



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

CLASSIFICATION CIRCULAR 15

ADJUSTMENTS TO THE STANDARD CHART OF ACCOUNTS (SCOA) VERSION 4

PURPOSE

1. The purpose of this circular is to inform all government financial practitioners of the changes made to the Standard Chart of Accounts (SCOA) version 4 16.17.02 (hereinafter referred to as the chart). The chart changes were implemented from 01 April 2016.

DISCUSSION

2. Changes to the chart are discussed according to each segment of the chart. Please note that where applicable in each segment of the chart, all terminologies have been aligned to the changes introduced in the chart.
3. Departments are also requested to ensure that all the necessary PERSAL and BAS links will be updated to the structure where proposed changes have been recommended in the segments of the chart, i.e. amended Fund segment for Earmarked and Specific and Exclusively Appropriated funds, Programmes and Sub-programmes in the Objective segment.
4. Reasons for the amendments to the SCOA are provided along with an illustration of the impact thereof. Items shown in **red** indicate that the item have been removed/deleted, **blue** indicates that the item have been changed/re-named, while **green** implies that a new item have been created/added.

FUND SEGMENT

5. This segment has been aligned to the published Appropriation and Division of Revenue Bills for 2016.

OBJECTIVE SEGMENT

6. Programme structures of national and provincial departments were updated and aligned to the budget statements of departments as tabled in Parliament (ENE) and the Legislatures (EPRE).
7. Where a programme and sub-programme name changed, the entire programme and its sub-programmes were recreated in the financial system. Departments must activate the entire new structure and re-link the codes to the various transversal systems for interfaces.

RESPONSIBILITY SEGMENT

- 8. This segment is non-standardised; therefore departments need to amend the structure according to their needs in terms of the requirements of their organisational structure.
- 9. Therefore no changes were made to this segment of the chart.

ITEM SEGMENT

PAYMENTS

COMPENSATION OF EMPLOYEES

- 10. No changes were made to this category of payments.

GOODS AND SERVICES

AGENCY&SUPRT/OUTSOURCED SERVICES

A&S/O/S: Inmates Recovery Fee

- 11. A new item *A&S/O/S: Inmates Recovery Fee* has been added for use by department of correctional services. Please refer to the chart of accounts for the full definition of the item.

Table 1.1 Chart additions illustration

| 3 | 4 | 5 | 6 | SEGMENT DETAIL NO | P/NP LEVEL |
|----------------------------------|---|---|---|-------------------------|---------------|
| GOODS AND SERVICES | | | | 64 | N |
| AGENCY&SUPRT/OUTSOURCED SERVICES | | | | 354 | N |
| A&S/O/S:INMATES RECOVERY FEE | | | | 5012 | N |
| A&S/O/S:INMATES RECOVERY FEE | | | | 5013 | Y |
| OWN:A&S/O/S:INMATES RECOVERY FEE | | | | 5014 | Y |

INTEREST AND RENT ON LAND

- 12. No changes were made to this category of the item segment.

PAYMENTS FOR FINANCIAL ASSETS

- 13. No changes were made to this category of the item segment.

TRANSFERS AND SUBSIDIES

PROVINCIAL AND LOCAL GOVERNMENTS

14. Transfer payments descriptions have been aligned to the latest list of public entities listed in PFMA schedule 1, 2, 3A, 3B, 3C and 3D as at 30 April 2015. Details of additions, changes and deletions are available from the latest version of the chart.

DEPARTMENTAL AGENCIES AND ACCOUNTS

15. Transfer payments descriptions have been aligned to the latest list of public entities listed in PFMA schedule 1, 2, 3A, 3B, 3C and 3D as at 30 April 2015. Details of additions, changes and deletions are available from the latest version of the chart.

