

# CIGFARO / *m*SCOA ANNUAL WORKSHOP

Item 6  
Importance Of A Roadmap

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**national treasury**  
Department:  
National Treasury  
REPUBLIC OF SOUTH AFRICA




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## What is a Road map



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## WHAT IS A ROADMAP?

### Definition:

- A roadmap is a high-level strategic overview of a significant business initiative. Roadmaps are typically used to manage the development of a new product or the execution of an institution-wide project.

### What do roadmaps do?

- Roadmaps act as a single reference point to ensure everyone on a team shares the same understanding of the goals driving an initiative.
- Having a central overview everyone can reference makes it easier to alter or update the priority of tasks and milestones when changes to an initiative are required.
- A product roadmap timeline is much more dynamic and more changeable, allowing for shifts or updates as priorities change.
- A strategic roadmap is a time-based document of your institution's current strategy, goals, and strategic plans.

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## BENEFITS OF HAVING A ROADMAP

### What are the benefits of having a roadmap?

- Roadmaps help keep team members on the same page in terms of an initiative's scope, objectives, and timeline. They also help those in charge communicate objectives and share status updates quickly.

### What are the drawbacks of having a roadmap?

- If roadmaps aren't updated frequently, initiatives can veer off-course, and unplanned dependencies cause projects to derail.
- Roadmaps become counter-productive if they aren't used as a living working document. That's why it's so important to use a dedicated road mapping tool that makes it simple and intuitive to share with all stakeholders in real-time.

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## AN OVERVIEW OF *m*SCOA ROADMAP

All municipalities and their entities had to comply with the *m*SCOA Regulations by 01 July 2017. Where should municipalities be with their *m*SCOA implementation by now? By now all municipalities should:

- Have acquired, upgraded and maintain the hardware, software and licenses required to be, and remain, *m*SCOA compliant;
- Budget, transact and report on all six (6) legislated *m*SCOA segments and directly on the core financial system and submit the required data strings directly from this system to the Local Government Portal;
- Lock down the budget adopted by Council on the core municipal financial system before submitting the budget (ORGB) data string to the Local Government Portal;
- Close the core financial system at month-end as required in terms of the MFMA before submitting the monthly data string to the Local Government Portal;
- Generate the regulated Schedules (A, B, C) directly from the core municipal financial systems; and
- Have appointed a suitably qualified System Administrator and ensured that the required IT securities were in place.

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## A TYPICAL ROAD MAP



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## AN OVERVIEW OF *m*SCOA ROADMAP (cont.)

### Importantly:

- The manual correction of data strings by municipal officials or system providers are not allowed in terms of the *m*SCOA Regulations; and
- Where a municipality makes use of a stand-alone 3rd party sub-system or certain functionality is provided by a 3rd party sub-system provider, such a 3rd party sub-system should hold the relevant part of the *m*SCOA chart to seamlessly integrate with the core financial system without manual intervention.

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## AN OVERVIEW OF *m*SCOA ROADMAP (cont.)

If a municipality has not achieved the above level of implementation as yet, then the following steps must be taken in terms of MFMA Circular No 98 and 107:

- Step 1: Is there a road map **with milestones and time frames** in place to monitor *m*SCOA implementation and address the gaps? If no
- Step 2: The municipality must develop a road map to indicate how and by when it will become *m*SCOA compliant;
- Step 3: Does the *m*SCOA steering committee/dedicated structure **review** the road map on a regular basis **and report** progress and challenges to EXCO and Council at least on a quarterly basis If no
- Step 4: The municipality's *m*SCOA Project Steering Committee must meet at least monthly / quarterly (or more often) to track the progress against the road map and take corrective action where required; and
- Step 5: Progress against the roadmap must be reported to Council, National and the respective Provincial Treasury for oversight purposes.

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## AN OVERVIEW OF *m*SCOA ROADMAP (cont.)

The road map should include the following priority areas, as applicable to the municipality:

- Functionality of the financial system, including the minimum system functionality and business process as per MFMA Circular No. 80 and Annexure
- Integration of 3rd party sub-systems with the *m*SCOA enabling financial system as required in terms of MFMA Circular No. 80 and Annexure B.
- Change management initiatives to ensure that *m*SCOA is institutionalised as an organisational reform and not only a financial reform; and
- Training initiatives to ensure that all officials in the organisation are familiar with the *m*SCOA chart, basic accounting, balance sheet budgeting and movement accounting and the use of the *m*SCOA enabling financial system.

The road map must be drafted by the municipality and not the system vendor and the progress against it should be carefully monitored by the municipality's *m*SCOA Project Steering Committee (chaired by the Accounting Officer or a delegated official..)

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