ICAEW Accreditation Scheme

**Financial Accounting Software Evaluation**

**[Company Name]**

**[Product Name Version number]**

**[Company /Product logo]**

**Evaluation carried out by: [Name of Evaluator]**

**Date completed:**

**Signed:**

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**THE FOLLOWING SAAS SECTIONS DO NOT FORM PART OF THE ACCREDITATION AND ARE FOR INFORMATION ONLY.**

**20 Security and continuity of processing […]**

**21 Reports extra questions for SaaS […]**

1. Summary
   1. Introduction

The suitability of accounting software for each particular user will always be dependent upon that user's individual requirements. These requirements should therefore always be fully considered before software is acquired. The quality of the software developers or suppliers should also be considered at the onset.

* 1. Fundamentally, good accounting software should:
* Be capable of supporting the accounting functions for which it was designed.
* Provide facilities to ensure the completeness, accuracy, confidentiality and continued integrity of these accounting functions.
* Be effectively supported and maintained.

It is also desirable that good accounting software should:

* Be easy to learn, understand and operate.
* Make best practical use of available resources.
* Accommodate limited changes to reflect specific user requirements.

It is essential, when software is implemented, for appropriate support and training to be available.

1. Approach to evaluation
   1. Objective

To evaluate **[X Software version Y]** against a set of criteria developed by the ICAEW to ensure that the software meets the requirements of Good Accounting Software, as laid down in the summary.

* 1. Approach and Work performed

In order to effectively evaluate **[X Software version Y],** a product specialist from the **[Software house]** completed the detailed questionnaire and provided it to the evaluator to examine. The evaluator then visited the **[Software house]** office in [ ] and in conjunction with the operation of the various aspects of the software assisted by a member of **[Software house’s]** technical staff checked the answers to confirm their validity. The questions were individually reviewed and commented on and the majority of assessments were confirmed.

The evaluator discussed the assessments with a member of **[Software house]** staff in order to clarify certain points. In the event of disagreement between **[Software house]** and the evaluator, the evaluator's decision was taken as final and the response changed accordingly.

**[X Software version Y]**, was used throughout the evaluation. The evaluation covered the fully integrated sales, purchase and general ledgers and where appropriate sales order processing, sales invoicing, purchase order processing and stock software, separate reports have not been prepared for each ledger. Instead a composite report has been prepared with references made to the appropriate ledger as necessary.

When the evaluation had been completed, the responses were completed by the evaluator and a draft copy sent to the ICAEW for review before completion of the final report.

* 1. Online accounting software

This evaluation covers the accounting system but not the method by which it is delivered and/or contracted for. Potential users need to satisfy themselves on the security and disaster recovery aspects and licensing of the online system and any data protection issues of their own and customer/supplier information, contained therein, being held on the system. [REMOVE IF NOT APPLICABLE]

* 1. Software/hardware utilised  
     [Include the name and version number of any Browsers supported]
  2. Report structure  
     The report has been broken down into its main constituents in the contents page. The evaluation questionnaire was provided by the ICAEW and has been used without alteration or amendment.

1. Matters to consider before purchase

* 1. General overview
  2. Supplier background
  3. Product background and Suitability for user
  4. Typical implementation
  5. Vertical applications
  6. Software and hardware specifications  
     1. Development environment
     2. Server platforms
     3. Databases
     4. Operating software
     5. Protocols
     6. Minimum client PC specification

* + 1. Support and maintenance
  1. Software installation and support
  2. Partner network and related accreditation process
  3. Highlighted issues

1. Evaluation conclusion

**Disclaimer**

*Any organisation considering the purchase of* **[X Software version Y]** *should consider their requirements in the light of proposals from* **[Software house]** *or its dealers and potential suppliers of other similarly specified products. Whilst the contents of this document are presented in good faith, neither ICAEW, RSM UK, nor the Evaluator can accept liability for actions taken as a result of comments made herein.*