HIGHER EDUCATION INSTITUTIONS

16. No changes were made to this category of the item segment.

FOREIGN GOVERNMENT AND INTERNATIONAL ORGANS

INTERNATIONAL OIL POLLUTION FUND

17. A new item International Oil Pollution Fund has been added for use by national department of transport. Please refer to the chart of accounts for the full definition of the item

Table 1.2 Chart additions illustration

| 2 | 3 | 4 | 5 | SEGMENT DETAIL NO | P/NP LEVEL |
|----------------------------------|---|---|---|-------------------------|---------------|
| TRANSFERS AND SUBSIDIES | | | | 7 | N |
| FOREIGN GOV&INTERNATIONAL ORGAN | | | | 43 | N |
| INTERNATIONAL OIL POLLUTION FUND | | | | 5007 | Y |

PUBLIC CORPORATIONS AND PRIVATE ENTERPRISE

18. No changes were made to this category of the item segment.

NON PROFIT INSTITUTIONS (NPI)

SECTION 21 SCHOOLS: MATHS AND SCIENCE TECHNOLOGY GRANT

19. A new item *Sec-21 Schools: Math and Science Technology Grant* item has been added for transfers made by department of basic education funded through the math, science and technology grant.

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Table 1.3 Chart additions illustration

| 2 | 3 | 4 | 5 | SEGMENT DETAIL NO | P/NP LEVEL |
|----------------------------------|---|---|---|-------------------------|---------------|
| TRANSFERS AND SUBSIDIES | | | | 7 | N |
| NON PROFIT INSTITUTIONS (NPI) | | | | 45 | N |
| SECTION 21 SCHOOLS | | | | 715 | N |
| SECT-21 SCHOOLS:MATH&SCN&TECH GR | | | | 5015 | N |

HOUSEHOLDS (HH)

HH:OTH/T: EPWP PROGRAMME

20. A new item *EPWP Programme: Skills Development and Training* has been added for transfer payments related to skills development and training of the unemployed.

Table 1.4 Chart additions illustration

| 2 | 3 | 3 | 5 | SEGMENT DETAIL NO | P/NP LEVEL |
|--------------------------------|---|---|---|-------------------------|---------------|
| TRANSFERS AND SUBSIDIES | | | | 7 | N |
| HOUSEHOLDS (HH) | | | | 46 | N |
| HH:OTH/T: EPWP PROGRAMME | | | | 5009 | N |
| EPWP PROGRAMME:SKILL DEV&TRAIN | | | | 5010 | Y |

PURCHASE/CONSTRUCTION OF CAPITAL ASSETS

21. No changes were made to this category of the item segment.

RECEIPTS

TRANSFERS RECEIVED FROM LOCAL GOVERNMENT

| 1 | 2 | 3 | 4 | SEGMENT DETAIL NO | P/NP LEVEL |
|--------------------------------------|---|---|---|-------------------------|---------------|
| RECEIPTS | | | | 2 | N |
| TRANSFERS RECEIVED | | | | 11 | N |
| TRNSF REC:LOCAL GOVERNMENT | | | | 509 | N |
| TRNSF REC:POLOKWANE LOC MUNICIPALITY | | | | 5011 | Y |

ASSETS, LIABILITES AND EQUITY

22. No changes were made to this category of the item segment.

ASSETS SEGMENT

23. No changes were made to this segment of the chart

PROJECT SEGMENT

24. Standardisation of the project segment was implemented as communicated in classification circular 14 communicated earlier. Please refer to the circular as published on the SCOA website.

INFRASTRUCTURE SEGMENT

25. No changes were made to this segment of the chart

REGIONAL IDENTIFIER

26. Changes have been made to align the current structure with the latest details from the DORA 2016. Changes to the regions (provinces, metros and municipality and wards) are approved and published by the Municipal Demarcation Board. Detailed information on the changes can be obtained on their website: <http://www.demarcation.org.za>.
27. Communication by the board was issued and is available on their website (please refer to annexure A) on the final decision taken. Included in an excel version of the map done for the new municipalities.

