

# mSCOA BULLETIN

Special Newsletter of Sekhukhune District Municipality

Issued in collaboration with  
Department: Budget and Treasury



**KNOW MORE**  
your rights, responsibilities and risks  
**ABOUT mSCOA**

MUNICIPAL CHART OF ACCOUNTS STANDARD

Chart of Accounts

mSCOA

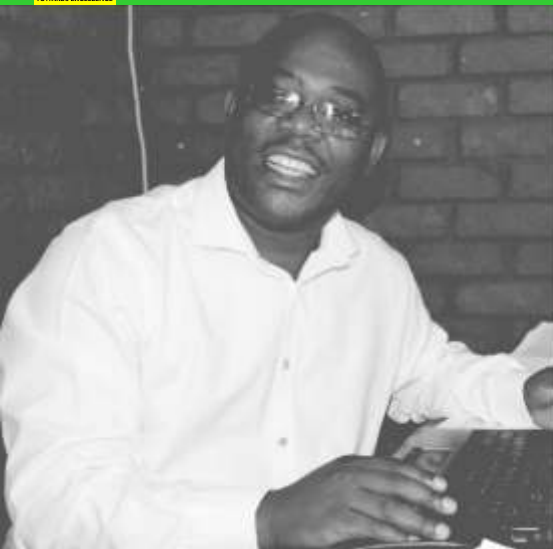
Municipal Accounts

STANDARD CHART OF ACCOUNTS

Standard

**mSCOA**





Mr Willie Phoku Mosoma, Manager  
Communications and Editor-in-Chief of  
Modiredi Internal Newsletter

## Editorial

# mSCOA BULLETIN

## communicating a new standard

mSCOA Bulletin is the title we apportioned to an awareness creation special newsletter on Municipal Standard Chart of Accounts. The publication is well timed as it's distributed during the advanced stages of engaging with all stakeholder in the implementation of mSCOA as the overarching system for local government.

We also wish to congratulate our very own mSCOA champion for Sekhukhune District Municipality Ms Rebotile Magati who is also Manager: Budget and Reporting for impressively steering the implementation plan right from August 2014 when mSCOA municipal regulations were first given a buy-in from council through to the establishment of mSCOA committees, aligning old chart to new Standard Chart of Accounts (mSCOA) and internal engagements including training and budget input from departments up to the Draft Budget on mSCOA.

We have seen an impeccable marathon of consultations with internal and external stakeholders including oversight bodies as well as community participation on areas such as projects, indigents and pensions.

According to the Integrated Government Communications Cycle which is the integral part of Municipal Government Communications Handbook, the month of May 2016 is a period of focused interface with municipal budget approval. As we engage in the final budget approval, from the communications point of view it's the best timing to popularize the mSCOA framework in the context of budget.

We will also use various publicity and public engagement platforms at our disposal to create awareness of the entire mSCOA implementation plan. Among key activities we wish to invest in, resources permitting, is the education and capacitation of community media journalists and current affairs presenters to enhance the quality of their news reporting about core processes, municipal finances and mSCOA system.

We will work with the mSCOA Champion to directly and practically engage with emerging media houses to be informed about processes such as full mSCOA transaction, and the internal audit review of mSCOA transaction, and later in the annual reporting for 2016/17. These actions are crucial given the negative media coverage in the area of finances, mainly because there is less literacy about the transactions and activities in the public interest.

We believe that in the interim, when arrangements for the media information sharing will be unfolding, mSCOA Bulletin will serve the purpose of informing stakeholders about the Municipal Standard Chart of Accounts and how it affects them, and ultimately how it will move Sekhukhune and South Africa forward.

Willy Mosoma

Khomotso Ndhlovu

Ndjadji Makhafola

Mike Lekala

Percy Moagi

Puleng Mmotla

Phomolo Matlala



SEKHUKHUNE  
District Municipality

Development Oriented Leader in Service Delivery

Publisher

Sekhukhune District Municipality

\*\*\*

Sekhukhune News External Newsletter, Modiredi Internal Newsletter and all special newsletter titles are official publications of Sekhukhune District Municipality.  
All rights reserved to the Publisher.

