ANNEXURE R

**RT25-2016 TECHNICAL SPECIFICATIONS**

| | mSCOA Roadmap (Exclude optional and best practice) | | | **Municipality Name: Saldanha Bay Municipality** | | **Municipal Demarcation Code : WC014** | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | **Business Process** | **Sub-Process** | **Legislative or Business Requirement** | **System / Applications minimum functionality and action steps** | **Assign responsible person** | **Required by** | **Status** | **Implementation Date** | **Response on Progress** | **Any additional relevant to the way forward relating to the response column with time frames to address implementation gap.** |
| 1 | **ICT Architecture** | | | | | | | | | |
| 1 | *ICT Architecture for mSCOA to run the required ERP management system* | | | | | | | | | |
| 1 | | Hardware | | As per required specifications | ICT manager | mSCOA Regulation | Completed | 2017/07 | All ICT related processes are monitored on a regular basis and updates and upgrades are done as and when required | |
| 1 | | Servers | | As per required specifications | ICT manager | mSCOA Regulation | Completed | 2017/07 | All ICT related processes are monitored on a regular basis and updates and upgrades are done as and when required | |
| 1 | | Software/Licences | | As per required specifications | ICT manager | mSCOA Regulation | Completed | Ongoing | All ICT related processes are monitored on a regular basis and updates and upgrades are done as and when required, licences are renewed on a anually basis | |
| 1 | **Corporate Governance** | | | | | | | | | |
| 1 | *Governance is associated with ensuring greater economic and social responsibility within organisations to shareholders and stakeholders. Accountability, transparency and openness in reporting and disclosing information are imperative to the practice of good governance and are non-negotiable. Generally, corporate governance refers to the processes by which municipalities and municipal entities are directed, controlled, and held to account as guided by the Constitution, the Municipal Financial Management Act, 2003 (MFMA) and Municipal Systems Act, 2000 (MSA). The MFMA and MSA complement each other and deal with internal control, risk management, internal audit, and external audit, and financial risk management, compliance to legislation, performance system and reporting mechanisms to enhance accountability and progress. Municipalities' p olicies and procedures need to address these areas to accomplish good corporate governance.* | | | | | | | | | |
| | | Steering committee | Business requirements Circular 126 | Steercom to monitor and report on working groups and roadmap | CFO | Circular 126 | In progress | Ongoing | Steering committee held meeting in April 2025 to discuss governance, risk register and roadmap. TOR, Composition of working groups and roadmap. | Report was submitted portfolio committee on 20 May 2025 and to be submitted to audit committee on processes and status of the steering committee and working groups |
| 1 | | System configurations | | Must support complex user profiles, with segregation of duties, in order to limit user rights beyond the transaction, but to also include content sensitive measures such as organisational structure, payroll, cost centre, project, source of funding, other segmented transactions or other system objects needed to ensure confidentially of information and transactional integrity. | FMS N Rossouw<br>Network G van Schalkwyk<br>Payroll S Cloete<br>Ignite Q Jordaan<br>IMIS C de Kock<br>Collection wise C Mangiagelli<br>CP3 N Rossouw | Legislation | Completed | Ongoing | All user profiles for FMS, CP3 and Payroll are updated as required with sign off forms.<br>Ignite/IMIS/Collection wise needs to be confirmed by dept | |
| 1 | | | | Online approval and authorisation with electronic signature capabilities of transactions via integrated security systems and segregated functionality. This should be provided through application of appropriate security policies and internal service level agreements between various units. | ICT manager | Legislation | In progress | Ongoing | Various ICT policies | |
| 1 | | | | Comprehensive on-line audit trail of all transactions at a transaction level must be available. This is in order to identify date, time and the user who initiated, approved or amended any transaction, including workflow. The administrator must be able to customise this for enhanced analysis and reporting. | FMS N Rossouw<br>Network G van Schalkwyk<br>Payroll S Cloete<br>Ignite Q Jordaan<br>IMIS C de Kock<br>Collection wise C Mangiagelli<br>CP3 N Rossouw | Legislation | In progress | Ongoing | Audit reports on FMS and CP3 available when date and time stamped of user.<br>Other modules to provide feedback | |
| 1 | | | | Additionally the audit trail on all activities on the system, date, time and responsible user stamped. This must be done to the extent that an activity log can be drawn from the system, outlining a particular user's activities on the system for the entire workday. | FMS N Rossouw<br>Network G van Schalkwyk<br>Payroll S Cloete<br>Ignite Q Jordaan<br>IMIS C de Kock<br>Collection wise C Mangiagelli<br>CP3 N Rossouw | Legislation | In progress | Ongoing | FMS/CP3-User activity can be extracted from the system | |
| 1 | | | Period Control | Monthly period closure and certification within the statutory reporting dates. No back-dating of transactions is allowed. | N Rossouw | mSCOA Regulation | Completed | 2017/07 | No backdated transactions as month ends are done on the last day of every month and data files are uploaded on the 1st of a month. FMS does not allow backdated transactions. | |
| 1 | | | | Balancing of the sub-system with control accounts must be a condition of any period closure. | N Rossouw | mSCOA Regulation | Completed | 2017/07 | Daily verification is done between sub modules and GL, Part of the day end procedures. | |

| | Business Process | Sub-Process | Legislative or Business Requirement | System / Applications minimum functionality and action steps | Assign responsible person | Required by | Status | Implementation Date | Response on Progress | Any additional relevant to the way forward relating to the response column with time frames to address implementation gap. |
|---|---|---|---|---|---|---|---|---|---|---|
| 1 | | | | Year-end closures period 12 as at 30 June (of the current year) result in a transactional transfer of opening balance to period one in the following year. | N Rossouw | mSCOA Regulation | Completed | 2018/06 | With the Year end and close of period 12 process, the closing balances are migrated to brought forward opening balances, Thereafter all P13 and P14 transactions are via recalculated opening balances. Both opening balances are part of the TB and kep in the system. | |
| 1 | | | | Finalisation and submission of annual financial statements (AFS) period 13 results in *opening balance transactional transfer* of only the transactions of period 13. | Z Korasie/N Rossouw | mSCOA Regulation | Completed | 2018/08 | Period 13 transactions are automatically transfer to opening balances as recalcualted opening balances in the next financial year. (M01 and M02) | |
| 1 | | | | Audit periods with allowed audit approved journals occur in period 14 and result in *opening balance transactional transfer* of only the transactions of period 14. | Z Korasie/N Rossouw | mSCOA Regulation | Completed | 2018/11 | Period 14 transactions are automatically transfer to opening balances as recalcualted opening balances in the next financial year. (M03, M04 and M05) | |
| 1 | | | | Accommodate a period 15 for prior period errors (GRAP 3). | Z Korasie/N Rossouw | mSCOA Regulation | Completed | 2019/07 | Period 15 GL journals can be done up to 2 years prior to the current financial period. | |
| 1 | | | | Any corrections of prior period error(s) result in opening balance transactions in the subsequent years. | Z Korasie/N Rossouw | mSCOA Regulation | Completed | 2019/07 | Prior period errors can be done on FMS on 2 years prior to current financial period against opening balance. | |
| 1 | | | | Period closing, finalisation and audit period corrections are *opening balance transactions* in the current open period as well as normal transactions in the audit periods. | Z Korasie/N Rossouw | mSCOA Regulation | Completed | 2019/07 | P13, P14 and P15 transactions are performed in applicable period with recalculated opening balances in the current open period. | |
| 1 | | | | Sub-system(s) or ledgers must, without (manual) intervention or manipulation, integrate and constantly balance with the core financial system. | N Rossouw | mSCOA Regulation | Completed | 2022/07 | System generated sub module vs General ledger are done at end of working day.Debtors/Cashbook.Creditors/Sundry register | |
| 1 | | | | Create workflow and exception reporting mechanisms. | All managers | mSCOA Regulation | Completed | 2022/07 | SOP's and manuals in place at all financial departments | |
| 1 | | | | Enable drill down from the general ledger (GL) to sub-system source transactions to transactional level. | N Rossouw | mSCOA Regulation | Completed | 2022/07 | Drill down from the general ledger to sub module on debtors, creditors and cashbook can be done, but this cannot be done on the AFS to dthe FMS | |
| 1 | | | | Integration and automation of the annual financial statements (AFS) as well as monthly MFMA section 71 reports (financial management statements). | Z Korasie | mSCOA Regulation | Completed | 2022/07 | Integration can be done via Caseware but option preferred to import TB into caseware | |
| 1 | | | | ***The performance management system should as a minimum produce the following documents:*** | | | | | | |
| 1 | | | | The municipality's annual report. | C de kock | NT issue | Completed | 2024/07 | Currently all financial information is hosted on the FMS, which all relevant/required person have access, if it is required to measure performance of each project on the Action assist module as well, it will result in duplication of work and cost, which is not ideal. The principle decision, after considering all the cost versus the benefit will have to be taken by the council/EMT. Performance management custodian to address. | Meeting between Munsoft, Ignite and the client to finalise the process.<br><br>Integration was tested succesfully. Functionality exist, but decision was made not to use this option. No further action on this item.<br>Ignite - action assist is currently used as the performance management system. |
| 1 | | Municipal Web Site | A municipal website that gives effect to MFMA section 75, the Municipal Budget and Reporting Regulations, 2009; the mSCOA Regulations, 2014 and section 21A of the Municipal Systems Act, 2000 | The legislative framework lists the minimum information that should be placed on the municipality's website:<br>Integrate from the core financial budget module;<br>The annual and adjustments budgets and all budget-related documents;<br>All budget-related policies;<br>Annual financial statements (AFS) and Annual reporting tools BI modules;<br>The annual report;<br>Performance management, supply chain and asset management modules;<br>section 57(1)of the Municipal Systems Act, 2000;<br>All quarterly reports tabled in the council in terms of MFMA section 52(d) | C de kock | Legislation | In progress | Ongoing | Website and other eportal options is driven by Munsoft. Not integrated with sub modules but website is hosting all related documents as required by Legislation | |