Contact information

28. Please contact the SCOA project team via the **SCOA call centre at (012) 315 5311**, or by sending a concise mail to scoa@treasury.gov.za if further clarity or discussion is required regarding the changes highlighted above.
29. For updated versions of the SCOA COR database and classification circulars please visit <https://scoa.treasury.gov.za/>

Regards,

SCOA Technical Committee

Date: 6 April 2016

Annexure A: Media Release by the Demarcation Board

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PRESS RELEASE

FOR IMMEDIATE RELEASE

06 November 2015

MUNICIPAL DEMARCATION BOARD RESPONDS TO HIGH COURT RULING IN DA vs MDB COURT INTERDICT

Gauteng, November 06, 2015 – The Municipal Demarcation Board (MDB) wishes to inform the media, its stakeholders and communities across the country of the North Gauteng High Court’s ruling regarding the Democratic Alliance (DA’s) court application for an interdict against the Board (Part A of the DA’s application).

At the beginning of the year the MDB received a request in terms of section 22(2) of the Municipal Demarcation Act, Act No. 27 of 1998 from the Minister of Cooperative Governance and Traditional Affairs, Mr. Pravin Gordhan. The Minister requested the Board to consider the determination and re-determination of certain municipal boundaries amounting to a total of 34 cases, of which only 13 cases were re-determined. In July the Board published in provincial gazettes of all the affected provinces confirming the re-determinations and inviting objections the affected communities, individuals and other stakeholders.

Having considered all objections, the MDB had completed the re-determination of all 13 cases but one by the end of August 2015. The final re-determination to amalgamate Baviaans, Ikwezi and Camdeboo was only completed in the second week of October 2015. The Board’s final decisions are as follows:

| PROVINCES | AFFECTED MUNICIPALITIES |
|---------------|---|
| EASTERN CAPE | Amalgamate Gariiep and Maletswai local municipalities into one municipal area |
| | Amalgamate Nxuba and Nkonkobe local municipalities into one municipal area |
| | Amalgamate Tsolwana, Lukhanji and Inkwanca local municipalities into one municipal area |
| | Amalgamate Baviaans, Ikwezi and Camdeboo local municipalities into one municipal area |
| KWAZULU NATAL | Move the Cadham voting district from the municipal areas of Mpofana and Umgungundlovu, and include it into the municipal area of Umvoti and Umzinyathi, |
| FREE STATE | Include Naledi local municipality into Mangaung metropolitan municipal area |
| LIMPOPO | Amalgamate Fetakgomo and Greater Tubatse local municipalities into one municipal area |
| | Amalgamate Modimolle and Mookgopong local municipalities into on municipal area |

| | |
|---------------|--|
| | Disestablish Mutale, create a new local municipality, and reconfigure the boundaries of the local municipalities within the Vhembe district. |
| | Disestablish Aganang municipality with its portions incorporated into areas of Polokwane, Molemole and Blouberg municipalities |
| MPUMALANGA | Amalgamate Mbombela and Umjindi local municipalities into one municipal area |
| NORTHERN CAPE | Amalgamate Mier and //Khara Hais local municipalities into one municipal area |
| NORTH WEST | Amalgamate Tlokwe and Ventersdorp local municipalities into one municipal area |

On 04 September 2015 the Board received an urgent court application by the DA to, firstly as indicated in their litigation papers as Part A, interdict the Board and other affected respondents from implementing the Board's decisions regarding the requests from the Minister until, Part B (seeking the review and set aside of the decisions of the Board) is heard and concluded.

Specifically, the DA alleged that the Board was biased and targeted municipalities falling under the DA's control and those where the party has prospects to control in the near future; the Board was not supposed to have entertained the Minister's proposals without establishing with certainty the motives behind the proposals; the Board capitulated to the Minister's dictates and the DA therefore questioned the independence and integrity of the Board in dealing with the Section 22 proposals from the Minister.