# KNOW MORE

your rights, responsibilities and risks

# ABOUT mSCOA

**What is mSCOA?**

**mSCOA - what does it mean for you?**

**Who is affected by mSCOA?**

**What is the purpose of mSCOA?**

**Will mSCOA affect any payment owed to you/by you to/from SDM?**

**What about mSCOA and Service Providers?**

**What change(s) is expected of my company?**

**Where can I view the regulations on mSCOA?**







Cllr Mogobo David Magabe, Executive Mayor of Sekhukhune District Municipality

On behalf of the political leadership of Sekhukhune District Municipality, commonly known as the Mayoral Committee, I would like to welcome and applaud the progress made on the implementation of Municipal Chart of Accounts (mSCOA).

At the core of mSCOA is change, and we cannot speak of considerable progress without change, and those who cannot change their minds cannot change anything. A scientist named Charles Darwin once said: "It is not the strongest of the species that survives, nor the most intelligent that survive. It is the one that is most adaptable to change".

As we look back at the body of work done since the promulgation of Gazette No. 37577 dated 22 April 2014, we can proudly say our head of administration Mme Mapula Mokoko and her team in the Tactical Municipal Steering Committee and the Finance Portfolio Committee have in deed embraced this change.

They have moved with great expediency to in terms of the above gazette and legislation, and put the municipality on an impressive pace in terms of preparing itself for implementation of the Standard Chart of Accounts (SCOA) which effective from 01 July 2017.

Some of the noticeable milestones include creating awareness among the employees to fully embrace the reforms and drastic change in municipal processes, systems, organizational structure and job roles. We acknowledge that, as in the true nature of change, these changes can be an unsettling issue amongst departments and employees at all levels, however communication is key. We have also noted that in terms of the Gazette and legislation, Sekhukhune District Municipality has made giant strides in appointing the requisite committees for the implementation of mSCOA, namely, the Tactical Municipal Steering Committee that comprise Municipal

# Progress applauded

Manager (Chairperson); All Municipal Directors; Municipal CFO (Project leader); Municipal IT Manager; Municipal Risk Officer, and other finance managers. The second committee is the Finance Portfolio Committee which is entrusted with the role of providing oversight report on implementation of project at municipal level.

We also nod with relief that the Champion of mSCOA is working closely with the Communications team in my office to create adequate awareness among all employees and affected parties. This collaboration will be necessary in ensuring that the necessary public awareness is generated beyond adoption of the Budget in June 2016. As we speak there is concerted effort in ensuring that the system works seamlessly through, among others, conducting tests on the full Standard Chart of Accounts (SCOA) transaction between April and June 2016. This is also linked to the Internal Audit review of SCOA transformation in June 2016.

**"It is not the strongest of the species that survive, nor the most intelligent that survive. It is the one that is most adaptable to change"**

As the political leadership of Sekhukhune District Municipality we are looking forward to the anticipated full scale implementation of mSCOA in July 2016. We further commit to embrace the mSCOA fully as we will be adjusting our concomitant actions in the next financial year, ahead of the July 2017 deadline. We will ensure that, true to our vision as a development oriented leader, SDM becomes the trail blazer in the effective implementation of mSCOA.

As we conclude the political term 2011 to 2016, and usher a new term of office. We would like to reflect on the main purpose of the standard chart of accounts as a move to prepare our minds to establish uniform expenditure classifications for local government.

Together move Sekhukhuneland forward!

# WE ARE mSCOA ready



Ms M.F Mokoko, Municipal Manager  
Sekhukhune District Municipality

Few years ago I took part in a strategic planning session that charted the District's Blueprint Vision 2030. We agreed on a vision statement to help direct the change effort, and develop strategies for achieving that vision. We agreed on the sort of vision that communicates confidence, and make sure as many people as possible understand and accept the vision, and that it naturally facilitates buy-in among all affected by its attendant implementation strategies. When we agreed on this vision statement little did we know that we are asserting our administration to be change-ready, action-ready and unsurprisingly receptive of the cross-function configuration of the standard chart of accounts (SCOA).