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|---|---|---|---|---|---|---|---|---|---|---|
| 1 | | | | ***All performance agreements required in terms of :***<br>All service delivery agreements;<br>All long-term borrowing contracts;<br>All supply chain management contracts above a prescribed value;<br>An information statement containing a list of assets over a prescribed value that have been disposed of in terms of MFMA section 14(2) or (4) during the previous quarter;<br>Contracts to which MFMA section 33(1) apply, subject to section 33(3) of that section;<br>Public-private partnership agreements envisaged in MFMA section 120; and<br>Municipal Budget and Reporting Regulations (MBRR) and mSCOA Regulations reporting templates as generated by the Core Financial system. | C de kock | Legislation | Completed | 2022/07 | Website and other eportal options is driven by Munsoft. Not integrated with sub modules but website is hosting all related documents as required | |
| 1 | | | | ***Billing module in addition to integrate:***<br>The A&B valuation roll publication as required by the Municipal Property rates Act, 2004; and<br>The customer portal; and should as a minimum (if not hosted on the municipality's web site) be accessible or redirected from the website of the municipality. | Valuations | Legislation | Completed | 2022/07 | Consumer e portal are available for clients to access accounts, the valuation roll is not part of this portal. The valuation roll is however on the website of the municipality. | |
| 1 | | Document Management | Document Management to ensure that all municipal documents are secured and if possible electronically received to achieve the lowest possible foot print. National Archives of South Africa Act, 1996. | ***Support secure and reliable document management including, but not limited to:***<br>Document sharing;<br>Dedicated registry for document filling;<br>Document tracking;<br>Secure access to documents. | C de kock | Legislation | Completed | 2022/07 | IMIS is used for document manager as part of the full ERP and administered by the Admin dept to give access and secure documents | |
| 1 | | | | Document management should originate at the lowest level of transaction. (i.e. invoices should originate from creditors module) | C de kock | Legislation | Not started | 2030/07 | Only council and portfolio related reports are stored in IMIS and not the documentation relater to invoices and ceditors module | |
| 1 | | | | Scanned documents and images to be linked to the each enquiry of the system (e.g. Assistance-to-the-Poor application scanned forms to be linked to the customer identification number on the system) | C de kock | Legislation | Not started | 2030/07 | Documents related to indigent subsidy ets are stored and kept in the Rumas system which handled Indigent system | |
| 1 | | | National Treasury Portal and other statutory submissions | Statutory submission to the National Treasury local government Database (LG Database); | Reporting/Budget/N Rossouw | mSCOA Regulation | Completed | 2022/07 | All Go muni related data strings are directly from the financial system and uploaded on time. | |
| 1 | | | | ***mSCOA data extraction and upload to portal submissions with a dashboard configuration to allow the Municipal Manager (accounting officer) to verify the mSCOA data extracts before submitting them:*** | | | | | | |
| 1 | | | | The annual procurement plan - actual versus budget; | SCM - Hermie Meeding | mSCOA Regulation | In progress | Ongoing | The municipality's procurement plan does not integrate with Munsoft as this is a manual document in excell | Procurement plan will be implemented on FMS and link to budget strings. Tests will be done with Opex and Capex projects. SCM to provide feedback after tests are performed. Distinction will be made between SCM contract management and contracts related processes in other disciplines. |
| 1 | | | | The asset maintenance plan - actual versus budget; | Various service dept | mSCOA Regulation | Not started | 2030/07 | There is no asset maintenance plan in the system currently in use at the municipality. Maintenance operations and provisions are managed under the technical department rather than through the asset management module. | Asset maintenance plans are kept within each service dept, Water/Elec/Sewer/Road on different systems, not integrate with Munsoft/IMIS (IMQS/Excell/IMIS/i-RAMS) |
| 1 | | | | Annual Financial Statements (AFS); | AFS and reporting | mSCOA Regulation | Completed | 2022/07 | AFS is done on Caseware and uploaded on Go muni on required date and provided to AG as required | |
| 1 | | | | Annual report; | AFS and reporting | mSCOA Regulation | Completed | 2022/07 | Annual report is done outside the system and uploade on Go muni on required date | |

| | Business Process | Sub-Process | Legislative or Business Requirement | System / Applications minimum functionality and action steps | Assign responsible person | Required by | Status | Implementation Date | Response on Progress | Any additional relevant to the way forward relating to the response column with time frames to address implementation gap. |
|---|---|---|---|---|---|---|---|---|---|---|
| 1 | | | | National Energy Regulator SA (Nersa) and Department of Water Affairs and Sanitation (DWS) reports; | AFS and reporting | mSCOA Regulation | Completed | 2022/07 | Reports and forms are done manually but information is taken form the financial system to compile | |
| 1 | | | | VAT returns 201 reconciliations; | VAT | Legislation/NT demo issue | In progress | Ongoing | VAT handling capabilities as it relates to Output and Input VAT are done on MUNSOFT ERP Solutions, however, the VAT reconciliations are performed manually. The VAT 201 Report generation functionality is available on MUNSOFT ERP Solutions. Manual reconciliations are performed to the SARS Statement of Account. | |
| 1 | | | | PAYE and 501 reconciliations; | Payroll | Legislation | In progress | Ongoing | Reconciliation is perform manually by information from the payroll system | |
| 1 | | | | IRP 5; and | Payroll | Legislation | In progress | Ongoing | Reconciliation is perform manually by information from the payroll system | |
| 1 | | | | Unemployment Insurance Fund (UIF) forms. | Payroll | Legislation | In progress | Ongoing | Reconciliation is perform manually by information from the payroll system | |
| 1 | | | | | | | | | | |
| 1 | **Municipal Budgeting, Planning and Financial Modelling: (IDP driven, project based main budget module that adhere to MFMA section 53 that as a minimum)** | | | | | | | | | |
| 1 | *Municipal budgeting and planning business processes are primarily derived from two sets of legislation, namely the Municipal Systems Act, 2000 (MSA) and the Municipal Finance Management Act, 2003 (MFMA). The MSA provides for the setting of the strategic objective whilst the MFMA and Municipal Budget and Reporting Regulations, 2009 (MBRR) provide for the output associated with this business process. This needs to incorporate key processes and procedures such as strategy formulation, integrated development planning (IDP), prioritisation, revenue generation, resource allocation, as well as long term forecasting and modelling of key financial dimensions such as the statement of financial position, cash flow forecasting, funding compliance, asset management and basic service delivery.* | | | | | | | | | |
| 1 | | Main Budget | In terms of Section 25 of the Municipal Systems Act, 2000 each municipal council must, within a prescribed period after the start of its elected term, adopt a single, inclusive and strategic plan (the integrated development plan (IDP)) for the development of the municipality which must inform the municipal budget to be mutually credible and reliable and should include the following functionality: | Must have budgeting capabilities in that the budget are informed from the integrated development plan (IDP) and budget capturing occur across all the mSCOA segments as per the mSCOA Regulations, 2014. | Budget Office | mSCOA Regulation | Not started | 2026/07 | Software provider testing and demontstration performed on the following integration<br>between the planning and financial core system:<br>1. New Projects / IDP created within the planning module - integrated to the Budget module via API<br>2. Budget allocated within the planning module - integrated to the Budget module via API<br>3. Transactions and adjustment budget within the Financial core system and integrated to the planning module via API<br>4. Budget captured on all mSCOA segments in the core firnancial system<br><br>In progress of being tested. | Prioritisation of IDP is done outside of the system through community engagement and participation and the Munsoft system does not have the capability to prioritise the IDP projects |
| 1 | | | | System must support budgeting cycles across the medium term revenue and expenditure framework (MTREF) (3-year budget) of the municipality. | Budget Office | mSCOA Regulation | Completed | 2022/07 | MTREF can be done in the core financial system. A/B/C schedules is done in Castway, seamless integrate with Munsoft | There are certain CP3 limitations/challenges as per issues logged with vendor. |
| 1 | | | | The system should be able to link budgeting to final integrated development plan (IDP) priorities. | Budget Office | NT demo issue | Not started | 2030/07 | Budget do not untegrate with IDP as IDP is set up outside the system, Capex is done through the CP3 module where IDP parameters can be linked | |
| 1 | | | | Budgeting on the factual elements of typical work streams. | Budget Office | mSCOA Regulation | Completed | 2022/07 | Typical workstreams used in budget and actual transacting | |
| 1 | | | | Budgeting on the factual elements of municipal operational and running cost. | Budget Office | mSCOA Regulation | Completed | 2022/07 | Projects are used in budget and actual transacting | |
| 1 | | | | Enable users with budget and management information to determine funding adequacy of the budget to ensure the budget is funded. (Municipal Budget and Reporting Regulations, 2009 (MBRR)). | Budget Office | Legislation | Not started | 2026/07 | The financial system does not have functionality to check if budget is funded, this is done via the schedules update | |
| 1 | | | | Planning of secondary costing i.e.. Departmental charges, internal recoveries and activity based charges. | Budget Office | mSCOA Regulation | Completed | 2022/07 | Costing is done on the core financial system on all related costing segments applicable to SBM | Costing are done on string level, such as dept charges and internal billing. (SBM never implemented ACB costing and with implementation of mSCOA decided due to cost vs benefit not to implement this) |

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|---|---|---|---|---|---|---|---|---|---|---|
| 1 | | | | The system should be able to link Expenditure and Revenue to All segments of mSCOA. | Budget Office | mSCOA Regulation | Completed | 2022/07 | Budget can be done in all operating budget items | |
| 1 | | | | Track, compare and report on budget versus actual amounts for year 1 of the medium term revenue and expenditure framework (MTREF) as per mSCOA Regulation requirement. | Budget Office | mSCOA Regulation | Completed | 2022/07 | Budget versus actuals can be done via string upload and TB | |
| 1 | | | | ***Ensure that the policies referred to in MFMA section 17 and the Municipal Budget and Reporting Regulation 7 are, via formal work flow, reviewed by the relevant municipality departments/ sections. Any amendments must be incorporated into the budget submission. These reviews, as a minimum, must include:*** | | | | | | |
| 1 | | | | The tariff policy referred to in section 74 of the Municipal Systems Act, 2000; | Budget Office | Legislation | Completed | 2022/07 | Tariif policy in place and annually reviewed<br>No formal workflow, but manually | |
| 1 | | | | The rates policy as required in terms of the Municipal Property Rates Act, 2004; | Rates | Legislation | Completed | 2022/07 | Rates policy in place and annually reviewed<br>No formal workflow, but manually | |
| 1 | | | | The credit control and debt collection policy referred to in section 96 of the Municipal Systems Act, 2000; | Credit control | Legislation | Completed | 2022/07 | Credit control and debt collection policy in place and annually reviewed<br>No formal workflow, but manually | |
| 1 | | | | The supply chain management policy referred to in Chapter 11 of the MFMA, 2003; | SCM | Legislation | Completed | 2022/07 | SCM policy in place and annually reviewed<br>No formal workflow, but manually | |
| 1 | | | | The statutory budget submission to the National Treasury local government Database (LG Database); | Reporting/Budget/ N Rossouw | Legislation | Completed | 2022/07 | Budget submissions done in time as required | |
| 1 | | | | The annual procurement plan; | SCM | Legislation | Not started | 2026/07 | Procurement plan will be implemented on FMS and link to budget strings. Tests will be done with Opex and Capex projects. SCM to provide feedback after tests are performed. Distinction will be made between SCM contract management and contracts related processes in other disciplines. | The municipality's procurement plan is not integrated with Munsoft.<br>Currently as an excell document |
| 1 | | | | The asset maintenance plan; | All | Legislation | Not started | 2030/07 | There is no asset maintenance plan in the system currently in use at the municipality. Maintenance operations and provisions are managed under the technical department rather than through the asset management module. | Asset maintenance plans are kept within each service dept, Water/Elec/Sewer/Road on different systems, not integrate with Munsoft/IMIS (IMQS/Excell/IMIS/i-RAMS)<br>Currently the system does not provide for and integrated asset manangement maintenance module. |
| 1 | | | | Any amendments made/ proposed to the municipality's policies or By-laws; | All | Legislation | Completed | Ongoing | Changes to policies or by lawes are annually approved by council | |
| 1 | | | | The rates and tariffs promulgation; | Budget Office | Legislation | Completed | Ongoing | Annually | |
| 1 | | | | The general tariff advertisement; | Budget Office | Legislation | Completed | Ongoing | Budget advertisement are published in newspapers and website | |
| 1 | | | | Data extraction from the mandatory six (6) segments on the mSCOA classification framework and upload to the National Treasury local government Database (LG Database) portal. | Budget Office | mSCOA Regulation | Completed | Ongoing | Data strings can be extracted directly from the system and uploaded to the LG datavase | |
| 1 | | Human Resources (HR) /Payroll | A Human Resource (HR) budget/ payroll module that as a minimum: | Allow the municipality to budget for its full organogram (organisational structure). | HR | mSCOA Regulation | Not started | 2026/07 | Budget are done in Payday and integrate to FMS for budget purposes, however integration is file transfer as per decided by SBM to perform data quality checks | |
| 1 | | | | Incorporate the ability to apply costing allocation to projects and percentage (%) based allocation of administration costs to trading service departments (if not allocated) using direct calculation methods. | Budget Office | mSCOA Regulation | Completed | 2022/07 | Costing applied as per working papers Budget office | |

