



DRAKENSTEIN

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Municipal Standard Chart of Accounts (MSCOA) Implementation Road Map

May 2026

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1. PURPOSE OF THE REPORT

The mSCOA Regulations prescribes the uniform recording and classification of municipal budget and financial information at a transaction level. This standard classification framework enforces the link between planning (IDP) and the budget through the project segment and enables annual reporting and performance management linked to strategic service delivery objectives.

The purpose of the mSCOA Road Map is to provide an update on the implementation of the municipal Stand Chart of Accounts, business processes and system functionality in Drakenstein Municipality.

2. DISCUSSION/ CONTENTS

The mSCOA (Municipal Standard Chart of Accounts) roadmap is a strategic document guiding municipalities toward full financial system compliance, focusing on integrating 7 segments across all operations.

The focus areas that should be considered (at a minimum) when developing the road map are as follows:

2.1 ICT Architecture, which includes the hardware, servers, software, licences required to run the ERP management systems.

2.2 Governance and Institutional Requirements - which includes:

- 2.2.1 A functioning mSCOA steering committee or equivalent structure to monitor and report on progress against the road map. This committee consist of the heads of all business units and meet regularly (at least quarterly).
- 2.2.2 Regular reporting on mSCOA implementation to Management and Executive Committees and Council.
- 2.2.3 Appointment of a mSCOA champion to drive the mSCOA implementation at the municipality.
- 2.2.4 Appointment of a suitably qualified System Administrator.
- 2.2.5 The development and adoption of the required IT policies and securities.
- 2.2.6 Establishment of data back-up and disaster recovery procedures.

2.3 System Functionality - which includes:

- 2.3.1 The ERP modules and 3rd party systems used. These must give effect to the minimum business processes and system requirements specified in MFMA Circular No. 80. Municipalities must budget adequately to procure the required functionality and upgrade to the mSCOA enabling version of the ERP.
- 2.3.2 Seamless and full integration of data in the ERP system, including 3rd party systems used by the municipality and its entities. The ERP system vendor sets the

requirements for the integration.

2.4 User Proficiency and Training

2.4.1 The relevant municipal officials and interns must be sufficiently capacitated on the mSCOA chart, basic accounting, balance sheet budgeting and movement accounting and all system modules and functionalities to use the ERP systems solution. Consideration should be given to training, the establishment of User Support Groups and the availability of user manuals on the system.

2.4.2 Change management initiatives to ensure that mSCOA is institutionalised as an organisational reform and not only a financial reform.

The roadmap helps ensure that all team members have a shared understanding of an initiative's scope, objectives, and timeline. It also provides leaders with a clear tool to communicate goals and share progress updates efficiently.