When we assert ourselves as "Development Oriented Leader in Service Delivery, we also conditioned our organization to truly embrace the new organizational culture for long term success. As we interface with mSCOA we realize how easier it has become for directors, managers and all officials to take ownership of the process and its attendant activities. As we cross from the old system into the SCOA, it is comforting to note the sense of urgency, and how across the board everyone we engaged on the importance of acting immediately. We are grateful of the leadership demonstrated by Executive Mayor in supporting the implementation of mSCOA project and weighing-in

the support required for the implementation of the project. His political guidance over the fiscal and financial affairs, budget processes and priorities of the municipality are remarkable. As a serious budget reform concern, mSCOA enjoys the attention of Executive Mayor in conducting oversight in terms of Municipal Financial Management Act (MFMA). The current financial system in the SDM is ready to become mSCOA compliant.

Looking over our shoulders we have in place a well-established mSCOA steering committee and a Project Management Committee. This success is also complimented by the appointment of an in-house mSCOA champion to give decisive direction. Local Government System is essentially about serving the people of South Africa and mSCOA should assist us in doing that better. We have a team to take this project to greater heights. We are enjoying the buy-in from all levels, as well as involvement of a cross-functional team.

In Sekhukhune, mSCOA efforts rest in the shoulders of committed, dedicated and performance driven people, who readily embrace change – it's on this basis that we are mSCOA ready!

**“make sure as many people as possible understand and accept the vision, and that it naturally facilitates buy-in among all affected”**



Cllr Lionel M. Seloane  
MMC Budget & Treasury

Mayoral Committee welcomes the fact that mSCOA strengthens council oversight and decision making:

- Through a seamless link in reporting since all reports across the accountability cycle will be compiled from the same mSCOA information;
- By adequately populating the 'mSCOA Project Segment' the municipality will improve its reporting on service delivery;
- SDBIP information will be available to ward councillors through the use of the 'mSCOA Regional Segment';
- Municipal and "functional" information is made available to improve oversight over the overall performance of the municipality;
- Budget versus actual information easily available; and by providing a level of comfort to Council on the quality of information used for decision making;
- Implementing mSCOA means there will be more time in municipalities for managing versus the current practice of prioritising the compilation of reports. The seven (7) segments force proper planning and budgeting and supervisory and management checks and balances throughout municipal operations. mSCOA modernise financial management through updated systems and technology. There is a general improvement of systems offerings since vendors are upgrading systems to align with mSCOA, including the automation of the municipality's reporting. This will assist to improve audit outcomes; mSCOA brings about evidence based financial management. Thereby providing the basis for higher levels of efficiency and effectiveness within the systems of financial management and internal control.

# HANDS-ON

## Executive heeding the mSCOA call

A few times the Municipal Regulations on Standard Chart of Accounts (SCOA) in terms of Notice 312 of 2014 make reference to the Executive Mayoral Committee, and specifically the Municipal Manager. In the case of Mayoral Committee the MMC of Finance (Budget and Treasury) should assist the Executive Mayor in fulfilling his / her oversight role.

These regulations further state that whenever there is any reference to a council with an Executive Committee system and the Executive Mayor as Chairperson of the Executive Committee.

This means it's the duty of Members of Mayoral Committee for Budget and Treasury to dedicate resources for the implementation of the project.

It's also attendant upon the Executive Mayor to provide political guidance over the fiscal and financial affairs, budget processes and priorities of the municipality. In elevating the seriousness of mSCOA as a serious budget reform issue we have impressed upon the accounting officer to ensure that appropriate official has delegated powers for proper implementation of SCOA, and hat the accounting officer ensures officials are capacitated through training and workshops organized by treasury are attended.

In the SDM we are assured that the proper accounting systems and applications are in place to accommodate the implementation of the SCOA regulations.

These regulations further stat that the Executive Mayor must monitor and oversee the Municipal Manager and Chief Finance Officer in exercising their responsibilities in terms of Municipal Finance Management Act (MFMA), and how it directs the SCOA regulations. Ultimately the whole reform exercise, the oversight role and the various implementation efforts must be narrowed into ensuring that the current financial system becomes mSCOA Compliant.





# mSCOA Champion

Ms Rebotile Makgati, Manager: Budget and Reporting in the Budget and Treasury Department of Sekhukhune District Municipality

It all began two years ago when National Treasury, commonly known as the Department of Finance led by Minister of Finance Mr Pravin Gordan, issued Circular of Municipal Standard Chart of Accounts (mSCOA) which what is it, why was it introduced, for whom and how it works.