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|---|---|---|---|---|---|---|---|---|---|---|
| 1 | | | | Integration of payroll to FMS | Payroll/N Rossouw | NT issue | Completed | 2022/07 | Data quality checks are performed before data is transmitted from payday tot FMS to ensure that the information is accurate and complete before the FMS is updated. Segregation of duties are considered. Payday created defined control alignment using defined quickcodes as provided by SBM. No further action required. Sequal integration in process by Munsoft. | It was noted that some of the processes where done manually or modules not fully implemented |
| 1 | | | | Provision to calculate new notch values within grades either as a percentage increase or by minimum value. These notch values are to be held on a temporary file and the user must be able to perform Various "what if" scenarios without affecting the live data. | Budget Office | NT demo issue | Not started | 2026/07 | The what if scenario planning functionality processes are managed manually outside the system | |
| 1 | | | | Ensure that the planned positions is budgeted for pro-rata to when the expected appointment can be done. | Budget Office | mSCOA Regulation | In progress | Ongoing | Vacant funded positions are budgeted for in the payroll system for the full financial year | |
| 1 | | | | Supply the general ledger's main budget module with counts of the actual and planned positions (organogram) budgets for the full mSCOA segments as a budget line. The functionality should be able to provide this for both expenditure and balance sheet items. | Budget Office | mSCOA Regulation | In progress | Ongoing | Functionality is on the payroll system and the financial system do not have the organogram/post. Integration needs to be reviewed before update on the financial system. | |
| 1 | | | | | | | | | | |
| 1 | **Financial Accounting** | | | | | | | | | |
| 1 | *Financial accounting incorporates a host of policies, processes and procedures in order to operationalise the effective and efficient recording and accounting of daily financial transactions as well as month and year end closure procedures and transactions. The MFMA provides a platform for the prescription of norms and standards such as the Standards of Generally Recognised Accounting Practices (GRAP) which have been designed and formulated based on unique South African circumstances (such as the VAT requirements which must be accommodated by the financial system) and leading international practices. Municipalities and municipal entities are therefore required to operationalise daily business processes and procedures that incorporate at the very least regular reconciliations, correct and accurate allocation and classification of transactions based on the SCOA classification framework. These processes and procedures must give rise to monthly performance represented by among others, the Statement of Financial Performance, Capital and Grant Performance, Statement of Financial Position, movement in net assets and cash flow in the Section 71 in-year reporting formats. It is important to keep in mind that outputs needs to be reported and must at all times be measurable so that progressive achievements can benefit communities. Processes should be focussed at clean and accountable operations and the outcome must be reported in terms of by all roll players.* | | | | | | | | | |
| 1 | | General Ledger (Core Financials) | General Ledger (GL) that as a minimum | Contains all the accounts for recording transactions relating to municipalities assets, liabilities and net assets as per mSCOA segments. | All/N Rossouw | mSCOA Regulation | In progress | Ongoing | The General Ledger configuration and parameters are functionally linked to the mSCOA chart. Balance sheet budgeting and accrual accounting has not been applied appropriately and the VAT cannot be transacted at the lowest posting level. The system parameters need to be reviewed and re-aligned in terms of the mSCOA chart and the Project Summary Document (PSD). | There are still various Balance sheet and cashflow budgeting issues identified in the tabled budget process and are logged as issues with the system vendor. |
| 1 | | | | Is a central repository for accounting data transferred from all sub-ledgers e.g. supply chain, revenue, cash management, fixed assets, purchasing, debt control, billing, prepaid, and projects etc. | All | mSCOA Regulation | Completed | 2022/07 | All sub modules postings ends in the GL after day end postings are done. | |
| 1 | | | | Reflect transactions posted in the sub-ledgers immediately in the main ledger thereby ensuring the financial integrity of the entire system without the need for manual reconciliations between main and sub-ledgers. | N Rossouw | mSCOA Regulation | Completed | 2022/07 | Posting/update not in real time from sub module to GL, but is done at the end of each day, but posting can be done more than once a day to update the GL | |
| 1 | | | | Non withstanding the above and due to probable packet loss a routine, is required to ensure that the general ledger and sub-ledger is in balance. This must be done by enforcing daily closing routines with subsequent blocking of opening routines if out of balance occurrence with control accounts is observed. | N Rossouw | mSCOA Regulation | Completed | 2022/07 | Daily closing routines are in place and ensure all sub modules are in balance with GL | |
| 1 | | | | Drill down to transactions from the general ledger (GL) to the sub-ledger or 3rd party systems for an audit trail. | N Rossouw | mSCOA Regulation | Completed | 2022/07 | Audit trails and drill downs available on the core financial system for debtors, creditors, SCM. There cannot be drilled down in GL to other 3rd party systems. | |
| 1 | | | | Journal capturing capabilities (including reversible and recurring journals) including electronic approval. | N Rossouw | mSCOA Regulation | Completed | 2022/07 | Journals can be done in GL, reversible journals can be done on system but SBM do not use the recurring jnl option. | |
| 1 | | | | Reporting functionality for all financial reports in the full mSCOA segmented transactions . | N Rossouw | mSCOA Regulation | Completed | 2022/07 | Financial reports can be extracted in mSCOA segments from the financial system. | |

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|---|---|---|---|---|---|---|---|---|---|---|
| 1 | | Accounts Receivable | Transactions in debtors must reflect in the AR in mSCOA segmentation | Provide a debtor master record containing at least but not limited to: | | | | | | |
| 1 | | | | Debtor classes and discount categories to ensure correct billing and rebates; | Debtors | mSCOA Regulation | Completed | 2022/07 | All information available in the sub module where each consumer is linked to category on all services | |
| 1 | | | | Trade, sundry and other debtor types to comply with mSCOA requirements; | Debtors | mSCOA Regulation | Completed | 2022/07 | All information available in the sub module | |
| 1 | | | | Debtor levies in mSCOA segmentation to the Accounts Receivable; | Debtors | mSCOA Regulation | Completed | 2022/07 | All information available in the sub module where a drill down can be done to the posting in the GL. | |
| 1 | | | | Receipt allocation to AR in the correct mSCOA segmentation; | Debtors | mSCOA Regulation | Completed | 2022/07 | All information available in the sub module, cashier receipting is done to the quickcode which is a combination of all mSCOA segment | |
| 1 | | | | Month-end and year-end procedures to ensure correct disclosure of cash on hand and age analysis. | N Rossouw | Legislation | Completed | 2022/07 | Month end on debtors are done with the billing run, all transaction should be included by month end. The municipality can generate reports such as the Debtors Age Analysis. | |
| 1 | | | | Drill down to transactions from the general ledger (GL) to the sub-ledger or 3rd party systems. | N Rossouw | mSCOA Regulation | Completed | 2022/07 | Drill down form the GL to initial transaction in the debtors module only, but not to 3rd party eg receipts by Payat | |
| 1 | | Accounts Payable | Supplier maintenance | Creating a supplier database. | SCM | Legislation | Completed | 2022/07 | FMS integrate with the CSD and sync with new and current suppliers | |
| 1 | | | | Post supplier invoices, credit- and debit notes. Select documents to pay with payment dates. | Creditors | Legislation | Completed | 2022/07 | Mandatory field for invoice number input on the payment module in the FMS | |
| 1 | | | | Make payments and part payments. Allow for future and scheduled payments. | Creditors | Legislation | Completed | 2022/07 | Part payments can be done, SBM do not do future payments. | |
| 1 | | | Accounts Payable (AP) | AP must include, at a bare minimum but not limited to: | | | | | | |
| 1 | | | | Goods received notes for full or partial deliveries aligned to authorised issued purchase orders. Goods return notes with debit and credit orders; | Creditors | Legislation | Completed | 2022/07 | GRN can be captured on the FMS, linked to PO | |
| 1 | | | | Invoicing for goods received notes as partial or multiples invoice payments. Settlement discounts as allowed by suppliers; | Creditors | Legislation | Completed | 2022/07 | Invoicing can be done with multiple invoices but not same invoice ref. Settlement discounts are done via credit note which decrease the expenditure. | |
| 1 | | | | 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; | Creditors | Legislation | Not started | 2026/07 | Electronic remittance not curently in place, still under testing as SBM needs to setup security on mailserver settings. ICT to assist | |
| 1 | | | | Direct invoice payment such as Eskom; | Creditors | Legislation | Completed | 2022/07 | Direct invoices can be done via Standard expenses | |
| 1 | | | | Sundry payments generated from payroll, billing or manual S&T transactions; | Creditors | Legislation | Completed | 2022/07 | Such payments can be done via cashbook/ Standard expenses/payroll | |
| 1 | | | | Re-occurring and scheduled payment such as lease amounts or quarterly loan repayments; | Creditors | Legislation | Not started | 2026/07 | SBM do not do scheduled payments, are paid on due date. Schedule payments are done via Payroll for salaries | |
| 1 | | | | Age analysis of creditors with supporting reports; | Creditors | Legislation | Completed | 2022/07 | Age analysis available on creditors module | |
| 1 | | | | Must be able to calculate accounts payable VAT reconciliations (including calculations on returns and discounts); | Creditors | Legislation | Not started | 2026/07 | No automation on VAT cacls, done outside the system, but information from the FMS is used. | |
| 1 | | | Tax & VAT | Fully integrated and approved VAT handling capabilities incorporating all statutory required documentation. | VAT | Legislation | Not started | 2026/07 | No interface with SARS via the payroll of FMS, all calculations done are manually but information from the system are used | |
| 1 | | | | Interface to SARS eFiling for automated reconciliations and submissions of disclosures. | VAT | Legislation | Not started | 2026/07 | No interface with SARS via the payroll of FMS, all calculations done are manually but information from the system are used | |
| 1 | | | Fixed Asset Management | Trace all financial asset transactions to the asset level. | Assets | Legislation | Completed | 2022/07 | Within the asset module | |