1. Security and continuity of processing

|  |  |  |
| --- | --- | --- |
| * 1. What security features are included to control access to the application? |  | [Note: Please use “Confirmed” rather than “Agreed” where appropriate] |
|  |  |  |
| * 1. Can access to application functions be managed so users can only see (in menus and other links) and access those functions they are authorised to access? |  |  |
|  |  |  |
| * 1. Is this access to the application managed by:-      1. Individual user profiles?      2. User groups based on their job roles? |  |  |
|  |  |  |
| * 1. If menus can be tailored would this override the application access control? |  |  |
|  |  |  |  | |
| * 1. Passwords      1. Is access to the software controlled by password? |  |  |  | |
| * + 1. Please state the basis of control available (e.g., role based etc). |  |  |
| * + 1. If there is no password facility please state how confidentiality and accessibility control can be maintained within the software? |  |  |
| * + 1. Are single user systems access controlled by password? |  |  |
| * + 1. Does the software allow for each user to have separate log on (user ids)?   If No:-   * + - 1. How does the software track user activity? |  |  |
| * + 1. Is each user required to have a personal password? |  |  |
| * + 1. Are passwords one-way encrypted? [i.e. Is it impossible for anyone to see other user’s passwords in the software?] |  |  |
| * + 1. Are passwords masked when entered by any user logging in? |  |  |
| * + 1. Is password complexity available at application level?   If Yes:-   * + - 1. Please specify [e.g. Number of digits, requirement for special characters, numeric, upper/lower case etc.] |  |  |
|  |  |  |
| * + 1. Is there a facility to enforce password changes after a chosen period of time? |  |  |
| * + 1. Is there a facility to specify a minimum age for passwords (e.g. 1 day)? |  |  |
| * + 1. How many previous passwords are retained by the system to limit users recycling passwords (e.g. 24 or 32)? |  |  |
|  |  |  |
| * 1. Please state how security allows for access to be specified separately for :-      1. Read? |  |  |
| * + 1. Read and write? |  |  |
| * + 1. Delete and amend? |  |  |
|  |  |  |
| * 1. Are any data files, such as budgets or price updates, imported by users validated by the application software before main data files are updated? |  |  |
|  |  |  |
| * 1. Does the software require higher or specific levels of user access for changes to sensitive data, such as customer credit limits? |  |  |
|  |  |  |
| * 1. Please specify the specific security procedures (by passwords or warnings) over the:-      1. Update of ledgers |  |  |
| * + 1. Closing of accounting periods |  |  |
| * + 1. Deletion of transactions |  |  |
| * + 1. Archiving of transactions. |  |  |
|  |  |  |
| * 1. Is it impossible to delete a transaction?   If No:-   * + 1. How are deletions controlled by the system? |  |  |
|  |  |  |
| * 1. Are deleted transactions retained in the audit trail and denoted as such? |  |  |
|  |  |  |
| * 1. Can a report be produced detailing all current users, via user groups, if relevant, and their authority levels and/or access rights? |  |  |
|  |  |  |
| * 1. If data can be accessed by separate reporting facilities, such as ODBC or separate report writer, is the user access security control applied?   If No:-   * 1. Please explain any other protection in place to prevent unauthorised access to data with such facilities. |  |  |
|  |  |  |
| * 1. Is the level of security (described with this section) appropriate for the expected size of business using the software? |  |  |
|  |  |  |