My mention of the Minister of Finance is necessary because from time to time the legislation will constantly mention the Minister of Finance. As an example Municipal Finance Management Act, 2003 (Act No. 56 of 2003), determines those measures for the local sphere of government and enables the Minister of Finance to further prescribe, by regulation such measures in terms of section 168 thereof.

This is also done within the ambit of the Constitution which provides that national legislation must prescribe measures to ensure transparency and expenditure control in each sphere of government by introducing generally recognized accounting practice, uniform expenditure classifications and uniform treasury norms and standards – and mSCOA is just that.

South Africa is a unitary state, and this means the people of South Africa should not only see this as a perceived but a lived experience. Every citizen of South Africa has a right to feel that they are in the same country in terms of how systems are improved to add value and betterment of the quality of life.

There is no better place to start shaping than setting standards in ensuring transparency and expenditure control. It is for this reason that both the Constitution of the Republic and Municipal Finance Management Act concretely express need for norms and standards and for National Treasury to investigate any system of financial management and internal control, and recommend improvements. *Continues on Page 10*

## mSCOA FACTS

a credible, reliable and timely database of municipal information

By enforcing mSCOA from transaction inception to data extraction in a municipality's systems ensures a credible, reliable and timely database of municipal information at a very detailed level.

This information can be used in multi-dimensional reporting. mSCOA therefore focus on data extraction making reporting possibilities endless which will eliminate current excessive user requests to municipalities, resulting in endless templates asking for the same information in different formats. As a result, going forward, mSCOA will reduce the reporting burden on municipalities and the cost of reporting. mSCOA does however not fix historic information but going forward it forces credible information through its validation principles; Through the mSCOA project segment the municipality's annual deliverables as promised in the Integrated Development Plan (IDP) are linked throughout its Budget, SDBIP, in-year reporting, annual report and annual financial statements, thereby enabling better public consultation; There is a general improvement of systems offerings since vendors are upgrading systems to align with mSCOA, including the automation of the municipality's reporting.

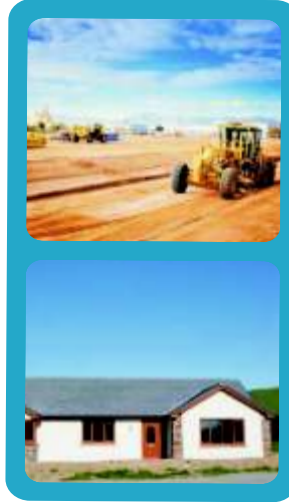
# 7 STEPS TO KNOW

## FUND 1.

### WHERE DOES THE MONEY COME FROM?

Funding is obtained from various sources:

- REVENUE
  - Property rates
  - Service charges
- TRANSFERS AND SUBSIDIES
- BORROWING
- CASH BACKED RESERVES
- COMMERCIAL SERVICES



## FUNCTION 2.

### WHERE DOES THE MONEY GO?

Funding contributes to delivery of municipal functions (services) and sub-functions.

- PROVIDING
  - Electricity
  - Water
  - Waste management
  - Housing
  - Roads
  - Sport and recreation
  - Other services



## 5. COSTING

### SHOULD THE COST BE REALLOCATED TO FUNCTIONS RENDERING SERVICES?

- Departmental charges
- Internal billings
- Activity based recoveries

## WHAT IS mSCOA?

### “Municipal Standard Chart Of Accounts”

The standard chart of accounts consists of the coding of items used for classification, budgeting, recording and reporting of revenue and expenditure within the local government sphere contributing to whole of government reporting.

## REGION 6.

### IN WHICH REGION ARE THE GOODS & SERVICES DELIVERED OR RENDERED?

To determine which ward within the municipality is benefiting from municipal spending?



# YOUR mSCOA

## 3. MUNICIPAL STANDARD CLASSIFICATION

### WHO IS RESPONSIBLE WITHIN THE MUNICIPALITY?

Managers are responsible for the management and overseeing of specific municipal own departments and cost centers.