| | Business Process | Sub-Process | Legislative or Business Requirement | System / Applications minimum functionality and action steps | Assign responsible person | Required by | Status | Implementation Date | Response on Progress | Any additional relevant to the way forward relating to the response column with time frames to address implementation gap. |
|---|---|---|---|---|---|---|---|---|---|---|
| 1 | | | | Ensure that all asset transactions are aligned with mSCOA Regulations. | Assets | mSCOA Regulation | Completed | 2022/07 | As per CIDMS | |
| 1 | | | Insurance Claims | Provide an insurance claims register with direct linking to the assets module. | Insurance | NT issue | Not started | 2026/07 | Insurance register currently performed in excel. The financial system to be developed to provide for Insurance register as per specifications provided by SBM. This is an outstanding call on sys-aid to be addressed by service provider. Further engagements to be arranged once insurance module / register is ready for UAT by SBM.<br>Service provider will use the specification as a recommended guideline. | Meeting held , where the client provided further guidance to the process and specification, which Munsoft welcomes and will amend accordingly.<br>Will provide date of draft release. GAP analysis required between current insurance claim register and spec.<br><br>Specifications and GAP analysis in progress |
| 1 | | | | | | | | | | |
| 1 | **Costing and Reporting** | | | | | | | | | |
| 1 | *Costing or management accounting is concerned with financial and management information internal to the municipality and municipal entity which provides the basis for sound and informed business decision making. In contrast to financial accounting, management accounting is primarily forward looking instead of historically focused and informs planning and budget processes by applying forecasting and prediction models. Determining the full cost of tariff services including primary and secondary costing to inform tariffs and pricing of services in order to achieve cost reflective tariffs, reporting thereon and measuring performance of services based on financial and non-financial information.* | | | | | | | | | |
| 1 | | Cost Planning | Incorporate a costing module | 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 etc. through the application of internal billing departmental charges or activity based recoveries. | Budget office | mSCOA Regulation | Completed | 2022/07 | Secondary costing was implemented. It was a EMT decision that Vehicle costing (log books) and labour (timesheets) not be implemented as SBM never had a costing department to ful fill this fuctions and the costs to implement these are too high and does not justify the benefits. Thus only secondary costing has been implemented. No further action required. | Secondary costing was implemented. It was a EMT decision that Vehicle costing (log books) and labour (timesheets) not be implemented as SBM never had a costing department to ful fill this fuctions and the costs to implement these are too high and does not justify the benefits.<br>Thus only secondary costing has been implemented.<br>No further action required. |
| 1 | | | | Management reporting on all charges should be available for reports as well as dashboard information. | Budget office | mSCOA Regulation | Completed | 2022/07 | All transactions are in the sub module for internal billing and other in the TB under the applicable costing segment. | |
| 1 | | | | | | | | | | |
| 1 | **Project Accounting** | | | | | | | | | |
| 1 | *Project Accounting refers to the capability to account for individual project costs and ensure that these settle as assets under construction (AUC's) where applicable. The project accounting functionality should be extendable to provide project management capabilities in order to track physical project progress against predetermined milestones in addition to tracking the financial performance of the project or portfolio of projects.* | | | | | | | | | |
| 1 | | | | | | | | | | |
| 1 | **Treasury and Cash Management** | | | | | | | | | |
| 1 | *Treasury and cash management refers to investing, financing activities and operational cash management. The following processes must be considered relevant to this cycle –* | | | | | | | | | |
| 1 | *(a) Investing activities comprises the acquisition, disposal and management of tangible assets, including land, buildings, plant and machinery, motor vehicles, furniture and equipment, computer hardware, software and communication networks. Also included are acquisition, disposal and management of intangible assets such as research and development expenditure, patents and trademarks, scientific and technical know-how, intellectual property rights such as copyrights and licences. Municipalities and municipal entities must introduce accounting policies for depreciation, impairment, revaluation, asset retirement, etc.;* | | | | | | | | | |
| 1 | *(b) Financing activities are the means by which the municipality or municipal entity obtains its funding. This may be in the form of funds obtained from borrowing (external loans) or transfers and subsidies to the municipality or municipal entity. Financing activities also include finance and operating leases entered into by the municipality or municipal entity. Included are related transactions such as security and guarantees granted to a lender, accounts receivables pledged to a discount house, interest charges, finance charges on leases, foreign exchange gains and losses, hedging gains and losses and commitments for capital expenditure;* | | | | | | | | | |
| 1 | *(c) Investment may take the form of fixed interest, long-term or short-term debt, investments or loans; secured or un-secured. Procedures must be implemented to control the purchase and sale of investments, the movement of scrip or recording of dematerialised securities and the resulting cash received and paid including income from investments, and* | | | | | | | | | |
| 1 | *(d) Cash and bank refers to transactions occurring daily in all municipalities and municipal entities represented by a high volume of transactions in payments and receipts. Procedures must provide for expenses and reimbursements of "suspense accounts and floats" including regular surprise counts; cash handling procedures for unbanked receipts and money in transit; control over the opening of bank accounts and obtaining access to electronic banking signatures, regular reconciliations of bank accounts and timely follow-up of reconciling items by management.* | | | | | | | | | |
| 1 | | Cash Management | Bank Reconciliation | ***A fully integrated and automated cashbook module that links to the banking sector and allows for at least:*** | | | | | | |
| 1 | | | | Automated receipting of debtor payments and other monies received; | Debtors | mSCOA Regulation | Completed | 2022/07 | Receipting of debtor payments and other payments are done from the module available in MUNSOFT. Day-end and month-end closures are performed. | |
| 1 | | | | Automated passing of journals for interest and other bank charges; | Debtors/Creditors | mSCOA Regulation | In progress | Ongoing | Interest transactions are done via manual journal entry when bank statements are received. | |

| | Business Process | Sub-Process | Legislative or Business Requirement | System / Applications minimum functionality and action steps | Assign responsible person | Required by | Status | Implementation Date | Response on Progress | Any additional relevant to the way forward relating to the response column with time frames to address implementation gap. |
|---|---|---|---|---|---|---|---|---|---|---|
| 1 | | | | Automated clearing of system generated transactions such as payments; and | Debtors/Creditors | mSCOA Regulation | Completed | 2022/07 | All applicable transactions are cleared out when doing payments | |
| 1 | | | | Automated clearing of cash received in the general ledger (GL) to the bank account; | Bankrecon | mSCOA Regulation | Completed | 2022/07 | Cash received entries vir cash book in the GL and daily verified against cashbook and GL and daily bank recon | |
| 1 | | | | Support mSCOA segmentation in the cashbook module. | Bankrecon | mSCOA Regulation | Completed | 2022/07 | All transactions in the cashbook is done on all mSCOA segments and validated | |
| 1 | | | Petty cash | A petty cash module that would allow for accounting for petty cash transactions and subsequent budget allocations and control as per mSCOA. | Creditors | mSCOA Regulation | Completed | 2022/07 | Petty cash module implemented and currently transacting on this module | |
| 1 | | | | Internal cash receipt with drawdown of petty cash. | Creditors | mSCOA Regulation | Completed | 2022/07 | Petty cash module implemented and currently transacting on this module | |
| 1 | | | ***Ad hoc:*** The Cash Management System must at least accommodate, but not be limited to: | Loan liability register. | Borrowings | NT issue | In progress | Ongoing | The borrowing module is in process of being tested and results will be provided to the service provider. The setup of the borrowings postings are currently in UAT stage. | The loan repayment transaction document capture has been amended to split the payment between capital and interest repayment for the sake of cash flow recording. No further action required. |
| 1 | | | | Investment Management and Register recognition | Investments | NT demo issue | Completed | 2022/07 | Investment recognition, transfers, deposits, withdrawals and interest capitalisation are performed using the MUNSOFT Investment Module. The municipality can generate the investment reconciliation, which reflected all financial institutions. | |
| 1 | | | | Interest Received and interest expense reconciliation. | Interest | mSCOA Regulation/NT demo issue | Not started | 2026/07 | System reconciliation needs to be implemented. Service provider will investigate on a interest integrity check, sub module vs GL. Enhancement is under specification. Release allocated will be communicated.The investment module cannot calculate the interest amount on the module. | Reconciliations of interest received and expenses are not reconciled in the system. Done manually and not automated. Jnl's are processed for interest received/expenses. |
| 1 | | | | | | | | | | |

1 **Procurement Cycle: Supply Chain Management, Expenditure Management, Contract Management and Accounts Payable**

1 *Supply Chain Management, Expenditure Management and Accounts Payable (Creditors) needs to incorporate as a minimum the following –*

1 *(a) Supply chain management is the management of a network of interconnected business processes involved in the provision of goods and services required by the municipality. It integrates the management of supply, demand, acquisition, logistics and disposal by implementing a supply chain management policy in compliance with the MFMA and Municipal Supply Chain Management Regulations in a fair, equitable, transparent, competitive and cost effective way;*

1 *(b) Expenditure management follows the SCM processes that should ensure an effective system of expenditure control, including procedures for the approval, authorisation, withdrawal and payment of funds. These expenditures should be monitored against the approved budget, and reasons for variances must be explained and corrective action must be implemented to keep expenditure in line with budget estimates;*

1 *(c) Accounts payable results from any monies owed in respect of goods and services purchased and must be settled within thirty days of date of invoice or statement unless it is prescribed otherwise. The payment of creditors or accounts payable must be reconciled monthly according to the statements received from service providers;*

1 *(d) Material and inventory management deals with the maintenance of inventory catalogues classified according to the high-level categories provided for in the Standard Chart of Accounts. Business processes need to incorporate at a minimum, ordering; issuing and management of inventory levels; preferred suppliers linked to inventory categories; flagging of stock levels with limited movements for substantial periods; regular physical counts and reconciliation to system stock records; exception reporting and enhanced controls on stock items susceptible to misuse such as illegal stock-pilling; and all sub stores to be activated on the system;*

1 *(e) Contract management entails the management of contracts through the entire Contract Life Cycle so as to maximise value for money that includes procedures for planning; contract creation; collaboration; execution; administration; and close-out. Contracts should be listed in a contract register embedded into the financial application that automates all the activities necessary to manage the contract as informed and dependant on the nature of the work, the type of contract, the legal aspects and delivery timeframes. It also entails the activities carried out to determine whether the service provider and the municipality are performing adequately to meet the requirements in listed contracts that had been awarded through the procurement process and the prescriptions in the MFMA; and*