3. ANNEXURES

Annexure A: mSCOA Road Map – Action Plan

mSCOA Road Map

WC023 Drakenstein Municipality

Business Process	System Functionality Required	Action/ Key Activities	Responsible official/ service provider	Status	Due Date	Comment
A. ICT ARCHITECTURE						
ICT Architecture	Hardware, servers, software, licences	Conduct ICT Due Diligence & Needs Analysis	ICT/ mSCOA Steering Committee	Continuously	Continuously	Review and assess all IT systems, infrastructure, security, data, and technology risks to ensure they are reliable, compliant, and suitable for the intended purpose.
ICT Architecture	Hardware	Hardware as required to run ERP management systems	ICT	Complete	N/A	The existing hardware infrastructure is adequate to support the continued and effective operation of services. All ICT processes are reviewed regularly, and necessary updates and upgrades are implemented as required to ensure optimal performance and reliability.
ICT Architecture	Servers	Servers as required to run ERP management systems	ICT	Complete	N/A	The existing servers is adequate to support the continued and effective operation of services. All ICT processes are reviewed regularly, and necessary updates and upgrades are implemented as required to ensure optimal performance and reliability.
ICT Architecture	Software/ Licences	Software and Licences as required to run ERP management systems	ICT and user departments	Complete	N/A	The existing licences are adequate and renewed on an annual basis. All ICT processes are reviewed regularly, and necessary updates and upgrades are implemented as required to ensure optimal performance and reliability.
B. GOVERNANCE AND INSTITUTIONAL REQUIREMENTS						
Governance and Institutional Requirements	mSCOA Champion	Drive the mSCOA implementation at the municipality.	City Manager	Complete	N/A	mSCOA Champion successfully appointed
Governance and Institutional Requirements	mSCOA Steering Committee	A functioning steering committee to monitor and report on progress against the road map		Complete	N/A	MSCOA Steering committee established
Governance and Institutional Requirements	mSCOA Steering Committee	Reporting on mSCOA implementation to managment, executive committee and Council		Ongoing	Ongoing	mSCOA implementation reported at quarterly mSCOA Steering Committee meetings.
Governance and Institutional Requirements	mSCOA Terms of Reference			Complete	N/A	mSCOA Terms of reference was adopted by the mSCOA steering committee
Governance and Institutional Requirements	mSCOA Roadmap			Ongoing	Ongoing	Compile mSCOA Roadmap that provides guidance with regard to the actions, activities and processes in order to achieve succesfull mSCOA implementation. The Roadmap will be updated as changes occur or new developments within the mSCOA environment.
Governance and Institutional Requirements	mSCOA Systems Administrator	Appointment of a suitably qualified systems administrator		In progress	1-Jul-26	A systems administrator must be appointed and will ne responsible for managing and maintaining mSCOA compliant systems within the municipality.
Governance and Institutional Requirements	Policies	Development and adoption of the required IT policies and securities		Complete	N/A	IT policies are in place and is reviewed on a regular basis.
Governance and Institutional Requirements	Data Protection	Establishment of data back-up and disaster recovery procedures.		Complete	N/A	Included in ICT continuity plan and ICT Disaster Recovery Plan.

C. SYSTEM FUNCTIONALITY

Business Process	System Functionality Required	Action/ Key Activities	Responsible official/ service provider	Status	Due Date	Comment
Corporate Governance						
Corporate Governance	Workflow Management System		SOLAR (BCX)/ Other third party systems	Ongoing	Ongoing	Develop a tool that automatically moves tasks, documents, or information through a predefined process from one step or person to another.
Corporate Governance	Performance Management System		Ignite Assist	Complete	N/A	A Performance Management System to capture the service delivery- and budget implementation plan (SDBIP) measurable performance indicators and the assignment of tasks to specific managers. Reporting on service delivery- and budget implementation plan (SDBIP) indicators, inclusive of financial performance indicators.
Corporate Governance	Municipal Web Site		Web - Self Administered/ Third party	Complete	N/A	Content Management System in-house.
Corporate Governance	Document Management		Collaborator - Electronic document management system	In Progress	30-Jun-26	Implementing additional modules.
Corporate Governance	Reporting Mechanisms		SOLAR (BCX)/ TRU	Complete	N/A	Ensure that mSCOA segmented reports can be produced that complies with the statutory submission to the National Treasury local government Database.
Corporate Governance	Annual Financial Statements		CaseWare	Complete	N/A	Used in to prepare, compile, and review financial statements and working papers to ensure accurate reporting and compliance with accounting standards such as GRAP.
Corporate Governance	Risk Management		BarnOwl	Complete	N/A	Software platform used to identify, assess, monitor, and manage risks across the organisation to improve governance and compliance.
Municipal Budgeting, Planning and Financial Modelling: (IDP driven, project based main budget module that adhere to MFMA						
Municipal Budgeting	Budget Module		SOLAR (BCX)	Complete	N/A	System supports budgeting cycles across the medium term revenue and expenditure framework (MTREF) (3-year budget) of the municipality
Municipal Budgeting	IDP Module		SOLAR (BCX)	In Progress	31-Aug-26	Demo done to all stakeholders. In talks for implementation.

