



INFORMATION
TECHNOLOGY
FACULTY

ACCOUNTS PRODUCTION SOFTWARE

CHARTECH SOFTWARE PRODUCT GUIDE

SAMPLE CONTENT

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BENEFITS

Accounts production software offers many commercial benefits to users, and particularly in the two key areas of speed and quality. Time is money for practising accountants, who will always welcome ways to reduce the time it takes to complete a set of accounts, although not at the price of a lower standard of finished product.

2.1 TIME SAVINGS

Computerisation eliminates many of the routine tasks associated with manual accounts production, from creating working paper templates to the drudge of adding up schedules and proof reading the final accounts. All these tasks are either automated or simply eliminated altogether. In most cases, software can also significantly reduce the need for paper files, or even replace them altogether by functioning as a paperless file system.

The biggest time savings can undoubtedly be realised in the production of limited company accounts where presentation and the extensive statutory disclosures are completely automated, at least once the initial client setup has been done in year one.

2.2 STANDARDISATION

Software also enables a firm to standardise its accounts production processes by following the approach designed into the chosen package, meaning that all staff will have to follow a similar process. This makes it easier for staff and jobs to move around an office or firm, and for managers to control the quality of work done. For firms adopting flexible working practices, software also facilitates remote and multi-site working.

2.3 COMPLIANCE AND iXBRL

Compliance with statutory disclosure requirements is a priority for corporate accounts preparers, but these are effectively dealt with by regularly updated accounts production software. Rules built in to the software are triggered by defined accounts headings or data entries. For example, if an amount is posted to the directors' remuneration code the relevant note to the accounts should be generated automatically. On the other hand, if an amount is posted to depreciation but no depreciation policy note has been created the software should produce a warning or reminder for the user.

From 1 April 2011 another compliance issue will arise in the form of compulsory online filing of Corporation Tax returns with the accompanying

although most suppliers have now improved the update process to avoid over-writing customised templates.

The software should control the reports available to each client, for example preventing the production of small company accounts for a medium-sized company, or at least generating a prominent warning. This requires the supplier to maintain and update the database of company size thresholds, which should be date driven so that only those applicable to the accounting period in question can be applied.

5.2 AUTOMATING THE DISCLOSURE PROCESS

One of the biggest attractions of accounts production software is the automation of much of the company accounts disclosure process. This in itself poses potential risks as it relies on the supplier updating and maintaining compliance data promptly and accurately. It is virtually impossible to assess the quality of updating for yourself, but if the supplier's history of software updates over the last year or two shows numerous upgrades you may need to question whether updates are being released prematurely. Discussion with existing users should confirm whether this is a problem area.

You should ascertain whether updates are installed automatically or have to be downloaded manually. Are they rolled out automatically across the network, or do you need to update each PC separately? In multi-user installations this can be a major chore, especially if files saved in the latest software version cannot be opened by users with the previous version, or where off-site notebook PCs are used which might not be updated as regularly as desktop machines.

5.3 HANDLING SPECIALIST REPORTS

Firms with very specialist requirements should ensure that their chosen software can provide the reports they require. Can the software really handle such cases comprehensively, or will users have to resort to Word or Excel for the final reports, with all the risks and problems that might entail? On the other hand, firms which don't require more specialist reports currently should consider if they might need them in the foreseeable future and make sure the software will be able to cope with their changing needs.

5.4 ENSURING COMPLIANCE

Many firms currently looking at new accounts production software, or considering it for the first time, will have been prompted by the introduction of iXBRL. Suppliers have not made this easy by delaying the launch of their full iXBRL-capable software until late 2010 or early 2011, making a proper working evaluation very difficult in the time available. If you feel there simply isn't enough time to fully evaluate the options before 1 April 2011, particularly where a decision will also impact other users and software in your firm, it may be prudent to consider a stop-gap solution of a standalone iXBRL tagging tool to convert accounts produced in, say, Word format (either manually, or from an existing software package) into iXBRL format. A growing number of these are available, requiring varying degrees of technical and user input. This will buy some time to enable you to make a more considered decision on new accounts production software later.

Although iXBRL may represent an additional cost now (for first-time software users, that is – most suppliers are providing iXBRL functionality to their existing customers at no cost, simply as part of the normal annual software updating), many firms hope it will save costs in the long term. It creates an ideal opportunity, albeit under coercion from HMRC, to review the firm's use of IT and to upgrade to current, more efficient software generally.

5.5 GETTING THE SELECTION AND IMPLEMENTATION RIGHT

Software evaluation poses its own risks. The salesman may not be the best person to handle technical questions, and prospective customers should ask to speak to technical developers and support staff when necessary. A live trial period may seem attractive, but bear in mind that you will need to invest sufficient money and non-chargeable time to ensure that your staff are adequately trained to give the software a realistic testing. It may be better to ask the vendor's staff to visit you and work on some actual client accounts, perhaps in parallel with your existing system, so that you can see it working in practice without needing to be fully conversant with its operation yourself. You should also ask to speak direct to users from some of the vendor's other customers, ideally from firms of a similar size and