1 *(f) Vendor management entails managing a supplier database in support of various strategic procurement objectives.*

| | Business Process | Sub-Process | Legislative or Business Requirement | System / Applications minimum functionality and action steps | Assign responsible person | Required by | Status | Implementation Date | Response on Progress | Any additional relevant to the way forward relating to the response column with time frames to address implementation gap. |
|---|---|---|---|---|---|---|---|---|---|---|
| 1 | | Supply Chain Management (SCM) | A Supply chain management system that give effect to section 11 of the Municipal Finance Management Act, 2003 (MFMA), the Municipal Supply Chain Management Regulations and council's approved SCM policy | ***The supply chain module should as a minimum have the following functionality:*** | | | | | | |
| 1 | | | | Align requisition to be project based; | SCM | mSCOA Regulation | Completed | 2022/07 | Requisitions issued against combination of mSCOA segments | |
| 1 | | | | Supplier rotation management (parameter driven); | SCM | Legislation | Completed | 2022/07 | Rotations on the FMS in the SCM module | |
| 1 | | | | Supply Chain Deviation Management Facility in terms of legislation; | SCM | Legislation | Not started | 2026/07 | Deviations are performed manually and codes needs to be selected on the FMS when capturing requisition. | |
| 1 | | | | Adhere to the municipality's delegation of duties and authority levels; | SCM | Legislation | In progress | 2022/07 | Delegations are set up in the FMS, but not at lowest level as per SBM delegations. Delegations functionality is on function level and R limit and connot accommodate multiple R values. | |
| 1 | | | | Electronically validate against the National Treasury database for prohibited, employees of state and related parties and invite tenders based preferential procurement principals; | SCM | Legislation | Completed | 2022/07 | Suppliers are in sync with CSD and are put on hold if CSD is correctly updated | |
| 1 | | | | Electronically manage the invitation, bid closure and adjudication process with a full document management server unpinning the cycle; | SCM | NT issue | Not started | 2026/07 | Electronic tenders submission by bidders not permitted in legislation. Where business prosses can be streamlined with automation to track the tender process and progress from start to end it will be addressed. | Electronic tenders submission by bidders not permitted in legislation.<br>Where business prosses can be streamlined with automation to track the tender process and progress from start to end it will be addressed.<br><br>This is in testing phase. |
| 1 | | | | Tender management | SCM | NT demo issue | Not started | 2030/07 | Tender management are manually performed outside of the system. Below R30 000 process currenlty on the FMS. | |
| 1 | | | | Ensure tax clearance management for the duration of the contract; | SCM | Legislation | Completed | 2022/07 | Tax clearance due date do sync to CSD if correctly updated on CSD, but whith every order issued this is checked at SCM dept | |
| 1 | | | | Integrate with the asset management system; | SCM | Legislation | In progress | Ongoing | When doing requisitions, a blocked can be ticked to indicate if this is an asset mSCOA segment, but not fully integrate with asset module | |
| 1 | | | | Ensure that all payments are made within 30 days of receipt of an invoice therefore; and | SCM | Legislation | Completed | 2022/07 | Creditors dept ensure withn 30 days payment, but this is a manuall exercise where age analysis are used to check this | |
| 1 | | | | Ensure that full accrual is done at month-end and year-end cut-off periods. | SCM | Legislation | Completed | 2022/07 | Accruals are done only on invoices received for month end, but all other accruals are done at year end. | |
| 1 | | | Contract Management that gives effect to MFMA section 116. | Contract management through workflow and audit trail. | SCM | NT demo issue | Not started | 2026/07 | Manually contract register is in place, Munsoft contract management module is currently in progess for being tested, | |
| 1 | | | | Project based requisition forms. | SCM | mSCOA Regulation | Completed | 2022/07 | Requisitions issued against combination of mSCOA segments | |
| 1 | | | | mSCOA segmented capturing. | SCM | mSCOA Regulation | Completed | 2022/07 | Requisitions issued against combination of mSCOA segments | |
| 1 | | | | Commodities setup in financial system to CSD | SCM | NT demo issue | In progress | Ongoing | Commodities not propertly set up in the financial system which impact the CSD. | SCM decided not to sync with commodities of CSD. Manually set up |
| 1 | | | | Processing of partial order deliveries with automated reminders of outstanding items. | Creditors | NT demo issue | Not started | 2026/07 | GRN's are processed on Munsfot but manually matched with the PO and invoices, no auromated reminders on outstanding PO's | |

| | Business Process | Sub-Process | Legislative or Business Requirement | System / Applications minimum functionality and action steps | Assign responsible person | Required by | Status | Implementation Date | Response on Progress | Any additional relevant to the way forward relating to the response column with time frames to address implementation gap. |
|---|---|---|---|---|---|---|---|---|---|---|
| 1 | | Inventory | Inventory / Stores sub system | All consumable items in terms of the classification framework is purchased via an inventory principal. This include direct purchases like pens, stationary, etc. | Inventories | mSCOA Regulation | Completed | 2022/07 | All consumables are purchased via the inventory consumed expenditure segment in standard/Zero/Materials and supplies | |
| 1 | | | | In terms of the above, all systems should cater for a stores module be it virtual or actual that will allow management to control the consumable items in an effective and controlled manner. | Inventories | mSCOA Regulation | Completed | 2022/07 | Consumable store for zero rated and standard rated is in place at SBM where goods can be issued via store requisition | |
| 1 | | | | The stores module must seamlessly integrate and balance with the core financial system. | Inventories | mSCOA Regulation | Completed | 2022/07 | Stores are updated and posted to the GL as part of day end procedures | |
| 1 | | | | Where a full stores module is operational, high value items should annually be measured to establish whether any of these items should be capitalised as 'assets'. | Inventories | Legislation | In progress | Ongoing | High value items are done on year end with posting of a journal to the GL | |
| 1 | | | | ***Normal functions should be included as standard best practice and should include but not be limited to:***<br>Warehouse management;<br>Acquisitions;<br>Stock Level Management;<br>Disposals;<br>Automated consumable stores stock count sheets (departmental stores). | Inventories | mSCOA Regulation | Completed | 2022/07 | Warehouse Management: The stores are centralised and the MUNSOFT Stores Menu is used. Inventory Acquisitions are brought into the system via GRNs. The Inventory Acquisitions and Issues are performed using MUNSOFT Stores. MUNSOFT Stores also has minimum and maximum levels for inventory. Stock counts are performed. Stock Adjustments can be made using MUNSOFT Stores. | |
| 1 | | | | | | | | | | |
| 1 | **Grant Management** | | | | | | | | | |
| 1 | *Grant management includes all the activities, processes and procedures to register and reconcile all the grants allocated, received and spent according to the conditions in the Annual Division of Revenue Act.* | | | | | | | | | |
| 1 | | Subsidies | Maintain a grant register that as a minimum: | Provide for a grant register linked to ledger accounts. | Grants | mSCOA Regulation | In progress | Ongoing | Manual grants register in place, but not on Munsoft application. Grant capturing and revenue recognition is performed via journals on the General Ledger. Currently being tested | The grants module is in process of being tested and results will be provided to the service provider. Detailed listings will be provided to service provider for enhancements and issues identified during the tests performed. Currently there are some VAT issues on the grants on various reports not shown. |
| 1 | | | | Link to mSCOA funding source with budget control. | Grants | mSCOA Regulation | In progress | Ongoing | Manual grants register in place, but not on Munsoft application. Grant capturing and revenue recognition is performed via journals on the General Ledger. | |
| 1 | | | | Provide for reporting in accordance with the mSCOA Regulation and internal control. | Grants | mSCOA Regulation/NT demo issue | In progress | Ongoing | Grant reporting (Grant Registers, Funding reports, etc.) are done manually and a grant management report is not available. Reliance is placed on the General Ledger detail to drill down on the performance against the grant receipts and revenue recognition. The municipality has indicated that it has not yet implemented the Grants Module. | |
| 1 | | | | | | | | | | |
| 1 | **Full Asset Life Cycle Management including Maintenance Management** | | | | | | | | | |
| 1 | *In terms of Section 152 of the Constitution, local government's primary mandate is to ensure services are provided in a sustainable and developmental manner; this notion and spirit is supported by the MFMA. Good asset management facilitates the provision of services in a financially sustainable manner and requires adequate automation of critical process within the asset management cycle. Typical to an effective and efficient system at least the following functions need to be addressed as part of the minimum business process requirements –* | | | | | | | | | |
| 1 | *(a) Safeguarding of assets, e.g. asset tracking, numbering and locations;* | | | | | | | | | |
| 1 | *(b) Maintaining assets, planned and unplanned maintenance which needs to also incorporate capital asset renewal;* | | | | | | | | | |
| 1 | *(c) Maintenance costing as an input into asset replacement plans;* | | | | | | | | | |
| 1 | *(d) Establishing and maintaining a management, accounting and information system that accounts for the assets of the municipality;* | | | | | | | | | |
| 1 | *(e) Asset valuation principles in accordance with Generally Recognised Accounting Practice (GRAP);* | | | | | | | | | |
| 1 | *(f) Establishing and maintaining systems of internal control over assets;* | | | | | | | | | |
| 1 | *(g) Establishing and maintaining an asset register;* | | | | | | | | | |
| 1 | *(h) Clarifying responsibilities and accountabilities for the asset management process, and* | | | | | | | | | |
| 1 | *(i) Insurance of assets.* | | | | | | | | | |