| * 1. Is there a clear indication in the software or manuals as to how the data is:-      1. Backed-up?      2. Recovered? |  |  |
|  |  |  |
| * 1. Back ups   How are back ups provided:-   * + 1. Within the software application?     2. Within the operating software? |  |  |
| * + 1. Are backup procedures automatic? |  |  |
| * + 1. Is the user forced or prompted to back-up at certain intervals? |  |  |
| * + 1. Can the intervals be customised? |  |  |
|  |  |  |
| * 1. Recovery      1. Please state how the software facilitates recovery procedures in the event of software failure? (E.g. roll back to the last completed transaction). |  |  |
| * + 1. If software failure occurs part way through a batch or transaction, will the operator have to re-input the batch or only the transaction being input at the time of the failure? |  |  |
| * + 1. Are these automated? |  |  |
| * + 1. Do the recovery procedures work? |  |  |
|  |  |  |
| * 1. What features are available within the software to help track down processing problems? |  |  |
|  |  |  |
| * 1. Are software messages clear? |  |  |
|  |  |  |
| * 1. Are user responses properly structured to ensure that erroneous key strikes do not lead to inappropriate actions? |  |  |
|  |  |  |
| * 1. I s there a software log which details:-      1. Error messages? |  |  |
| * + 1. Security violations? |  |  |
|  |  |  |
| * 1. Audit trail      1. Does the software have a detailed audit trail? |  |  |
| * + 1. Is it impossible to turn off or delete the audit trail? |  |  |
| * + 1. Does the software allocate a system generated sequential unique reference number to each transaction? |  |  |
| * + 1. Is this stamped with a user id? |  |  |
| * + 1. Is this unique reference number presented to the user at time of input? |  |  |
| * + 1. Is this unique reference number available to view, by the end user and by way of a report? |  |  |
| * + 1. Is the transaction date and time stamped? |  |  |
| * + 1. Are all master file changes recorded in the audit trail? |  |  |
| If Yes:-   * + - 1. Does each change have a system generated reference allocated? |  |  |
| * + - 1. Are the originator and authoriser identified? |  |  |
| * + - 1. Is the change date and time stamped? |  |  |
| * + 1. Are all standing data changes recorded in the audit trail? |  |  |
| If Yes:-   * + - 1. Does each change have a system generated reference allocated? |  |  |
| * + - 1. Are the originator and authoriser identified? |  |  |
| * + - 1. Is the change date and time stamped? |  |  |
| * + 1. Is all input data included within the audit trail, including amendments, deletions, journals etc.? |  |  |
| * + 1. Does the software allocate a system generated unique reference number to each amendment, deletions journal? |  |  |
| * + - 1. Is this stamped with a user id? |  |  |
| * + - 1. Is this unique reference number presented to the user at time of input? |  |  |
| * + - 1. Is the transaction date and time stamped?       2. How is it linked to the original transaction? |  |  |
| * + 1. Are imported /interfaced transactions detailed in the audit trail? |  |  |
| * + - 1. Is each stamped with a user id? |  |  |  |
| * + - 1. Is this unique reference number presented to the user at time of input? |  |  |  |
| * + - 1. Is the transaction date and time stamped? |  |  |
| * + 1. How are transactions differentiated within the audit trail? |  |  |
| * 1. What are the procedures for handling dates? (E.g. 2 digit years, 4 digit years). |  |  |
| * + 1. In the case of two digits what is the break point for the century? |  |  |
| * + 1. Are dates handled consistently throughout the software? |  |  |

