SCOA IS HERE...

....GREATER GIYANI MUNICIPALITY IS PILOTING SCOA WITH....

WHAT IS SCOA

It is a Standard Chart of Accounts (for all municipalities)

Overall Objective

The primary objective is to achieve an acceptable level of uniformity and quality from the collection of Local Government (Municipality and Municipal Entities) data. This will require a classification framework specific to Local Government.

SCOA represents the detailed, or posting-level, accounts which financial practitioners would use to capture transactions in the financial systems. **The SCOA data structure is then used to compile both budgets and financial statements.**

Budgets and actual financial transactions are captured in the municipality's financial system, across all of the segments of SCOA; facilitating a direct comparison of budget versus actual spending.
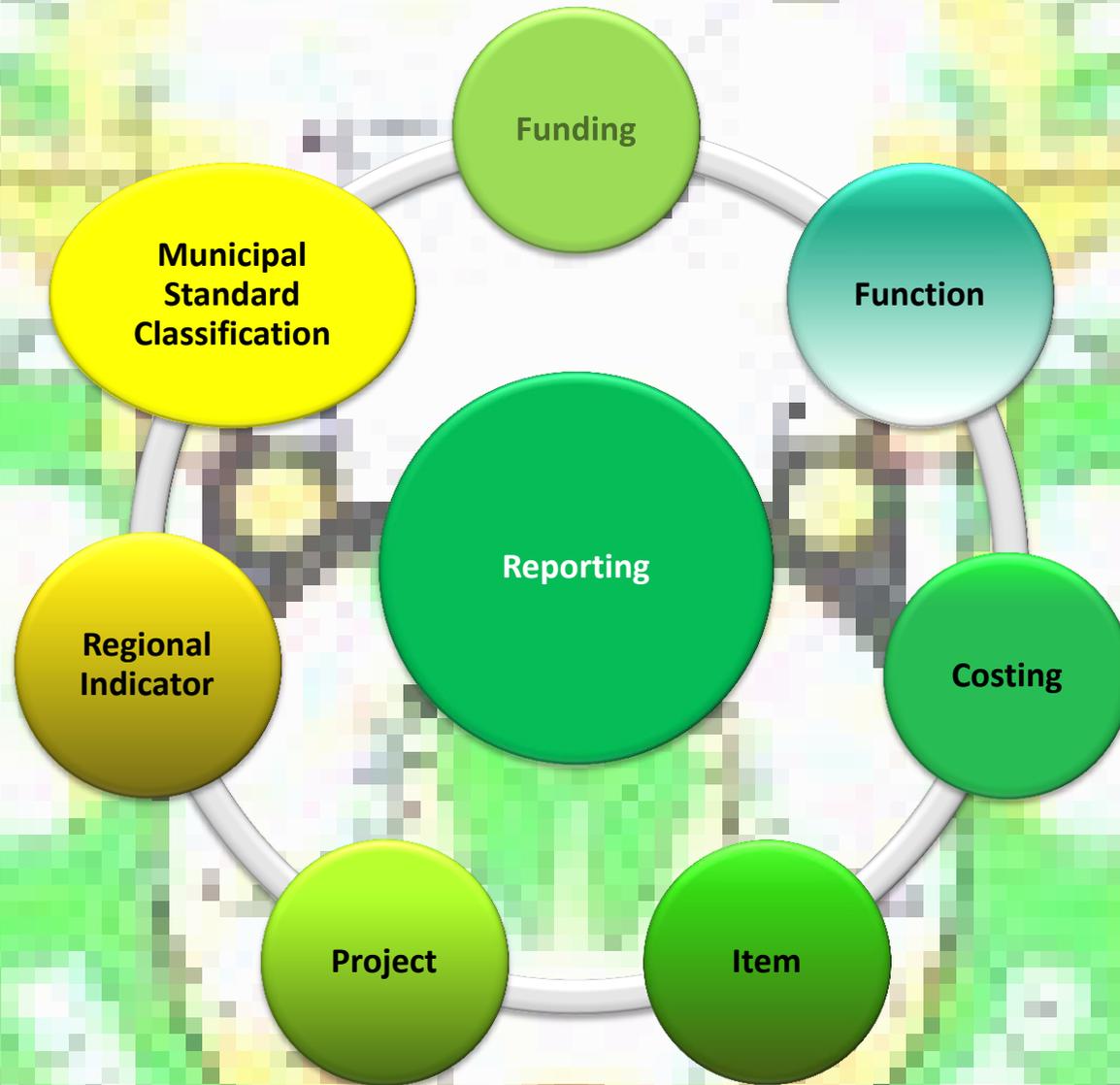
ALL MUNICIPALITIES HAVE TO COMPLY WITH SCOA BY 1 JULY 2017!!!

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CCG SYSTEMS

Sage Evolution ERP

by Sage Pastel

WHY SCOA?

Legislated: All Municipalities to be Compliant by 1 July 2017

- ❑ Classification framework limited to financial information:
    - ✓ International standards, guidance and best practices.
    - ✓ Compliance with legislative framework for local government.
- ❑ Comprehensive framework (grid) to satisfy stakeholders needs.
- ❑ Information to be easily extracted:
    - ✓ Labels and accounts to be clearly defined.
    - ✓ Alignment of financial and budget reporting formats.
    - ✓ Integration of GRAP standards.
    - ✓ Standardisation of terminology.
    - ✓ Standardisation of transaction classification.
- ❑ Reporting on "whole-of-local government and government":
    - ✓ Simple classification.
    - ✓ Financial system integration with optimised business and programme rules.

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KNOW YOUR SEGMENTS

Funding

Function

Municipal Standard Classification

Reporting

Costing

Regional Indicator

Project

Item

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KNOW YOUR SEGMENTS
Version 5.3

Standard Classification – Against which organisational vote or sub-vote should the transaction be recorded?

Funding – What source of funding will be used for the transaction and from which source is the revenue received?
  1. **F** – Funding

Function – Against which functions or sub-functions should the transaction be recorded?
  1. **FX001** – Funding Core
  2. **FX002** – Funding Non Core

Item – What is the nature of the transactions to be recorded?
  1. **IR** – Item Revenue
  2. **IE** – Item Expense
  3. **IZ** – Gains & Losses
  5. **IA** – Item Asset
  4. **LN** - Liabilities Net Assets
  6. **IL** – Item Liabilities

Project – Does the transaction relate to a specific project and if so, what type of project?
  1. **PC** – Project Capital
  2. **PO** – Project Operational

Regional Indicator – Which geographical area is deriving the benefit from the transaction?
  1. **RX** – Demarcation Code and whether the transaction is administrative, or applies across the whole municipality or at ward level.

Costing – Impact of the transaction on secondary costing?
  1. **C** - Costing