| | Business Process | Sub-Process | Legislative or Business Requirement | System / Applications minimum functionality and action steps | Assign responsible person | Required by | Status | Implementation Date | Response on Progress | Any additional relevant to the way forward relating to the response column with time frames to address implementation gap. |
|---|---|---|---|---|---|---|---|---|---|---|
| 1 | | Asset Management | Subject to the existing legislative and generally recognised accounting practice (GRAP) requirements: | ***An asset and liabilities subsystem that gives effect to MFMA section 63:***<br>Assets classes with its associated asset types to manage the accounting policy statements in the financial statements as well as give overall control of all assets within asset classes with its associated useful lives and its associated SCOA reporting framework.<br><br>It should also include the NERSA Regulatory Reporting Manual (RAM) classification as well as the Department of Water Affairs (DWA) in order for the municipality to comply with NERSA and DWA requirements.<br><br>All asset transaction types must be accommodated in a flexible manner to accommodate future expansion within the SCOA framework.<br><br>An audit Trail, with an enquiry facility into the audit trail, of all movement within these files is a requirement.<br><br>***The 'asset management system' module should:*** | | | | | | |
| 1 | | | | Manage the full asset life cycle; | Assets | Legislation | In progress | 2030/07 | Asset management maturity assessment currently been undertaken in paternership with PT, outcome of assessment in conjunction with NT expectations will formualte the assessment, according to ISO 5000 . SIDPM. There are however various challenges due to different sub-systems, i.e IMIS, CP3 where integration will be required. Full assets life cycle module / system still to be developed . | Processes are not automated and system not fully utilised to manage municipal assets.<br>System currently does not provide for a full asset management lifecycle. |
| 1 | | | | Manage the contract and build phase of the project by registering the component and rolling the accounting transaction up to the work-in-progress (WIP); | Assets | Legislation/NT demo issue | Not started | 2026/07 | Capital Project reconciliations are performed manually. Work-in-progress (WIP) is calculated manually and journalised to the General Ledger. | |
| 1 | | | | Immediately after a completion certificate is received, unbundle assets and maintain the parent-child relationship between the main asset and its components; | Assets | mSCOA Regulation | In progress | Ongoing | Unbundling of assets are done annually. Unbudnling is done on the IMIS system and extracted from the FMS | |
| 1 | | | | Enable *table-to-floor* inspection sheets (electronic devises are preferred) as well as *floor-to-table* look-up methodologies; | Assets | Legislation | Completed | 2022/07 | Done electronically via scanners. | |
| 1 | | | | Host the insurance register and constantly update the portfolio as new assets are purchased or if there is progress on the value of work-in-progress (WIP); | Assets | Legislation | Not started | 2026/07 | Insurance register currently performed in excel. The financial system to be developed to provide for Insurance register as per specifications provided by SBM. This is an outstanding call on sys-aid to be addressed by service provider. Further engagements to be arranged once insurance module / register is ready for UAT by SBM.<br>Service provider will use the specification as a recommended guideline.<br>The insurance portfolio is annually updated manually. | |
| 1 | | | | | | | | | | |
| 1 | **Real Estate and Resources Management** | | | | | | | | | |
| 1 | *Real estate management includes the management of land plus anything permanently fixed to it, including buildings, sheds and other items attached to the structure that are both lease-in and lease-out. It can be grouped into three broad categories based on its use - residential, commercial and industrial. Examples of real estate include undeveloped land, houses, condominiums, town homes, office buildings, retail store buildings and factories. Specific attention needs to be given to the property register inclusive of owned and leasehold properties, tenant and occupant information, lease contract administration and management, occupational health and safety requirements, insurance, etc. Other resources management among others include fleet (vehicle) management, plant and equipment, etc. including the hiring thereof.* | | | | | | | | | |
| 1 | | Property management | Rent out | Maintain a rent register for rental properties. | Property services/Revenue/Exp | NT audit issues | Not started | 2026/07 | | |
| 1 | | | | Holiday resort systems. | Property services/Revenue/Expenditure/Assets | NT audit issues | Not started | 2026/07 | | |
| 1 | | | | Automated rent renewals with workflow and document management. | Property services/Revenue/Expenditure/Assets | NT audit issues | Not started | 2026/07 | | |

| | Business Process | Sub-Process | Legislative or Business Requirement | System / Applications minimum functionality and action steps | Assign responsible person | Required by | Status | Implementation Date | Response on Progress | Any additional relevant to the way forward relating to the response column with time frames to address implementation gap. |
|---|---|---|---|---|---|---|---|---|---|---|
| 1 | | | | Link to debtors system for collection of rent. | Property services/Revenue/Expenditure/Assets | NT audit issues | Not started | 2026/07 | Contract management module to be implemented per project category or type of contract. (That is Revenue leases and expenditure leases) The contract access control per type/category is required to limit risk of unauthorised access and amendments. Sub committee to be establish with all role players for discussion on implementation and integration. Service provider will log a further enhancement on contract type access. Upload of Lease and contract on test environment for UAT. | It was noted that some of the processes were done manually or modules not fully implemented |
| 1 | | | | Link to valuation system. | Property services/Revenue/Expenditure/Assets | NT audit issues | Not started | 2026/07 | | |
| 1 | | | | Link to asset register. | Property services/Revenue/Expenditure/Assets | NT audit issues | Not started | 2026/07 | | |
| 1 | | | Facilities | Facilities rental module updated from receipting with workflow refunds. | Property services/Revenue/Expenditure/Assets | NT audit issues | Not started | 2026/07 | | |
| 1 | | | Rent in | Lease register with work flow and document management. | Property services/Revenue/Expenditure/Assets | NT audit issues | Not started | 2026/07 | | |
| 1 | | | | Automated payment scheduling. | Property services/Revenue/Expenditure/Assets | NT audit issues | Not started | 2026/07 | | |
| 1 | | | | | | | | | | |
| 1 | **Human Resource and Payroll Management** | | | | | | | | | |
| 1 | *Human resources and payroll management is the organisational function that deals with issues related to employees such as compensation, hiring, performance management, organisational development, safety, wellness, leave management, benefits, employee motivation, communication, administration, and training in line with the prescriptions of the Labour Relations Act. Staff establishment, human resources development and expenditures on staff benefits should be done according to the processes and procedures set out in the MSA and MFMA. Pay roll management entails the administration of the financial record of employees' salaries, wages, bonuses, net pay, and deductions and should be done within the limits of the approved budget and the prescriptions of the South African Revenue Services (SARS). Budgeted remuneration and benefits needs to be directly aligned to the approved staff establishment with provision for vacancies shown separately and all staff payments must be reconciled monthly. The issue of productivity or performance management needs to be addressed by using the latest available technologies such as bio metrics devices.* | | | | | | | | | |
| 1 | | Human Resources (HR) | A Human Resource (HR) payroll module that as a minimum (In addition to the normal payroll calculation): | Organisation Management. | HR/Payroll | Legislation/NT demo issue | Not started | 2026/07 | The organogram is not on the Payday system. There is functionality on the payday system where the poste can be captured to the name of the employee. The organogram is not accommodated in Payday where it can be viewed as part of the organogramt per department. There is a list populated on the payday system, however die post linkage and employees per dept cannot be confirmed from a completeness perspective ito hierarchy. | HR in process to investigate and implement. |
| 1 | | | | Employee Records Management. | HR/Payroll | Legislation | In progress | Ongoing | Employee records are filed at a centralised place at the Admin dept | |
| 1 | | | | Leave Records Management. | HR/Payroll | Legislation | Completed | 2022/07 | ESS system is used for leave application and authorised as per delegation | |
| 1 | | | | Training and Development Management. | HR/Payroll | Legislation | In progress | Ongoing | Individual development plans handled by HR | Manual process |
| 1 | | | | Recruitment and Selection Management. | HR/Payroll | Legislation/NT demo issue | Not started | 2026/07 | The HR processes for recruitment are manual processes | Manual process |
| 1 | | | | Performance Management. | HR/Payroll | Legislation | Completed | 2022/07 | Performance management are done on action assist | |
| 1 | | | | Travel claims Management. | HR/Payroll | mSCOA Regulation | Completed | 2022/07 | Travels claims are done via the payroll system when claim form signed off as per delegation is received. Submission form is still an manual process. | |
| 1 | | | | Overtime claims Management/ Time off in lieu. | HR/Payroll | Legislation | Completed | 2022/07 | Overtime are done via the payroll system when overtime form signed off as per delegation is received. Submission form is still an manual process. | |
| 1 | | | | Special Allowance Management (e.g. acting, secondments, etc.). | HR/Payroll | Legislation | Completed | 2022/07 | Acting are done via the payroll system when acting form signed off as per delegation is received. Submission form is still an manual process. | |
| 1 | | | | Refunds to staff in respect of over-deductions and ad hoc payments. | HR/Payroll | Legislation | Not started | 2022/07 | Payday reversals | |
| 1 | | | | Deductions and payments to third parties (e.g. medical aids, SARS, union contributions, etc.). | HR/Payroll | Legislation | Completed | 2022/07 | Payments made to 3rd parties are performed in the payroll system and co ordinated with the banking systems | |
| 1 | | | | Ad hoc payroll runs must reflect in the Financial Management System. | HR/Payroll | mSCOA Regulation | Completed | 2022/07 | No ad hoc payments are done by SBM | |

| | Business Process | Sub-Process | Legislative or Business Requirement | System / Applications minimum functionality and action steps | Assign responsible person | Required by | Status | Implementation Date | Response on Progress | Any additional relevant to the way forward relating to the response column with time frames to address implementation gap. |
|---|---|---|---|---|---|---|---|---|---|---|
| 1 | | | | Must cater for pensioners' benefits. | HR/Payroll | mSCOA Regulation | Completed | 2022/07 | Pensioners medical aid is on the payroll system | |
| 1 | | | | Provision to record allowance details against a post and employee (e.g. Telephone Allowance, categories, amounts, telephone number etc.). | HR/Payroll | mSCOA Regulation | Completed | 2022/07 | Allowances are captured against nature of expenditure | |
| 1 | | | | The system must cater for all requirements of the South African Revenue Services (SARS). | HR/Payroll | mSCOA Regulation | Completed | 2022/07 | Payday are updated with latest tables with release updates | |
| 1 | | | | Must provide a facility to automate the update of tax tables whenever changes occur. | HR/Payroll | Legislation | Completed | 2022/07 | Tax tables not automated but updated in the system with latest tax tables | |
| 1 | | | | History of previous tax tables must be retained on the system for an indefinite period. | HR/Payroll | Legislation | Completed | 2022/07 | History companies are created in the payroll system where history can be accessed | |
| 1 | | | | The system must be flexible so as to cater for any legislative changes to UIF, Workman's Compensation, Unions, etc.. | HR/Payroll | Legislation | Completed | 2022/07 | Payday are updated with latest tables with release updates | |
| 1 | | | | The system must be able to cater for more than 1 payroll type (e.g. Staff, Pensioners, etc.). | HR/Payroll | mSCOA Regulation | Completed | 2022/07 | Payroll are split into companies to identify types | |
| 1 | | | | Narrative type pay slips must be provided (Hard copy and electronically). | HR/Payroll | Legislation | Completed | 2022/07 | Printed and electronic payslip available | |
| 1 | | | | Accumulations of all deductions to be printed on pay slip if required (Pension, tax, housing allowance, motor car allowance, etc.). | HR/Payroll | Legislation | Not started | 2026/07 | Payslip not printed accumulated amount per type, only taxable income is ytd | |
| 1 | | | | Salary payments made to employees' bank accounts must be catered for electronically by either ACS (Automated Clearing Bureau) or electronic funds transfer (EFT). | HR/Payroll | Legislation | Completed | 2022/07 | Employee payments are made into bank account as per bank details on their masterfile via EFT | |
| 1 | | | | Provide a payment hold facility. | HR/Payroll | Legislation | Completed | 2022/07 | Hold facility on the payday system by making pay type different as EFT | |
| 1 | | | | Budget control and management of virement requirements. | HR/Payroll | mSCOA Regulation | Completed | 2022/07 | Virements are done on the financial system per the mSCOA segments and sent via file to Payroll to update budget monthly | |
| 1 | | | | Report and create the workflow for collection of all employees and councillors with arrear accounts. | HR/Payroll | Legislation | Completed | 2022/07 | The system facilitates comprehensive report generation on payroll and employee-related data. | |
| 1 | | | | Provide the financial statements with regulated reporting requirements regarding the municipal councillors' outstanding debtor account details. | HR/Payroll | Legislation | Completed | 2022/07 | The system facilitates comprehensive report generation on payroll and employee-related data. Monthly reported on S71 and annually on the AFS from information sourced from the debtors system. | |
| 1 | | | | Provide the general ledger (GL) with transactions that debit expenditure and credit revenue votes when applicable. This creates a temporary total liability of the payroll balance on the integration control. | HR/Payroll | mSCOA Regulation/NT demo issue | In progress | Ongoing | The municipality uses the PAYDAY Payroll system. The payroll integration into the General Ledger is processed through a file which is extracted from the PAYDAY Payroll system and manually pushed into the General Ledger; thus, there is no seamless integration with the General Ledger. | |
| 1 | | | | ***Create the clearing transactions that clear the integration control, these transactions include:*** | | | | | | |
| 1 | | | | Electronic funds transfer (EFT) to employee's bank accounts into the core financial systems cashbook awaiting approval; | HR/Payroll | mSCOA Regulation | Completed | 2022/07 | To pay salaries, the PAYDAY system sends the Automated Clearing Bureau (ACB) file directly to the Bank to affect the salary pay-run. The integration with banks is automated. | |
| 1 | | | | Creation of "invoices" for 3rd parties, SARS (PAYE, VAT, etc.), UIF, Medical aid and pension funds; | HR/Payroll | mSCOA Regulation | Completed | 2022/07 | Payments to third parties are performed and co-ordinated with the Banking systems | |
| 1 | | Payroll | | Must be able to easily integrate with banks. Seamless upload of payroll information. | HR/Payroll | Legislation | Completed | 2022/07 | To pay salaries, the PAYDAY system sends the Automated Clearing Bureau (ACB) file directly to the Bank to affect the salary pay-run. The integration with banks is automated. | |