1. Input of transactions

The following sections in Input of transactions, File maintenance, Processing and Reports are primarily aimed at the three main accounting ledgers and where applicable Sales Order Processing, Sales Invoicing, Purchase Order Processing and Stock Control.

|  |  |  |
| --- | --- | --- |
| * 1. Is data input controlled by self-explanatory menu options? |  |  |
|  |  |  |
| * 1. Are these menus application-specific? |  |  |
|  |  |  |
| * 1. Does the software provide input validation checks such as account code validation, reasonableness (limits, VAT or discount checking) and validity checks (VAT check-digit calculations)? |  |  |
|  |  |  |
| * 1. Can the user amend data on an input screen prior to update? |  |  |
|  |  |  |
| * 1. What control features are within the software to ensure completeness and accuracy of data input? |  |  |
|  |  |  |
| * 1. Are all input transactions subject to this control? |  |  |
|  |  |  |
| * 1. How does the software ensure uniqueness of the input transactions? (i.e. to avoid duplicate transactions) |  |  |
|  |  |  |
| * 1. Does the software allow for batch control totals?   If Yes:-   * + 1. Are batches automatically numbered? |  |  |
| * + 1. Are batches forced to balance before ledger update? |  |  |
| * + 1. Does the software allow the temporary halting of input of a batch to allow for queries or other activities to take priority (e.g. set up a new account) |  |  |
| * + 1. Is the user forced to confirm batch totals? |  |  |
|  |  |  |
| * 1. Is attempted posting of unbalanced journals rejected? (G/L). |  |  |
|  |  |  |
| * 1. Are input errors highlighted?   If Yes are they:-   * + 1. Rejected and reported on screen? |  |  |
| * + 1. Rejected and error reports generated? |  |  |
| * + 1. Accepted and posted to suspense? |  |  |
|  |  |  |
| * 1. Does the software have an automatic facility to correct/reverse/delete transactions? |  |  |
| If Yes:-   * + 1. Are all the double entry transactions documented in the audit trail? |  |  |
|  |  |  |
| * 1. What are the controls to ensure the internal integrity of the ledger(s) or the accounting information, e.g., control of accounts*.* |  |  |
|  |  |  |
| * 1. Is it possible to allocate input values directly to ledger control accounts? |  |  |
| If Yes:-   * + 1. Please note the mechanisms available to allow the user to establish why the total balances on individual accounts do not agree to a respective control account? |  |  |
|  |  |  |
| * 1. Can automatic accruals or prepayments be generated?   If Yes:- |  |  |
| * + 1. Will these automatically be reversed after the period end? (G/L) |  |  |
|  |  |  |
| * 1. Does the software have a purchase invoice register? |  |  |
|  |  |  |
| * 1. Does the software permit multi debit/credit journals? |  |  |
|  |  |  |
| * 1. Can journals be saved as template with GL codes and cost centres and either with or without monetary amounts? |  |  |
|  |  |  |
| * 1. Can journals be set up to distribute amounts in a fixed percentage against GL/Cost centre codes? |  |  |
|  |  |  |
| * 1. How are transactions identified on screen/reports as to:-      1. Type?      2. Debit or credit? |  |  |
|  |  |  |
| * 1. Can separate nominal analysis codes be input for each invoice line? |  |  |
| If Yes:-   * + 1. Does this cover:-        1. Sales ledger? |  |  |
| * + - 1. Purchase ledger? |  |  |
| * + - 1. Stock? |  |  |
|  |  |  |
| * 1. Can receipts and payments be matched to specific invoices? |  |  |
| If Yes:-   * + 1. Automatic? |  |  |
| * + 1. Manual? |  |  |
| * + 1. Both? |  |  |
|  |  |  |
| * 1. Will the software permit part payments? |  |  |
|  |  |  |
| * 1. Will the software allow:-      1. Payments to be made to customers? |  |  |
| * + 1. Receipts to be received from suppliers? |  |  |
|  |  |  |
| * 1. Does the software handle purchase credit notes? |  |  |
| * + 1. Is there an ability to automatically amend stock, if applicable? |  |  |
|  |  |  |
| * 1. Can the software generate sales credit notes?   If yes:- |  |  |
| * + 1. Is there an ability to match to a sales invoice?     2. Is there an ability to automatically amend stock, if applicable? |  |  |
|  |  |  |
| * 1. Does the software handle discounts and promotions? |  |  |
|  |  |  |
| * 1. Does the software provide for early settlement discounts? |  |  |
| * + 1. Can early settlement discounts be automatically generated? |  |  |
| * + 1. Are there controls over accepting settlement discounts (e.g. time limits)? |  |  |
| * + 1. Is VAT treated correctly on early settlement discounts? |  |  |
|  |  |  |
| * 1. Will the software permit the posting of unallocated cash to the ledgers?   Does this apply to:-   * + 1. Sales ledger? |  |  |
| * + 1. Purchase ledger? |  |  |
|  |  |  |
| * 1. Are unallocated cash/credit notes specifically reported for follow up? |  |  |
|  |  |  |
| * 1. Are outstanding transactions displayed for allocation?   If Yes:-  Does this apply to:-   * + 1. Sales ledger? |  |  |
| * + 1. Purchase ledger? |  |  |
|  |  |  |
| * 1. Does the system allow the user to post or allocate a payment or receipt with a date prior to the invoice transaction date?   If Yes:-   * + 1. Is the user warned that the aged balance values may not agree to the trial balance values? |  |  |
|  |  |  |
| * 1. Is it possible for new accounts to be created during input? |  |  |
| If Yes:-  Does this cover:-   * + 1. Sales? |  |  |
| * + 1. Purchases? |  |  |
| * + 1. General? |  |  |
| * + 1. Stock? |  |  |
|  |  |  |
| * 1. What controls are there over the creation of new accounts? |  |  |
| * + 1. Is the originator and/or authoriser identification logged by the software? |  |  |
|  |  |  |
| * 1. Is the user prevented or warned from overriding credit limits or discounts? (S/L). |  |  |
|  |  |  |
| * 1. Does the software have a bank reconciliation facility? |  |  |
|  |  |  |
| * 1. Does the software enable transactions to be posted to the ledgers whilst performing a bank reconciliation (e.g. standing charges, bank charges etc)? |  |  |
|  |  |  |
| * 1. Are these adequately reported? |  |  |
|  |  |  |
| * 1. Does the software accept input files from other computer packages?   If Yes:-   * + 1. What formats are accepted? |  |  |
| * + 1. What controls are in place over the interface? |  |  |
|  |  |  |
| * 1. Does the software have a facility for calculating interest on late payments? |  |  |