Business Process	System Functionality Required	Action/ Key Activities	Responsible official/ service provider	Status	Due Date	Comment
Financial Accounting						
Financial Accounting	General Ledger (Core Financials)		SOLAR (BCX)	Complete	N/A	Contains all the accounts for recording transactions relating to municipalities assets, liabilities and net assets as per mSCOA segments.
Financial Accounting	Accounts Receivable		SOLAR (BCX)	Complete	N/A	Provide a debtor master record containing at least but not limited to debtor levies in mSCOA segmentation to the Accounts receivable
Financial Accounting	Accounts Payable		SOLAR (BCX)	Complete	N/A	Accounts Payable must include, at a bare minimum but not limited to selection of invoice payments on varied platforms. Bulk payment of invoices including direct linking to the banking sector. Producing of electronic remittance statements with automated distribution, direct invoice payment and sundry payments
Costing and Reporting						
Costing and Reporting	Cost Planning Module		SOLAR (BCX)	In Progress	30-Jun-26	Awaiting final business processes to ensure alignment and correct application.
Project Accounting						
Project Accounting	Project Creation & Planning Module		SOLAR (BCX)	In Progress	30-Jun-32	A full costing module aligned to the mSCOA costing segment to assist in calculation of tariffs and real costs. Charges must have a direct effect on tariffs. Therefore it will be necessary to ensure direct link to Provisioning and payroll modules exist. through the application of internal billing departmental charges or activity based recoveries.
Project Accounting	Safety, Health and Environmental (SHE) module		3rd Party	Not Started	TBC	No progress to date
Treasury and Cash Management						
Treasury and Cash Management	Cashbook Module		SOLAR (BCX)	Complete	N/A	Cashbook module that links to the banking sector and allows for at least multiple bank accounts and sweeping between accounts, passing of journals for interest and other bank charges and support mSCOA segmentation.
Treasury and Cash Management	Petty Cash Module		SOLAR (BCX)	Complete	N/A	A petty cash module that allows for accounting for petty cash transactions and subsequent budget allocatios and control as per mSCOA.
Treasury and Cash Management	Investment Register and External Loan Register		SOLAR (BCX)	In Progress	30-Jun-26	The Investment register have been developed and was installed on Production. Further enhancements needs to be done to ensure that registers are incorporating and updating all financial transactions processed.
Procurement Cycle: Supply Chain Management, Expenditure Management, Contract Management and Accounts Payable						
Procurement Cycle	Supply Chain Management (SCM)		SOLAR (BCX)	Complete	N/A	Fully implemented
Procurement Cycle	Inventory Management		SOLAR (BCX)	Complete	N/A	All consumable items in terms of the classification framework is purchased via an inventory principal. This include direct purchases like pens, stationary, etc.
Grant Management						
Grant Management	Subsidies		SOLAR (BCX)	Not Started	TBC	Functionality is available. To be implemented by DM.
Full Asset Life Cycle Management including Maintenance Management						

Business Process	System Functionality Required	Action/ Key Activities	Responsible official/ service provider	Status	Due Date	Comment
Full Asset Life Cycle Management	Asset Management		SOLAR (BCX)	In Progress	30-Jun-28	Using phased approach to implement this business process. DM is one of few municipalitties using the Fair Value Model and system is not doing the correct fianncial transactions.
Full Asset Life Cycle Management	Insurance Register		Collaborator	In Progress	30-Jun-26	Workflow with document management and reporting.
Full Asset Life Cycle Management	Asset Tracking		SAMS	In Progress	TBC	Tracking works. Integration outstanding.
Full Asset Life Cycle Management	Repairs & Maitenance Module		Various per service	In Progress	TBC	Maintenance systems to be integrated.
Full Asset Life Cycle Management	Fleet Management Register		SOLAR (BCX)	Complete	N/A	Fleet Management system.
Full Asset Life Cycle Management	Fleet Management & Tracking		Solar/ C-track	Complete	N/A	Fleet Tracking system.