| | Business Process | Sub-Process | Legislative or Business Requirement | System / Applications minimum functionality and action steps | Assign responsible person | Required by | Status | Implementation Date | Response on Progress | Any additional relevant to the way forward relating to the response column with time frames to address implementation gap. |
|---|---|---|---|---|---|---|---|---|---|---|
| 1 | | | | Support multiple payrolls with different pay structures. | HR/Payroll | Legislation | Completed | 2022/07 | SBM uses different companies to pay different structures and are update to the FMS after each company is in balance | |
| 1 | | | | Produce, in conjunction with the Human Resource system, a multi-year budget in the mSCOA segmentation. | HR/Payroll | mSCOA Regulation | Completed | 2022/07 | Payday is used for budgeting in the 1st MTREF year and % escalation is used for the 2 outer years.<br>Payday can only do 1 year budget. | |
| 1 | | | | Ability to submit statutory reporting to SARS for all taxes. | HR/Payroll | Legislation | In progress | Ongoing | Inforamtion can be submitted to SARS from Payday but No integration with SARS | |
| 1 | | | | | | | | | | |
| 1 | **Customer Care, Credit Control and Debt Collection** | | | | | | | | | |
| 1 | *Each municipality must within its financial and administrative capacity establish a sound customer management system as prescribed in the MSA. Credit control and debt collection is the responsibility of the municipality and processes, procedures and mechanisms must be implemented in line with the policy as adopted by the Council as prescribed in the MSA.* | | | | | | | | | |
| 1 | | Credit Control | A credit control and debt collection system that integrate with the revenue management system and that gives effect to Chapter 9 of the Municipal Systems Act, 2000 | ***The system should enable the municipality to manage an end-to-end debt collection process and must:*** | | | | | Debt collection processes are largely manual processes. MUNSOFT does provide a "Cut-off" Menu with warning letters. Manual processes are used for internal checks with the use of WINDEED (for ownership). The list of handovers is prepared and reviewed by senior municipal officials. The provision for doubtful debts/impairment is a manual exercise. Debt collection is managed through an external system called Collection Wise. The third-party system does not integration with the core ERP MUNSOFT system. The Rumas system is utilised for the debt collection process. The indigent information is captured and uploaded on to the Rumas system. The Rumas system provides for credit bureau, deeds office and home affairs checks, etc. The Rumas system does not integrate with MUNSOFT. | Currently no integration with debt collection - Rumas. |
| 1 | | | | If the module is a 3rd party solution – it must as a minimum integrate the fees as well as the action history to the billing sub-ledger. This integration must be seamless. | Credit control | mSCOA Regulation | In progress | Ongoing | Rumas is used as a credit control system but no automated integration . Still file sent to and from. | No integration currently exist. |
| 1 | | | Debtor Classification and Categorisation | Indigent Management (Assistance-to-the-Poor). | Indigents | NT demo issue | In progress | Ongoing | The Indy Reg system is utilised for indigent management. The indigent register is prepared outside of the system on Indy Reg, and reports are manually sent to the MUNSOFT system for document management. The Rumas system is utilised for the debt collection process. The indigent information is captured and uploaded on to the Rumas system. The Rumas system provides for credit bureau, deeds office and home affairs checks, etc. The Rumas system does not integrate with MUNSOFT. | No integration currently exist. |
| 1 | | | | Automated Subsidy, Write Off and reversals thereof. | Indigents | mSCOA Regulation | In progress | Ongoing | Subsidy is calculated and automated as part of the tariff when indigent is switch on, reversal of subsidy is however a manual process where debit note is done against account. | Debit note are done on the consumer module |
| 1 | | | Arrear Arrangements | *Arrear arrangement functionality must be a ccommodated in a work flow of various administration processes including , but not limited to :* | | | | | | |
| 1 | | | | Irrecoverable Debt Write Off process; | Credit control | mSCOA Regulation | In progress | Ongoing | Write off is approved by council and only after approval, arrears can be written off, not automated process due to timing for approval | Manual process in place |
| 1 | | | | Councillor Arrear Management. | Credit control | Legislation | | | | |
| 1 | | | | Specialised Functionality for Third Party Interfaces (e.g. Staff Arrear Set Offs, Prepaid Vending Arrear Set Offs, Prepaid meter blocking/set offs, etc.) | Credit control | Legislation | Completed | 2022/07 | 3rd party interfaces/updates are done daily to prevent blocking of arrear accounts in prepaid | Manual process in place |
| 1 | | Customers | Customer portals to give effect to Section 95 of the Municipal Systems Act, 2000 which (amongst other) requires the following: | ***A sound customer management system that:*** | | | | | | |
| 1 | | | | | | | | | | |

| | Business Process | Sub-Process | Legislative or Business Requirement | System / Applications minimum functionality and action steps | Assign responsible person | Required by | Status | Implementation Date | Response on Progress | Any additional relevant to the way forward relating to the response column with time frames to address implementation gap. |
|---|---|---|---|---|---|---|---|---|---|---|
| 1 | **Valuation Roll Management** | | | | | | | | | |
| 1 | *The valuation roll forms the basis for the levying of assessment rates and all processes and procedures are governed by the Municipal Property Rates Act, 2004 (MPRA). All categories of properties in the municipal boundary need to be recorder and maintained in a municipal register of properties including the value of land and improvements as described in the MPRA. Municipalities are also required to undertake interim valuations to ensure the property valuation roll is constantly maintained and updated. Importantly, the business processes need to ensure integration with the revenue value chain of the municipality and the billing processes and procedures.* | | | | | | | | | |
| 1 | | | Valuations Module to give effect to the Municipal Property Rates Act, 2004, and as a minimum: | Seamlessly integrate with the revenue management module. | Valuations | Legislation/NT demo issue | In progress | Ongoing | Valuation roll is outsourced to HCB Valuers who have been appointed as an external service provider to prepare the valuation roll. The valuation roll is imported onto the MUNSOFT system via a file transfer. There is no seamless integration with the third-party system. This file is then uploaded onto the MUNSOFT system by the system administrator once approved. All objections are recorded and stored on the IMIT system which is not linked to the MUNSOFT system. | The current process has the necessary internal control measures to mitigate any foreseen risks. Tender are invited every 4 years for valuers and they do come with their own system.<br>Sub committee to be established with all role players for validation and testing of integration. |
| 1 | | | | Integrate with the building control system used in the municipality to ensure completion of additions and new buildings get immediately updated on the billing sub-system. | Valuations | NT issue | In progress | Ongoing | Maual processes are in place. | Demonstration on building control processes in IMIS. Sundry register needs to be utilised in order for the building control to integrate fully. FMS and SBM to discuss workflow.<br>Sub committee to be established with all role players for validation and testing of integration. |
| 1 | | | | Provide the municipal website with the Municipal Propert Rates Act, 2004 required A&B valuation rolls. | Valuations | Legislation | Completed | 2022/07 | Valuations are published on website as per legislation requirements | |
| 1 | | | Managing and calculation of property rates, special rating areas and service charges on a property subject to a number of requirements including but not limited to: | The valuation of property will be performed in the separate (Computer Assisted Mass Appraisal) system and the individual property values and relevant property attributes passed to the Solution via an interface with valuation module. Data to be validated and managed within the Solution in compliance with legislation policies and business rules to enable calculation of property rates. | Valuations | Legislation | Not started | 2026/07 | Valuation roll is outsourced to HCB Valuers who have been appointed as an external service provider to prepare the valuation roll. The valuation roll is imported onto the MUNSOFT system via a file transfer. There is no seamless integration with the third-party system. This file is then uploaded onto the MUNSOFT system by the system administrator once approved. All objections are recorded and stored on the IMIT system which is not linked to the MUNSOFT system. | |
| 1 | | | | Property Rates and service charges are calculated at different tariffs depending on various criteria such as the category of the property. | Tariff | mSCOA Regulation | Completed | 2022/07 | Tariff and billing is done on the usage of the property | |
| 1 | | | | Functionality is required to exempt certain categories of property and/ or certain categories of property owners from rates. | Tariff | Legislation | Completed | 2022/07 | Tariff and billing is done on the usage of the property | |
| 1 | | | | Functionality is required to calculate a rebate or a reduction in rates in compliance with the requirements of legislation and/ or business rules. | Tariff | Legislation | Completed | 2022/07 | Tariff and billing is done on the usage of the property and rebates as per tariff book | |
| 1 | | | | Functionality is required for the phasing in of rates in compliance with legislation. | Valuations | Legislation | In progress | Ongoing | | Manual processes are performed |
| 1 | | | | Clearance Certificate Management to be online and comply with Section 118 of the Municipal Systems Act, 2000. | Valuations | Legislation | In progress | Ongoing | Currently clearance certificates are issued electronically online, using system which integrate with attorneys. It is not done on the FMS. | |
| 1 | | | | | | | | | | |
| 1 | **Land Use Building Control** | | | | | | | | | |
| 1 | *Land use management is a process of managing the use and development of land. Aspects need to include spatial, urban policy usage, and economic considerations. A land use management system need to include all processes, methods and tools used for organising, operating and supervising the urban environment including the factors influencing it. A management system needs to cover all phases from the vision behind the preparation of plans and decisions to their implementation and the monitoring of impacts. Planning practices, decision making processes, procedures, implementation, monitoring mechanisms, methods and tools used in the above-mentioned phases are all elements of an integrated system. In general, land use management is driven by various decisions taken at different levels of administration (local, regional, national). Building management incorporates all activities relating to township management such as building plan approvals, rezoning applications, illegal land usage and Municipal By-laws management. Importantly, the land and building management needs to be integrated with the revenue value chain of the municipality.* | | | | | | | | | |