## DEADLINE 30 JUNE 2017- ARE YOU SCOA COMPLIANT?

1. Posting at transactional level within system functionality
2. Budgeting at transactional level across all segments
3. Integration of all financial applications into General Ledger (SCOA)
4. Customised reporting to support a multi-dimensional chart (MBRR, AFS & IYM)
5. No Mapping
6. Project driven planning/IDP
7. Multi-year budgeting at transactional level
8. Period version looking based on adjustment budgeting
9. Master data recoverability
10. Portal access

## 4. PROJECT

### HOW DOES MUNICIPAL SPENDING CONVERT TO DELIVERABLES (PROJECTS)?

Projects cover both operational and capital spending.

#### CAPITAL

- INFRASTRUCTURE
  - NEW
  - EXISTING
    - Upgrade and additions
    - Rehabilitation and refurbishments

#### - NON INFRASTRUCTURE

#### OPERATIONAL

- Maintenance and repairs
- Municipal running costs
- Operating costs
- Typical work streams
  - Community development
  - Dam safety

## ITEM 7.

### WHAT DID WE BUY, GIVE OR RECEIVE?

Is the item a payment or subsidy, purchase or construction of a capital asset, tax receipt, sale of goods and services, transfers received, fines, penalties and forfeits, financial transactions in asset and liabilities, assets, liabilities and net assets?

- REVENUE
  - Rates
  - Electricity
- EXPENDITURE
  - Contractors
  - Employee related costs
- ASSETS
  - Property, plant and equipment
  - Inventory
- LIABILITIES
  - Borrowing
  - Accounts payable
- NET ASSETS
  - Accumulated surplus





# WHAT IS mSCOA?

**Municipal SCOA (mSCOA) stands for  
“Standard Chart Of Accounts”**

What is mSCOA?

SCOA is an acronym for a Standard Chart of Accounts which is a National reform that has been promulgated by Gazette No. 37577 dated 22 April 2014, called the Standard Chart of Accounts for Local Government Regulations, 2014. The "m" in the acronym distinguishes between a Municipal Standard Chart of Accounts and a Provincial/National Standard Chart of Accounts.

mSCOA - what does it mean for you?

mSCOA affects all municipal officials across the municipality at all levels and will require a total mind shift in the way officials are performing their day to day activities.

Who is affected by mSCOA?

The Regulation on mSCOA indicates that it affects all Municipalities and their entities.

What is the purpose of mSCOA?

The introduction of a Standard Chart of Accounts for Municipalities (mSCOA), will, inter alia, :

- Aid transparency; accountability and overall governance in the daily; monthly and yearly activities of municipalities;
- Aid the standardization of 278 different municipal 'charts of accounts' (COA) ;
- Improve the quality of municipal information that is compromised, i.e. it will introduce a uniform classification of revenue and expenditure items;
- Enhance monitoring and oversight by Councils, DCoG, Treasuries and legislatures;
- Comparability of information across Municipalities, i.e. Benchmarking, standards and measures.

Will mSCOA affect any payment owed to you / by you to / from SDM?

No, mSCOA will not affect any payment owed by you/to you. Its aim is to standardise how all Municipalities classify their financial data, i.e. it introduces a standardised classification of a Chart of Accounts (General Ledger) across all Municipalities.

What about mSCOA and Service Providers?

What change(s) is expected of my company?

In order to facilitate the identification of which General Ledger posting account to use when processing an Invoice from your company, the Description on the Invoice that is submitted to the NMBM for goods delivered/services rendered must be detailed and accurate, i.e. do not use descriptions like "Services Rendered/Miscellaneous Work done/Various," etc. The exact description of what goods were delivered or services rendered must appear on each Invoice.

Where can I view the regulations on mSCOA?

To view the Regulation visit the Sekhukhune District Municipality website:

<http://www.sekhukhunedistrict.gov.za>

Where can I send further comments and questions?