Business Process	System Functionality Required	Action/ Key Activities	Responsible official/ service provider	Status	Due Date	Comment
Real Estate and Resources Management						
Real Estate and Resources Management	Rental Management		MS Office (Excel, Word, etc)	Not yet started	TBC	Considering implementation of this process on BPM module. Currently billing all rentals on SOLAR but renewals and documents still outside the system.
Real Estate and Resources Management	Lease Management/Register		MS Office (Excel, Word, etc)	Not yet started	TBC	Manual register with manual payment requests. Only 4 "Rent in" contracts. Not the
Real Estate and Resources Management	Cemetery System		Internal Product/app	Not yet started	TBC	The system has been developed internally. However it is not integrating to solar as yet.
Real Estate and Resources Management	Facilities Management		MS Office (Excel, Word, etc)	Complete	N/A	Maintenance system for facilities to be implemented.
Human Resource and Payroll Management						
Human Resource and Payroll Management	Human Resources (HR) Management (Incl Leave Management)		PayDay	Complete	N/A	Organisation Management,Employee Records Management,Leave Records Management.
Human Resource and Payroll Management	Time Management		Business Connexion	In progress	30-Jun-26	Integration not finalised. Biometrics used to enforce punctuality, check attendance. Project being phased, installation at all office buildings will be continued in 2025/2026.
Human Resource and Payroll Management	Payroll Management		PayDay	Complete	N/A	Must be able to easily integrate with banks. Seamless upload of payroll information.
Revenue and Debt Management						
Revenue Cycle Billing	Billing		SOLAR (BCX)	Complete	N/A	Revenue management module that give effect to MFMA section 64
Customer Care, Credit Control and Debt Collection	Credit Control and debt Collection		SOLAR (BCX)	Complete	N/A	The system should enable the municipality to manage the debt collection process and must,Manage re-connection and arrangements with integrated notes on the debtor master file and workflow with technical services.
Customer Care, Credit Control and Debt Collection	Customer Management		Other	In progress	TBC	Current 3rd party system in place to log complaints and queries. Considering other options to ensure full scope of this business process is covered.

Business Process	System Functionality Required	Action/ Key Activities	Responsible official/ service provider	Status	Due Date	Comment
Valuation Roll, Real Estate, Land Use and Buidling Control Management						
Valuation Roll Management	Valuation Roll Management		Esri	In Progress	30/Sep/2027	The integration is in progress. Once completed it should integrate seamlessly with the revenue management module.
Valuation Roll Management	Geographical Information System (GIS)		Esri	Complete	N/A	Integrate information for a spatial analysis in a Geographical Information Systems (GIS)
Valuation Roll Management	Calculation and billing of all categories of rates		SOLAR (BCX)	Complete	N/A	Integrate with the deeds registry and monitor actual sales with current valuations as well as ownership against the billing system.
Land Use Building Control	Property Register System		SOLAR (BCX)	In Progress	30/Jun/2027	Integration on property transfers, subdivisions, consolidations and zoning changes via Collaborator still in progress.
Land Use Building Control	Building Plan System		Collaborator	Complete	N/A	Building plan submission and approval and document management for building plans and zoning certificates.
D. USER PROFICIENCY AND TRAINING						
Training Plan System	Training courses		Internal departments/Third parties	Complete	N/A	Training is organized by the respective departments and is conducted both internally and externally.
Issue Identification and Reporting	User support Groups		Third parties	Complete	N/A	BAS (Basic Accounting System) User Groups
Manuals Access Management (MAM)	Availability of user manuals on the system		Collaborator	In Progress	Updated as and when	Training manuals shall be maintained and updated on the system as required. All updates must be recorded and made available to users promptly.