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**To: All Accounting Officers
 Heads of Provincial Treasury's
 Provincial Accountants General**

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OFFICE OF ACCOUNTANT-GENERAL PRACTICE NOTE 3 OF 2003

IMPLEMENTATION OF NATIONAL AND PROVINCIAL DEPARTMENTS ON A GFS (GOVERNMENT FINANCIAL STATISTICS) BASED STANDARD CHART OF ACCOUNTS (SCOA)

1. Practice note 12 of 2002 dated 14 March 2002 refers.
2. The current status of the project is as follows:
 - (a) Design of the chart is complete;
 - (b) On the 15th of October 2002 a draft of the chart was submitted to Chief Financial Officers (CFO's) both National and Provincial departments, for reviewing and comments.
 - (c) A substantial response was received from Departments after tabling the draft at the CFO's forum held on the 6th and 7th November 2002;
 - (d) The comments were discussed and relevant changes affected; and
 - (e) The chart has been delivered to the BAS team for review and technical implementation on the system.
3. Upon investigation and subsequent discussion with stakeholder representatives it was agreed that conversion to the SCOA on 1 April 2003 would be premature, since Departments have not been sufficiently informed and equipped to make the transition.

4. It is critically important that the budget preparation process be aligned with any change in the chart of accounts. This will eliminate any reclassification of budget information into the new format and postponing implementation would ensure that the 2004 Budget is fully aligned with the chart of accounts to be implemented. The Budget Office of the National Treasury will communicate this new format in the Budget Preparation Guide to be issued later during the year.
5. In light of this, consensus was reached that the SCOA be rescheduled to go live, for both National and Provincial Departments, 1 April 2004.
6. Any inconvenience experienced with regards to the abovementioned arrangements is regretted, however as the new reporting structures are an integral part of government financial reporting your patience is appreciated. Please do not hesitate to contact my office should you require any further clarity on the implementation.

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