1. File maintenance

|  |  |  |
| --- | --- | --- |
| * 1. Are ledgers:-      1. Open item? |  |  |
| * + 1. Balance forward? |  |  |
| Does the above cover:-   * + 1. Sales ledger? |  |  |
| * + 1. Purchase ledger? |  |  |
| * + 1. General ledger? |  |  |
|  |  |  |
| * 1. Is a month end routine required to be undertaken? |  |  |
|  |  |  |
| * 1. Is the creation or amendment of standing data (e.g. customer account details) controlled by menu options? |  |  |
|  |  |  |
| * 1. Are menus:-      1. Application specific? |  |  |
| * + 1. User specific? |  |  |
|  |  |  |
| * 1. Is it impossible to delete accounts if the balance if Nil but transactions have been recorded against the code.   Does this apply to:-   * + 1. General Ledger? |  |  |
| * + 1. Sales Ledger? |  |  |
| * + 1. Purchase Ledger? |  |  |
| * + 1. Stock? |  |  |
|  |  |  |
| * 1. Are there any other constraints over the deletion of accounts? |  |  |
|  |  |  |
| * 1. What is the size and format of reference numbers and descriptions within:-      1. General Ledger? |  |  |
| * + 1. Sales Ledger? |  |  |
| * + 1. Purchase Ledger? |  |  |
| * + 1. Stock? |  |  |
|  |  |  |
| * 1. Is the scope of the reference number adequate to permit sufficient depth of analysis? |  |  |
|  |  |  |
| * 1. How does the software guard against/warn about, duplicate account numbers on set up? |  |  |
|  |  |  |
| * 1. How does the software enable the traceability - from, to and through the accounting records - of any source document or interfaced transaction? |  |  |
|  |  |  |
| * 1. What drill down/around functionality is available within the software? |  |  |
|  |  |  |
| * 1. Can reports be invoked which identify all the fields which have been modified? |  |  |
|  |  |  |
| * 1. If the software uses a lot of standing information which changes frequently or regularly, does the software allow for such changes to be effected through the use of parameters or tables? |  |  |
| If Yes: –   * + 1. Is the use of such parameters or tables adequately reported? |  |  |
|  |  |  |
| * 1. What controls are within the software over changes to parameters and tables e.g. reporting, password etc? |  |  |
|  |  |  |
| * 1. Does the software allow selective archiving of old data on a user-defined basis? |  |  |
|  |  |  |
| * 1. What controls are in place over the handling of archived data? |  |  |
|  |  |  |
| * 1. Can archived data be used for reporting purposes? |  |  |
|  |  |  |
| * 1. Does the software allow for the restoration of achieved data for audit without affecting current accounting data? |  |  |
|  |  |  |

1. Processing

|  |  |  |
| --- | --- | --- |
| * 1. Does the software ensure that menu options or programs are executed in the correct sequence (e.g. ensure outstanding transactions are processed before month end procedures run)? |  |  |
|  |  |  |
| * 1. After an external document (e.g. sales invoice or cheque payment) has been generated and posted to the accounts is it impossible to amend this data? |  |  |
|  |  |  |
| * 1. Is there an audit trail of all changes to transactions which have updated the ledgers? |  |  |
|  |  |  |
| * 1. Can the software calculate prices or values by reference to master file data? |  |  |
|  |  |  |
| * 1. Does the software provide automatic recalculation, where appropriate, of data input? (e.g. VAT) |  |  |
|  |  |  |
| * 1. Does the software warn the user when the ledger is out of balance? |  |  |
|  |  |  |
| * 1. How is this done e.g. when the software is switching on or on ledger update? |  |  |