"Attempts by the DA to interdict and stop the Board from executing its constitutional mandate in this regard have not succeeded. As the Board we are happy that the aspersions cast upon the Board's independence and integrity through inferences that we bowed to pressure from external forces are baseless as confirmed by the judgement today." Said Jane Thupana, Chairperson of the Board.

In light of the Court's decision the Board will continue with the process of ward delimitation in the affected municipalities in order to ensure that wards are delimited in these municipalities and the citizens are, like the rest of their counterparts, able to participate in the upcoming local government elections. To this end, the remaining community participation meetings will be concluded by Friday, 13 November 2015. In addition, the public will be given another opportunity to air their views and concerns or objections during the 14 day period that they will be afforded following the determinations by the Board.

The MDB would like to thank all stakeholders for their assistance and cooperation during both the ward delimitation and the boundary determination and re-determination processes.

END

For further information, kindly contact:

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| PROVINCE | CATEGORY | CAT_B | MUNICIPALITY | COMMENT |
|--------------|----------|-------|--|-------------------------------------|
| Eastern Cape | B | EC101 | Camdeboo/Baviaans/lkwezi Local Municipality | Amalgamation of EC101, EC103, EC107 |
| Eastern Cape | B | EC129 | Nkonkobe/Nxuba Local Municipality | Amalgamation of EC127, EC128 |
| Eastern Cape | B | EC139 | Tsolwana/Inkwanca/Lukanji Local Municipality | Amalgamation of EC132, EC133, EC134 |
| Eastern Cape | B | EC145 | Maletswai/Gariep Local Municipality | Amalgamation of EC143, EC144 |

| PROVINCE | CATEGORY | CAT_B | MUNICIPALITY | COMMENT |
|----------|----------|-------|---|---------------------------|
| Gauteng | B | GT485 | New Local Municipality (Randfontein & Westonaria) | Amalgamation GT482, GT483 |

| PROVINCE | CATEGORY | CAT_B | MUNICIPALITY | COMMENT |
|---------------|----------|--------|--|-----------------------------|
| KwaZulu-Natal | B | KZN237 | Umtshezi/Imbabazane Local Municipality | Amalgamation KZN234, KZN236 |
| KwaZulu-Natal | B | KZN238 | Ladysmith/Indaka Local Municipality | Amalgamation KZN232, KZN233 |
| KwaZulu-Natal | B | KZN276 | Big Five/Hlabisa Local Municipality | Amalgamation KZN273, KZN274 |

| PROVINCE | CATEGORY | CAT_B | MUNICIPALITY | COMMENT |
|---------------|----------|--------|-----------------------------------|-----------------------------|
| KwaZulu-Natal | B | KZN436 | Ingwe/Kwa Sani Local Municipality | Amalgamation KZN431, KZN432 |

| PROVINCE | CATEGORY | CAT_B | MUNICIPALITY | COMMENT |
|----------|----------|--------|--|-----------------------------|
| Limpopo | B | LIM345 | New Local Municipality | New Establishment |
| Limpopo | B | LIM368 | Modimolle/Mookgopong Local Municipality | Amalgamation LIM64, LIM365 |
| Limpopo | B | LIM476 | Greater Tubatse/Fetakgomo Local Municipality | Amalgamation LIM474, LIM475 |

| PROVINCE | CATEGORY | CAT_B | MUNICIPALITY | COMMENT |
|------------|----------|-------|-------------------------------------|---------------------------|
| Mpumalanga | B | MP326 | Mbombela/Umjindi Local Municipality | Amalgamation MP322, MP323 |

| PROVINCE | CATEGORY | CAT_B | MUNICIPALITY | COMMENT |
|---------------|----------|-------|--------------------------------------|---------------------------|
| Northern Cape | B | NC087 | //Khara Hais/Mier Local Municipality | Amalgamation NC081, NC083 |

| PROVINCE | CATEGORY | CAT_B | MUNICIPALITY | COMMENT |
|---|----------|-------|--------------|---------|
| NO CHANGES TO THE WESTERN CAPE REGIONS | | | | |