| | Business Process | Sub-Process | Legislative or Business Requirement | System / Applications minimum functionality and action steps | Assign responsible person | Required by | Status | Implementation Date | Response on Progress | Any additional relevant to the way forward relating to the response column with time frames to address implementation gap. |
|---|---|---|---|---|---|---|---|---|---|---|
| 1 | | Land use | Property maintenance | Property register providing for all land in the municipal area. | Land use | Legislation | In progress | Ongoing | Manual process currently performed | Service provider to be in contact with IMIS and Town planning on the processes that follow on the IMIS system. This will be part of the valuation integration. Demo/Working session will be scheduled with SBM and system vendor. |
| 1 | | | | Town, township, suburb, street, erf, subdivision and sectional title detail must be aligned to the deeds office and Demarcation Board specifications. | Land use | Legislation | In progress | Ongoing | Manual process currently performed | Service provider to be in contact with IMIS and Town planning on the processes that follow on the IMIS system. This will be part of the valuation integration. Demo/Working session will be scheduled with SBM and system vendor. |
| 1 | | | | Integration with billing and valuation systems. | Land use | Legislation | In progress | Ongoing | Manual process currently performed | Service provider to be in contact with IMIS and Town planning on the processes that follow on the IMIS system. This will be part of the valuation integration. Demo/Working session will be scheduled with SBM and system vendor. |
| 1 | | | | Alignment of ownership must be verifiable with the deeds office. | Land use | Legislation | In progress | Ongoing | Manual process currently performed | Service provider to be in contact with IMIS and Town planning on the processes that follow on the IMIS system. This will be part of the valuation integration. Demo/Working session will be scheduled with SBM and system vendor. |
| 1 | | | | Property transfers, subdivisions, consolidations and zoning changes must be system process with work flow and document management driven. | Land use | Legislation | In progress | Ongoing | Manual process currently performed | Service provider to be in contact with IMIS and Town planning on the processes that follow on the IMIS system. This will be part of the valuation integration. Demo/Working session will be scheduled with SBM and system vendor. |
| 1 | | | | | | | | | | |
| 1 | **Revenue Cycle Billing** | | | | | | | | | |
| 1 | *The valuation roll forms the basis for the levying of assessment rates and all processes and procedures are governed by the Municipal Property Rates Act, 2004 (MPRA). All categories of properties in the municipal boundary need to be recorded and maintained in a municipal register of properties including the value of land and improvements as described in the MPRA. Municipalities are also required to undertake interim valuations to ensure the roll is constantly maintained and updated. Importantly, the business processes need to ensure integration with the revenue value chain of the municipality and the billing processes and procedures.* | | | | | | | | | |
| 1 | | Billing | Revenue management module that give effect to MFMA section 64 that also incorporate: | ***Additionally to the standard minimum functionality in the MFMA the billing system must:*** | | | | | | |
| 1 | | | | Calculate and account monthly for the provision of bad debt; | Revenue | mSCOA Regulation | In progress | Ongoing | Calculation of provision for bad debt manual exercise | Manual process in place |
| 1 | | | | Integration of Prepaid at a minimum of a 'debtor per tariff '-code per region, monthly bill the consolidation sales amount and daily receipt the sales; | Revenue | mSCOA Regulation | In progress | Ongoing | Integration and updated on a daily basis but not seamless | File received from prepaid vendor and update in FMS |
| 1 | | | | Create and Maintain Regional Structure; | Revenue | mSCOA Regulation | Completed | 2022/07 | Consumers linked to each ward in sub module | |
| 1 | | | | Create and maintain a tariff structure to comply with mSCOA Regulations; | Tariff | mSCOA Regulation | Completed | 2022/07 | Tariffs are setup linking to GL with all mSCOA related segments | |
| 1 | | | | Produce monthly invoices to debtors and group accounts; | Revenue | Legislation | Completed | 2022/07 | Invoices are producing every month and print or email to consumers | |

| | Business Process | Sub-Process | Legislative or Business Requirement | System / Applications minimum functionality and action steps | Assign responsible person | Required by | Status | Implementation Date | Response on Progress | Any additional relevant to the way forward relating to the response column with time frames to address implementation gap. |
|---|---|---|---|---|---|---|---|---|---|---|
| 1 | | | | Allow for rebates and penalty levies. | Tariff | mSCOA Regulation | Completed | 2022/07 | Rebates are build in the tarief structure and penalties/interest are done during the billing process | |
| 1 | | | Specific but not limited requirements | Must have report writing capabilities for standard & Ad hoc reporting (daily, monthly & annual). | Report writer | mSCOA Regulation | Not started | 2030/07 | | |
| 1 | | | | Maintenance of tariffs as per the tariffing section. | Tariff | Legislation | Completed | 2022/07 | Tariffs can be adjusted and setup as needed | |
| 1 | | | Billing Reporting and Tariff Maintenance | Must be able to do consolidated billing of properties (all services and rates into one bill): As Municipalities are working within the determination of the Municipal Property Rates Act, 2004, a property relational database design is critical. The respective debtor is secondary to that. | Billing | Legislation | Completed | 2022/07 | Billing occurs at the end of each month and payments in the following month. | Comply |
| 1 | | | | Flexible tariff building structure and design. System must be capable of inclining block tariffs based on daily, monthly, or annual rate scales. | Billing | mSCOA Regulation | Completed | 2022/07 | Tariff structure do have inclining block facilitites. | |
| 1 | | | | Must allow for the maintenance of tariffs as per the tariffing section. | Billing | mSCOA Regulation | Completed | 2022/07 | Tariff structure can be set up as per tariff book | |
| 1 | | | Revenue receipting | Must adhere to applicable legislation and by-laws. | Receipting | Legislation | Completed | 2022/07 | | |
| 1 | | | | To accommodate fully automated processing of multiple receipting streams including but not limited to: | | | | | | |
| 1 | | | | Third Party vendors (e.g. Absa, Easy Pay, Prepaid Vendor, etc.); | Receipting | NT demo issue | Completed | 2022/07 | Receipts are from the customers (cash and cards) at the Cashiers. Deposits are also received via uploads of the Easy Pay files, which subsequently deposits the batch into the bank account. Unallocated deposits are manually reviewed. Prepaid services (ONTEC system) are managed externally and brought into MUNSOFT ERP Solutions via a text file. This file does not seamlessly integrate with the MUNSOFT ERP System. | SBM decision not to seamlessly integrate |
| 1 | | | | Printing and re-printing (marked as "Copy Receipt") of receipts. | Receipting | Legislation | Completed | 2022/07 | Copy of receipt can be printed with printed copy on receipt | Comply |
| 1 | | | | Provides the facility to charge interest on arrears amount subject to certain user defined provisions and according to user maintainable rates. | Revenue | mSCOA Regulation | Completed | 2022/07 | Interest are charged 30 days on outstanding amount according to prime +1%. Some accounts can be selected to not levy interest if needed | |
| 1 | | | | ***Functionality is required to raise debit and credit transactions which are updated to a Debtor account. The functionality must provide for the following transaction sources:*** | | | | | | |
| 1 | | | | Calculated transactions - these transactions will be the result of a calculation that is subject to user defined business rules to determine the tariff to be used, special conditions that may apply to be used, discounts or rebates to be applied etc.; | Revenue | mSCOA Regulation | Completed | 2022/07 | Debit and credit notes can be done against consumer accounts to do corrections per service | |
| 1 | | | | Manually Input transactions - these transactions are captured by a user and will reflect all the details of the transaction; | Receipting | mSCOA Regulation | Completed | 2022/07 | Manual receipting can be done but are updated after close of business to consumer account | |
| 1 | | | | Electronic transactions - these transactions are received electronically, which then must be identified and raised to the relevant Debtor account. | Revenue | mSCOA Regulation | Completed | 2022/07 | Receipting from banks and 3rd parties are updated via integration processes | |
| 1 | | | | Transactions will be classified by type e.g. billing transaction, receipt transaction, journal transaction etc. The definition of a transaction type must be user maintainable. | Revenue | mSCOA Regulation | Completed | 2022/07 | Type of transactions are showing on consumer account | |

| | Business Process | Sub-Process | Legislative or Business Requirement | System / Applications minimum functionality and action steps | Assign responsible person | Required by | Status | Implementation Date | Response on Progress | Any additional relevant to the way forward relating to the response column with time frames to address implementation gap. |
|---|---|---|---|---|---|---|---|---|---|---|
| 1 | | | | All transactions, regardless of type and origin, must be date/time stamped and have the user/origin included in the record. A narration / description field must be available whereby a short description of the transaction can be recorded. | Revenue | mSCOA Regulation | Completed | 2022/07 | Al transactions on direct and consumer receipting are date and time stamped and audit of user | |
| 1 | | | | Functionality is required to categorise Debtors and Properties by a set of user defined parameters. The categories are used to create subsets of the Debtor Master for reporting, to establish appropriate tariffs and to determine billing cycles (MPRA section 3(3)c(i)). | Revenue | mSCOA Regulation | Completed | 2022/07 | Parameter driven of usages on erf master to billed according to mSCOA usage segments | |
| 1 | | | | Functionality is required to link the Debtor to the numbered meter that is used to measure the Debtor consumption of services. It is important to note that a Debtor may well be linked to a number of meters. (E.g. a landlord with a number of leased properties). (MSA section 95d). | | NT demo issue | Completed | 2022/07 | For electricity (conventional meters), hand-held devices are used. Routes are uploaded from MUNSOFT on to the device. Meter readings are captured, pictures, and GPS co-ordinates are also taken. Meter readings are updated and uploaded on to MUNSOFT. Controllers check the validations. Prepaid electricity (ONTEC) is managed externally, and transactions are brought into MUNSOFT ERP Solutions via integration. A file is imported into the MUNSOFT system hence the process is not seamlessly integrated. | Comply |
| 1 | | | | ***Functionality is required to capture and record the meter reading and the date on which the meter was read. At least the following methods of capture must be provided, namely:*** | | | | | | |
| 1 | | | | ***Prepaid electricity meters:*** | | | | | | |
| 1 | | | | Functionality that is an integral part of the Billing interface to its prepaid vendor; | Meters | mSCOA Regulation | Completed | 2022/07 | Prepaid updated daily with sales and arrears | File to file used to update consumer accounts |
| 1 | | | | Water inventory managing. | Water Inventory | mSCOA Regulation | In progress | Ongoing | Manual processes are used for the accounting for Water Inventories. Bulk water is purchased and distributed thereafter. Water Losses are determined by Technical Services.The municipality is reminded to continuously improve controls for inventory management; however, no water inventory is administered on the ERP system as part of the inventory module. | Still manual process |
| 1 | | | | ***Reports/ extracts including but not limited to:*** | | | | | | |