Please send any question(s)/comment(s) to "Talk To Rebotile – the mSCOA Champion at [makgatir@sekhukhune.gov.za](mailto:makgatir@sekhukhune.gov.za)

**Municipal SCOA provides a uniform and standardised financial transaction classification framework. Essentially this means that mSCOA prescribes the method (the how) and format (the look) that municipalities and their entities should use to record and classify all expenditure (capital and operating), revenue, assets, liabilities, equity, policy outcomes and legislative reporting. mSCOA is a "proudly South African" project researched by the National Treasury based on municipal practices, reporting outcomes, policy implementation and review, etc.**



# interfacing with mSCOA risk

Mr Ntheng Marobane, Chief Audit Executive and member of the Tactical Municipal Steering Committee

Any pursuit of a reform that is credible and reliable, and significantly affect so many role players and institutional processes can't be without risk.

Conducting the risk intelligence is imperative if we are to see the realisation of a Municipal Standard Charter of Accounts (mSCOA). The risk may include the introduction of a new system, classification issues, increased expenditure on Information and Communication Technologies and training. The overarching concerns may include public finance, audit and risk management in its entirety. Among the eminent issues isolated for MSCOAA is the Information and Communication Technologies (ICT) risk register, the mSCOA awareness to employees,

ICT questionnaire, Training on project management and Change management.

We are also committed to ensuring that all mSCOA requirements are complied with, and that there is risk register, and a server that can accommodate mSCOA and that the progress is given on implementation.

Connected to the progress registered by the mSCOA project team in light with the mSCOA project Implementation plan, we still have to ensure full scale alignment of old chart with new standard chart of accounts. mSCOA does however not fix historic information but going forward it forces credible information through its validation principles.

## mSCOA PROGRESS TO-DATE

Tabled mSCOA at council;

Tabled mSCOA project implementation plan at council;

Tabled mSCOA steering committee and project management team (tactical team)

Appointed in house mSCOA project leader/ champion;

Attending mSCOA workshops.

## THE PROCESS is about...





# it's about people

Mr Phakane Phahlamohlaka, Director Corporate Services and member of the mSCOA Tactical Team.



One thing that stands out about Municipal information is that it's not about numbers, it is about people. Every single move towards the implementation of mSCOA is heavily dependent on engaging people and beseech their participation and buy-in.

But the engagement will be incomplete if the internal stakeholders, staff does not form part of the people to be engaged, and empowered through awareness drives, workshops and provision of training where necessary. The most tangible and direct benefit of mSCOA for our employees is the ushering of a seamless link in reporting all reports across the accountability cycle. These reports will be compiled from the same mSCOA information. This already puts the municipality in a better stead in terms of improvement of reporting on service delivery.

Ward Committees and Ward Councillors will be able to take stock of the service delivery budget implementation plans as the SDBIP information will be available to them through the use of the 'mSCOA Regional Segment'.

While this encourages greater improvement in terms of accountability, it also facilitates improvement of oversight on the overall performance of the Municipality, and broadly usher a paradigm where Municipal and "functional" information is made available to stakeholders.

The seven (7) segments force proper planning and budgeting and supervisory and management checks and balances throughout municipal operations.

This means increasingly there will be an improved level of comfort to Council on the quality of information used for decision making, and rapid availability of information required to effectively interface with budget and other processes. Implementing mSCOA means there will be more time in municipalities for managing versus the current practice of prioritising the compilation of reports.

## The 7 Segments of mSCOA



Source: National Treasury

Ward Councillors will be able to take stock of the service delivery budget implementation plans as the SDBIP information will be available to them through the use of the 'mSCOA Regional Segment'.

# enabling better PUBLIC CONSULTATION

mSCOA focuses on data extraction making reporting possibilities endless which will eliminate current excessive user requests to municipalities, resulting in endless templates asking for the same information in different formats.

As a result, going forward, mSCOA will reduce the reporting burden on municipalities and the cost of reporting. Through the mSCOA project segment the municipality's annual deliverables as promised in the IDP are linked throughout its Budget, SDBIP, in-year reporting, annual report and annual financial statements, thereby enabling better public consultation.

mSCOA modernise financial management through updated systems and technology. There is a general improvement of systems offerings since vendors are upgrading systems to align with mSCOA, including the automation of the municipality's reporting. mSCOA brings about evidence based financial management. Thereby providing the basis for higher levels of efficiency and effectiveness within the systems of financial management and internal control.



An elder from Keerom Community in Moutse West during the Dipoledišano Dialogues with Executive Mayor.

