



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

MEDIA STATEMENT

NATIONAL TREASURY ROLLS OUT TRAINING ON *m*SCOA

The National Treasury has successfully concluded a workshop in collaboration with the Institute for Municipal Finance Officers (IMFO), as part of a countrywide roll-out of training on the implementation of the municipal Standard Chart of Accounts (*m*SCOA).

Attended by over 700 municipal officials, the workshop on 11- 12 July 2016, is one of the many initiatives undertaken by the National Treasury to strengthen and support municipalities' capacity and capability to fulfil their Constitutional obligation of service delivery. The Treasury has so far trained 4000 municipal officials through awareness and practical project related training, as well as enabling skills for *m*SCOA implementation at municipal level.

The *m*SCOA is part of the National Treasury's ongoing budget and reporting reforms aimed at improving financial reporting. With effect from 1 July 2017, all municipalities will have to capture all their financial transactions against a predefined classification framework, which will result in uniformity of line items in terms of revenue, expenditure, assets and liabilities.

The National Treasury has led government's financial management reform agenda at all spheres of government since 1994. The reform is aimed at improving governance, accountability, transparency and the management of public funds. The reform addresses financial and system shortcomings by streamlining business processes to support improved service delivery outcomes.

These financial reforms have improved the ability of stakeholders such as municipal councillors and management to make decisions and have empowered the general public to enable them to hold municipalities to account.

The implementation of *m*SCOA will result in the consistent application of the municipal 'accountability cycle' from planning, budgeting, implementation, monitoring and reporting and ultimately improved service delivery.

The *m*SCOA has been formulated on the design principles that have been implemented at national and provincial level. The improvement in overall aggregated government reporting is expected to lead to policy formulation that is more informed over time.

The implementation of *m*SCOA will not fix historic information but will improve the integrity and credibility of information through its validation principles.

*m*SCOA is a "proudly South African" project researched by the National Treasury based on South African municipal best practices, leading international practice, reporting outcomes, policy implementation and review.





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Further details on *mSCOA* can be accessed on the National Treasury's website at www.treasury.gov.za and on the link below:

<http://mfma.treasury.gov.za/RegulationsandGazettes/MunicipalRegulationsOnAStandardChartOfAccountsFinal/Pages/default.aspx>

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