1. Performance of requisite accounting functions

|  |  |  |
| --- | --- | --- |
|  |  |  |
| * 1. What control features are provided by the software to support effective user controls? |  |  |
|  |  |  |
| * 1. Is there:      1. Transaction sequencing?      2. Automatic dating of posting transactions?      3. Identification of user id or source of document? |  |  |
|  |  |  |
| * 1. Is the software available as multi user? |  |  |
|  |  |  |
| * 1. Can the same function be used by more than one person at the same time, whilst still retaining the separate user identities? |  |  |
|  |  |  |
| * 1. Is the software available as multi-company?   If Yes:-   * + 1. How many companies are supported? |  |  |
|  |  |  |
| * 1. Is a group consolidation facility available? |  |  |
|  |  |  |
| * 1. Can the software consolidate entities with different charts of accounts? |  |  |
|  |  |  |
| * 1. How many levels of nominal analysis can be handled by the software? |  |  |
|  |  |  |
| * 1. How does the software handle cost centres, departments, divisions? |  |  |
|  |  |  |
| * 1. How are periods handled by the software? |  |  |
|  |  |  |
| * 1. How many:-      1. Accounting periods can be set up? |  |  |
| * + 1. Years can be set up? |  |  |
|  |  |  |
| * 1. Can the length/ number of periods be adjusted to suit different customer requirements? |  |  |
|  |  |  |
| * 1. How many accounting periods can be open at any one time? |  |  |
|  |  |  |
| * 1. How many years can be open at any one time? |  |  |
|  |  |  |
| * 1. Can a period or year be re-opened after it has been closed? |  |  |
| If Yes:-   * + 1. What controls are in place over this function? |  |  |
| If No:-   * + 1. Is the data archived on the server? |  |  |
| * + 1. Is this accessible for reporting purposes? |  |  |
| * + 1. Can a previous year be restored from backup? |  |  |
|  |  |  |
| * 1. Can data from all accounting periods and years be accessed at any one time? |  |  |
|  |  |  |
| * 1. Can previous months and years be accessed for enquiries or reports? |  |  |
|  |  |  |
| * 1. Does the software handle posting date as well as document date?   If Yes:-   * + 1. Are transactions analysed by posting date or document date? |  |  |
|  |  |  |
| * 1. Can transactions be posted to more than one accounting period at any point in time?   2. Does this cover:-      1. General ledger? |  |  |
| * + 1. Sales ledger? |  |  |
| * + 1. Purchase ledger? |  |  |
|  |  |  |
| * 1. Is it possible to allocate transactions to:      1. Future periods? |  |  |
| * + 1. Previous closed periods? |  |  |
| * + 1. A previously closed year? |  |  |
| If Yes:-   * + 1. What controls are in place e.g. level of authorisation and on screen warnings? |  |  |
| * + 1. Will the software revise subsequent periods accordingly? |  |  |
|  |  |  |
| * 1. How will transactions outside the current period be:-      1. Reported      2. Accounted for in the VAT return? |  |  |
|  |  |  |
| * 1. Does the software permit use of budgets and provide comparisons between budgets and actuals?   If Yes:-   * + 1. How many versions of budgets/forecasts can be maintained on the system? |  |  |
| * 1. Are budgets available for:      1. General ledger? |  |  |
| * + 1. Sales ledger? |  |  |
| * + 1. Purchase ledger? |  |  |
| * + 1. Overheads? |  |  |
| * + 1. Balance sheet? |  |  |
|  |  |  |
| * 1. Can budgets be set by:      1. Period? |  |  |
| * + 1. Annually? |  |  |
|  |  |  |
| * 1. Can the software automatically generate budgets?   Please state how this is achieved. |  |  |
|  |  |  |
| * 1. What is the maximum value of transactions and of totals that can be handled by the software? |  |  |
|  |  |  |
| * 1. What is the maximum number of transactions that can be handled by the software? |  |  |
|  |  |  |
| * 1. What is the maximum number of accounts on each ledger:      1. Sales ledger? |  |  |
| * + 1. Purchase ledger? |  |  |
| * + 1. General ledger? |  |  |
|  |  |  |

