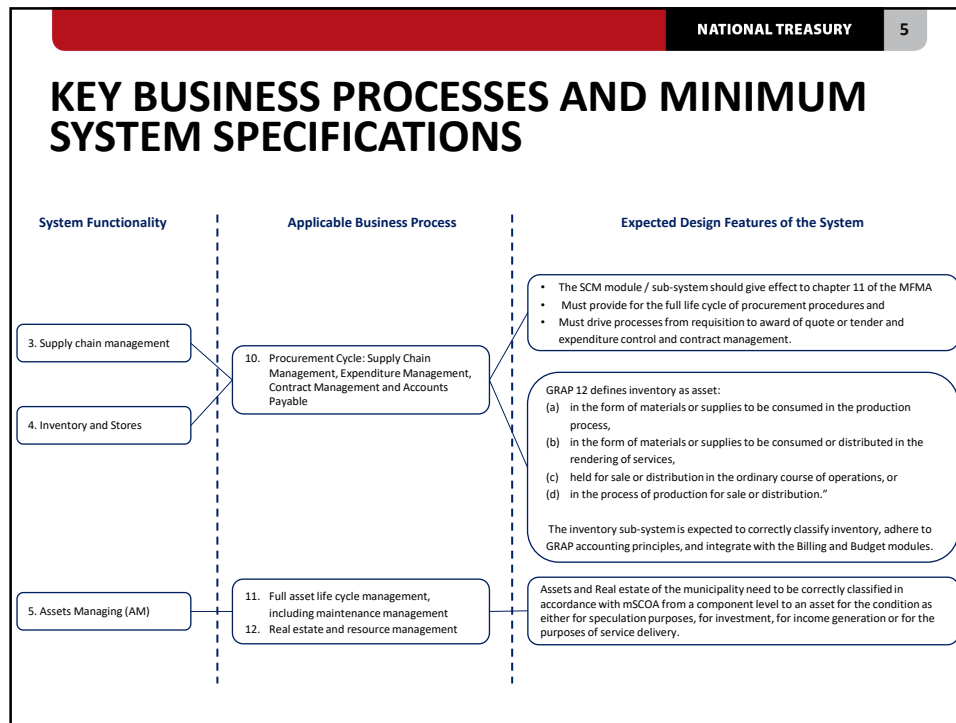
- Provide for the hosting of the *mSCOA* structure and associated detail as contained in the 7 defined segments.
- Accommodate and operate the classification framework across all 7 segments at a transactional level in the core financial management system (i.e. the transaction originates in the core financial system and not in any legacy system or manually outside of the core system).
- Provide for the data extraction functionality as per the segmented transactional string and upload to the local government portal and do not apply methodologies of data mapping to provide for the segmented transactional data string at a transactional level or manual intervention outside of the core system.

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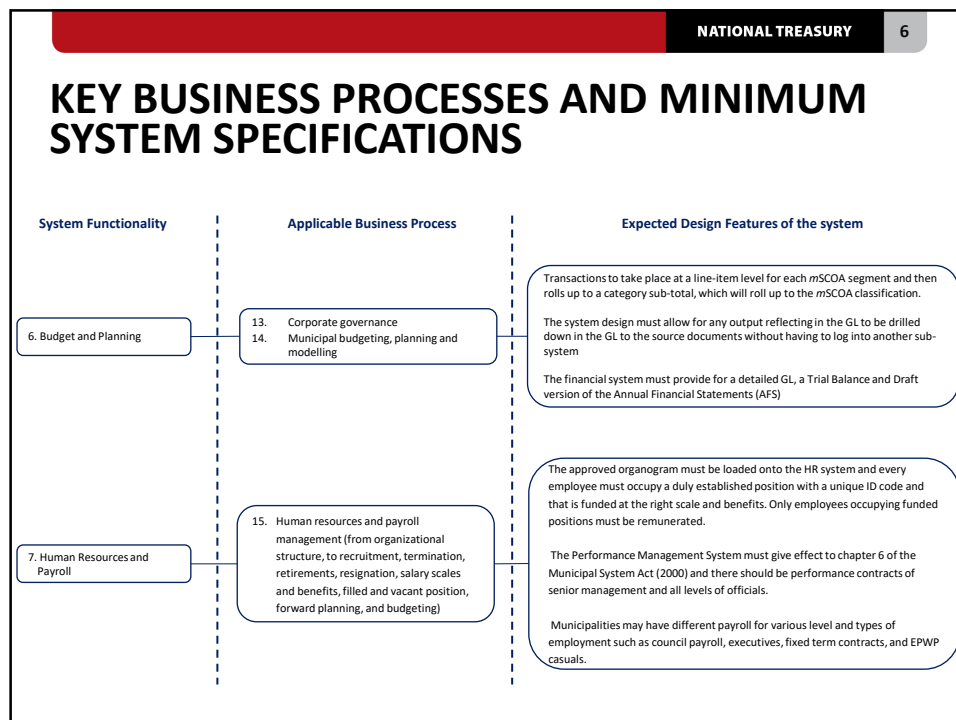
KEY BUSINESS PROCESSES AND MINIMUM SYSTEM SPECIFICATIONS



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KEY BUSINESS PROCESSES AND MINIMUM SYSTEM SPECIFICATIONS

- Cognisance should be taken that the category of municipality determines functionality requirements. Municipalities are divided into the following categories:
 - Category A – Metros
 - Category B1 – Secondary cities
 - Category B2 – Large towns
 - Category B3 – Small towns
 - Category B4 – Mostly rural
 - Category C1 – Districts without billing
 - Category C – Districts with billing
- MFMA Circular 80 and its Annexure B (dated 18 October 2016) provides further details on the minimum system functionality and business process requirements that should be incorporated in the municipality's financial management system to enable successful transacting in the *mSCOA* classification.
- On completion of the *mSCOA* system audits the minimum business processes and system specifications currently in MFMA Circular 80 will be regulated (2022).

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KEY BUSINESS PROCESSES AND MINIMUM SYSTEM SPECIFICATIONS

- A municipality must also ensure that it has access to ICT hardware (such as computers and servers), software (programmes such as Microsoft) and licences (to be able to use the software) that is sufficient to run the chosen financial management system.
- Since technology is changing constantly, it is not enough to purchase ICT hardware, software and licences once off, but these ICT components must be maintained, upgraded and renewed as and when required to be able to optimally use the financial management systems
- It is also important that the municipality is utilising a core financial system solution that can accommodate its ICT connectivity needs. If your municipality is in a rural area with poor connectivity, web based backups might not be possible.
- The relevant municipal officials must be sufficiently capacitated on all system modules and functionalities to use the financial management system.
- A suitably qualified System Administrator should also be appointed and the required IT securities and delegations must in place.

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