

MOGALAKWENA PREPARING FOR mSCOA

mSCOA is a business reform, which means the municipality must change the way it operates in order to be more efficient and effective. One of the focus areas of mSCOA is asset management, which requires the municipality to cleanse its assets data and ensure that it is complete and accurate. Through this process the asset management work stream is embarking on an asset verification and updating exercise for both infrastructure and movable assets. This exercise includes-

- (a) the physical verification of assets,
- (b) checking the correct asset class on the asset register for every asset and assignment aligned to the mSCOA chart, and
- (c) Integration of this information into the financial system.



BENEFITS OF MOGALAKWENA HAVING AN ACCURATE ASSET REGISTER

Updating a municipality's asset information provides amongst others, the following benefits-

1. The municipality is able to account for all the assets it acquires and owns
2. It allows for a process of identifying obsolete assets which need to be written-off and replaced
3. Correct and updated assets information enables departments to prepare maintenance plans
4. Reduces spending on repairs and maintenance of obsolete or aged assets
5. Assists in the budgeting process for assets needed for service delivery
6. Provides accurate assets information for the preparation of annual financial statements
7. Improves the audit opinion from the Auditor General

IMPORTANCE OF ACTIVE PARTICIPATION BY EMPLOYEES

Each employee in the municipality is assigned assets for them to be able to execute their responsibilities. It is therefore important for each official to take care of the assets they are assigned and properly account for them. Proper asset management cannot be effective without employees actively assisting in the management of the municipality's assets by

1. Complying with the asset management policy of the municipality
2. Ensuring that movement of assets is adequately documented for future reference
3. Reducing damage and loss of municipal assets

It is important to remember that poor asset management can lead to financial losses by the municipality. This may hamper the municipality's ability to allocate financial resources to service delivery and/or other internal operational needs.

Be part of mSCOA and take action

“Re gatela pele, ons gaan vorentoe, we moving forward”.

1 JULY 2017... ALL SYSTEMS GO FOR MSCOA!!!!!!