1. Reports

|  |  |  |
| --- | --- | --- |
| * 1. Are all reports adequately titled and dated? (E.g. report name, client name, data, period, batch, last entry number, period end, pages, numbers etc.) |  |  |
|  |  |  |
| * 1. Do the reports provide totals where applicable? |  |  |
|  |  |  |
| * 1. Are these totals calculated or taken from a control file?   Please state the reports that do not feature calculated totals. |  |  |
|  |  |  |
| * 1. Is it clear when the report has ended? (totals or end markers) |  |  |
|  |  |  |
| * 1. Can reports be saved in electronic format (as distinct from just printing)? |  |  |
| * + 1. Are such files adequately protected from deletion or amendment? |  |  |
|  |  |  |
| * 1. Is a report writer provided as part of the software or as an add on?   Please state the name of any third party package. |  |  |
|  |  |  |
| * 1. What level of knowledge is required to use the report writer e.g. beginner, regular user, expert? |  |  |
|  |  |  |
| * 1. Can the report writer make use of user-defined fields (including external fields)? |  |  |
|  |  |  |
| * 1. Does the report writer enable:-      1. Separate access to each system area? |  |  |
| * + 1. Reports to be prepared which combines related data from a number of system areas (e.g. Customers – Sales – Stock items) in the same report? |  |  |
|  |  |  |
| * 1. Can users define the parameters, columns, fields and selection criteria used on reports reported? |  |  |
|  |  |  |
| * 1. Are standard reports always produced, even when they are nil returns? |  |  |
|  |  |  |
| * 1. Is there an option for reports to exclude nil balances, this year or where there are nil balances this year and last year, to enable a comparative report to be produced with the completeness of both years’ being maintained? |  |  |
|  |  |  |
| * 1. Can screen layouts, reports and transaction formats be easily adapted to users’ requirements? |  |  |
|  |  |  |
| * 1. Can a hard copy be produced of all screen enquiries? |  |  |
|  |  |  |
| * 1. Can transaction files for all previous periods of the year be retained in the software to permit enquiries and reports? |  |  |
|  |  |  |
| * 1. Are reports of all changes to standing data on customers, suppliers, tax rates etc automatically generated or stored for later printing?   If Yes:-   * + 1. Is the report able to capture the nature of the change, user id and data and time of the change? |  |  |
|  |  |  |
| * 1. Are all transactions on all reports individually identifiable? |  |  |
|  |  |  |
| * 1. Do the reports show whether items are debit or credit? |  |  |
|  |  |  |
| * 1. Do reports give sufficient narrative and coding to enable cross referencing? |  |  |
|  |  |  |
| * 1. Is it possible to drill down from reports to the ledgers and original transactions? |  |  |
|  |  |  |
| * 1. Can the software produce all requisite reports:-      1. Day books |  |  |
| * + 1. Trial balance |  |  |
| * + 1. Profit and loss account |  |  |
| * + 1. Balance sheet |  |  |
| * + 1. Aged debtors |  |  |
| * + 1. Aged creditors |  |  |
| * + 1. Aged stock |  |  |
| * + 1. Aged unallocated cash (debtors) |  |  |
| * + 1. Aged unallocated cash (creditors) |  |  |
| * + 1. Budgets |  |  |
| * + 1. Cash flow statement |  |  |
| * + 1. VAT reports |  |  |
| * + 1. VAT form 100 |  |  |
| * + 1. EC Sales Listings |  |  |
| * + 1. Intrastat returns (SSD) |  |  |
|  |  |  |
| * 1. Are the above reports standard within the software or do they have to be written? |  |  |
|  |  |  |
| * 1. Is the age criteria fixed or user definable? |  |  |
|  |  |  |
| * 1. Can the aged analysis and day book reports be in summary and detail? |  |  |
|  |  |  |
| * 1. Do standard reporting options give sufficient flexibility to tailor individual reports? |  |  |
|  |  |  |
| * 1. Can all reports be reproduced after the period end but at the month end date:-      1. Transaction listings? |  |  |
| * + 1. Day books? |  |  |
| * + 1. Trial balance? |  |  |
|  |  |  |
| * 1. Is it possible to print out retrospective month end aged sales and purchase ledger reports that agree back to the month end trial balance control account figures as at the month end? |  |  |