## mSCOA REPORTING PROCESS



# SDM ushers the CENTRAL SUPPLIER DATABASE

**O**n Tuesday 19 April 2016 the Municipal Manager of Sekhukhune District Municipality issued CIRCULAR NO 8/2016 to all Service Providers. This Circular directs all prospective and existing service providers to register on the Central Supplier Database System. The Circular communicates transitional arrangements which include a move to ensure all current and prospective service providers register on the National Treasury Central Supplier Database on or before 01 July 2016. Further to this arrangement is that Sekhukhune District Municipality will not advertise the database as usual, and that Registered suppliers will be uploaded from the National Treasury Central Supplier Database to Sekhukhune District Municipality's system.

The Central Supplier Database (CSD) is a single database to serve as the source of all supplier information for all spheres of government. The purpose of centralising government's supplier database is to reduce duplication of effort and cost for both supplier and government while enabling electronic procurement processes. From 1 September 2015 prospective suppliers will be able to self-register on the CSD website [www.csd.gov.za](http://www.csd.gov.za).

Suppliers can capture and update their information on the CSD at any time, in preparation for the utilisation of supplier data through procurement and financial systems used by all organs of state from 01 April 2016. The period from 1 September 2015 to 31 March 2016, will be referred to as the Interim Period.

Once information has been verified with external data sources, a unique supplier number and security code will be allocated and communicated to the supplier. Suppliers will be required to keep their data updated regularly and should confirm at least once a year that their data is still current and updated. Automatic re-verification of relevant supplier data against SARS, CIPC etc. will be done regularly (daily, weekly, monthly, etc.) as required.

Apart from registering and capturing supplier information on the CSD, suppliers currently on any database of organs of state need to maintain their

records through the current supplier systems for the period 1 September 2015 to 31 March 2016. During the interim period, suppliers must provide their CSD supplier number and unique security code as well as any other relevant documentation (not yet electronically verified by the CSD) to the organs of state. Organs of state will use the CSD supplier number and unique security code to view/print the verified supplier information from the CSD in order to maintain their current supplier databases.

Why should a supplier register on the CSD?

- Suppliers will only be required to register once when they do business with government;
- A supplier will be able to ensure their data is up-to-date, complete and accurate;
- Standardised and electronic verification of supplier information leading to reduced fraud with paper copies and manual processes;
- Supplier will not be required to submit physical tax clearance and business registration certificate to organs of state; and single source of supplier information to all organs of state.

What will be required for suppliers to register?

All suppliers will be required to complete required information on the CSD website and must ensure it is complete, accurate and comprehensive. The following would be amongst the required information:

Supplier information i.e. supplier type, identification number, supplier name, trading name and country of origin; Supplier contact i.e. preferred contact person, preferred communication method, email address, cell phone number, telephone number, etc.;

Supplier address i.e. country, province, municipality, city, suburb, ward and postal code; Bank account information; Supplier tax information; Ownership information, i.e. name and identification number of directors, members etc.; Association to any other suppliers i.e. branch, consortium member etc.; and Commodities the supplier can supply.

A valid email address, identity number, cell phone number and bank account details are mandatory in order to register on the CSD. Apart from the above, it is foreseen that B-BBEE information will be included in the CSD. SEE CIRCULAR NUMBER 8/2016 ON THE BACKPAGE







**SEKHUKHUNE**  
District Municipality

**TO ALL SERVICE PROVIDERS**

Ref: Sk/1/R

CIRCULAR NO 8/2016

**Registration of service providers on the Central Supplier Database System.**

Service providers are hereby notified of the transitional arrangements as follows. All current and prospective service providers are requested to register on the National Treasury Central Supplier Database on or before 01 July 2016.

Sekhukhune District Municipality will not advertise the database as usual.

Registered suppliers will be uploaded from the National Treasury Central Supplier Database to Sekhukhune District Municipality's system.

Your cooperation will be highly appreciated.

Yours faithfully,

**Ms M.F Mokoko**  
**Municipal Manager**

Issued on 19 April 2016

**For further information kindly contact Supply Chain Management**  
**013 262 7632 / 7634 / 7643**



**SEKHUKHUNE**  
District Municipality

TOGETHER We Move South Africa Forward