



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

CLASSIFICATION CIRCULAR 6

ADJUSTMENTS TO THE STANDARD CHART OF ACCOUNTS (SCOA)

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 13.14.03 to 13.14.04.
2. Reasons for the amendments to the SCOA are provided along with an illustration of the impact thereon. Departments should note that this circular discusses changes made to the Infrastructure segments of the chart of accounts. Changes will mainly affect “Own Accounts” departments.
3. 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.

INFRASTRUCTURE SEGMENT

Infrastructure assets

4. Infrastructure codes for Own accounts transactions have been amended and restricted to Own Account Contractors items. Currently the items can be used with all the Own Account items in the Item segments and this lead to the inconsistencies. Limiting the use of Contractors means that the departments will not have access to the other Own account items; therefore an additional code has been created in order for departments to have access to the other Own Account items.
5. The change mainly enforces the correct use of Own Account Contractors in the item segment to the correct Own Account Infrastructure in the Infrastructure segment using the systems (BAS) category links. The current category links allows for possible misclassification of Own Account Contractors and property payments item (relating to New construction, Maintenance and Repairs, Upgrades and Additions as well as Refurbishments and Rehabilitations) to be done against the different Infrastructure segment (both Existing Infrastructure and Non-Infrastructure classification).
6. Included are examples of inconsistencies (from Vulindlela data) that have been caused by the lack of the strict rules. In order for us to ensure that the rules are enforceable we either had to duplicate the items for all the categories involved (like we had done for Outsourced contractors), and this was not a feasible option as it would have rendered the chart too long to manage. This meant we would have one item for Mnt&Rep, Upg&Add, Refrb&Rehab and New construction.

Illustration of inconsistencies from Vulindlela data

Infrastructure_Level_5	Assets_Level_2	Item_Level_4	Item_Lowest_Level
EX INFR:MAINT&REP: OWN ACCOUNT	BUILD & OTHER FIXED STRUCTURES	CONTRACTORS	OWN:CONTRCTRS:NEW BLDNG&CONSTRCT
EX INFR:MAINT&REP: OWN ACCOUNT	MACHINERY & EQUIPMENT	CONTRACTORS	OWN CONTRCTRS:UPG&ADD OT INF A
EX INFR:REFURB&REHAB:OWN ACCOUNT	NON-ASSETS RELATED	CONTRACTORS	OWN:CONTRCTRS:NEW BLDNG&CONSTRCT
EX INFR:REFURB&REHAB:OWN ACCOUNT	BUILD & OTHER FIXED STRUCTURES	CONTRACTORS	OWN: CONTRCTRS:MNT&REP N-INF ASS
EX INFR:REFURB&REHAB:OWN ACCOUNT	BUILD & OTHER FIXED STRUCTURES	CONTRACTORS	OWN CONTRCTRS:UPG&ADD OT INF A
EX INFR:REFURB&REHAB:OWN ACCOUNT	BUILD & OTHER FIXED STRUCTURES	CONTRACTORS	OWN:CONTRCTRS:NEW BLDNG&CONSTRCT
EX INFR:UPGRADE&ADD: OWN ACCOUNT	BUILD & OTHER FIXED STRUCTURES	CONTRACTORS	OWN: CONTRCTRS:MNT&REP OT INF A
EX INFR:UPGRADE&ADD: OWN ACCOUNT	BUILD & OTHER FIXED STRUCTURES	CONTRACTORS	OWN:CONTRCTRS:NEW BLDNG&CONSTRCT
CONSTRUCTION - OWN ACCOUNT	NON-ASSETS RELATED	CONTRACTORS	OWN: CONTRCTRS:MNT&REP N-INF ASS
CONSTRUCTION - OWN ACCOUNT	NON-ASSETS RELATED	CONTRACTORS	OWN: CONTRCTRS:MNT&REP OT INF A

7. The changes are necessary in order to tighten the rules on the own account items and to ensure the correct capturing and reporting of the final economic classification using the Infrastructure segment.

Illustration of items amended on the chart

1	2	3	4	5	SEGMENT DETAIL NO	P/NP LEVEL
	DEPARTMENTAL EXPENDITURE				1	N
	INFRASTRUCTURE ASSETS				4	N
	EXISTING INFRASTRUC ASSETS				17	N
	MAINTENANCE & REPAIR CURRENT				18	N
	EX INFR:MNT&REP:OUTSOURCED				30	Y
	EX INFR:MNT&REP:O/A - CNTRCTRS				31	Y
	EX INFR:MNT&REP:O/A - OTHER EXP				110	Y
	UPGRADE & ADDITIONS CAPITAL				19	N
	EX INFR:UPGRADE&ADD: OUTSOURCED				32	Y
	EX INFR:UPGRADE&ADD:O/A CNTRCTRS				33	Y
	EX INFR:UPGRAD&ADD:O/A OTHER EXP				111	Y
	REFURB & REHAB CAPITAL				20	N
	EX INFR:REFB&REHAB: OUTSOURCED				34	Y
	EX INFR:REFB&REHAB:O/A CNTRCTRS				35	Y
	EX INFR:REFB&REHAB:O/A OTHER EXP				112	Y
	NEW INFRASTRUC ASSETS				21	N
	NEW INFRASTRUC ASSETS CAPITAL				22	N
	PURCHASE OF NEW INFRASTRUCTURE				36	Y
	CONSTRUCTION - OUTSOURCED				37	Y
	CONSTRUCTION - O/A CONTRACTORS				38	Y
	CONSTRUCTION - O/A OTHER EXP				113	Y

PUBLICATION AND CONTACT DETAILS

1. 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.
2. For updated versions of the SCOA COR database and classification circulars please visit <https://scoa.treasury.gov.za/>

Regards,

SCOA Technical Committee

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