|  |  |  |
| * 1. Do the standard budget reports provide sufficient analysis of variances?   2. Do such reports provide exception reporting, percentage analysis and comparatives? |  |  |
|  |  |  |
| * 1. Do standard reports show sufficient analysis of trading results? (E.g. sales analysis by region)? |  |  |
|  |  |  |
| * 1. Are all movements during each accounting period shown on sales, purchase, general, stock ledger detail reports? |  |  |
|  |  |  |
| * 1. Do the sales and purchase ledger reports show how all partial payments or allocations (unallocated cash) have been treated? |  |  |
|  |  |  |
| * 1. Is there a general ledger report that shows balances brought forward and carried forward plus all posted transactions in the period? |  |  |
|  |  |  |
| * 1. Is a trail balance available?      1. Is this in summary or detailed format? |  |  |
|  |  |  |
| * 1. Can the management accounts, profit and loss account and balance sheet be sufficiently analysed by:      1. Project/job |  |  |
| * + 1. Cost centres |  |  |
| * + 1. Department |  |  |
| * + 1. Division |  |  |
| * + 1. Company |  |  |
| * + 1. Group (if applicable) |  |  |
| * + 1. Can the above be user defined by Period and/or range? |  |  |
|  |  |  |
| * 1. What controls are there in place so that the user is aware of partly processed transactions:-      1. Unposted invoices |  |  |
| * + 1. Uninvoiced dispatches |  |  |
| * + 1. Payments |  |  |
| * + 1. Receipts |  |  |
|  |  |  |
| * 1. State the controls that are in place to ensure that the correct price/discount has been applied to invoices/credit notes?   (e.g. Gross Margin reports) |  |  |
|  |  |  |
| * 1. Detail all automatically generated documents for external use.   (E.g. sales invoices and statements, remittance advices.) |  |  |
|  |  |  |
| * 1. Can the software reproduce source documents?   [E.g. sales invoices; POs, Remittance advices……] |  |  |
|  |  |  |
| * 1. Are the duplicates an exact replica of the relevant financial and VAT accounting information as stored on original documents [i.e. they do not take account of any subsequent changes to the standing data? |  |  |
|  |  |  |
| * 1. Are these clearly identified as duplicates? |  |  |
|  |  |  |
| * 1. Does the software force the production of month-end reports? |  |  |
|  |  |  |
| * 1. Can the reporting function make use of external data files? |  |  |
|  |  |  |
| * 1. Does the report writer have the facility to scroll up and down when output to screen? |  |  |
|  |  |  |
| * 1. Can all reports be run without the need for period-end procedures to be initiated? |  |  |
|  |  |  |
| * 1. Does the report writer allow print previews of all reports? |  |  |
|  |  |  |
| * 1. Can transactions and standing data be output directly to other formats e.g. CSV, txt, XML, PDF etc. for any period of time required? |  |  |

1. Value Added Tax

The following sections detail the general requirements/features of an accounting package in handling VAT. It cannot cover all eventualities or all users and where necessary members should contact their local HMRC office for detailed guidance. The overall objective is to accurately record the accounting for VAT in order to support VAT returns to HMRC.

|  |  |  |
| --- | --- | --- |
|  |  |  |
| * 1. Does the software have the facility to hold the following VAT information:-      1. UK VAT registration number? |  |  |
| * + 1. Intrastat code? |  |  |
| * + 1. EC Code? |  |  |
| * + 1. EC VAT registration numbers (10)? |  |  |
| * + 1. VAT rates (please specify number available) |  |  |
|  |  |  |
| * 1. How does the software handle roundings? |  |  |
|  |  |  |
| * 1. Is this applied consistently? |  |  |
|  |  |  |
| * 1. Does the software handle VAT Scale charges with automatic double entry processing? |  |  |
|  |  |  |
| * 1. Does the software handle VAT calculation tolerances?   If Yes do any discrepancies produce:-   * + 1. Warning? |  |  |
| * + 1. Appear in the audit trail? |  |  |
| * + 1. Appear in the VAT exception report? |  |  |
|  |  |  |
| * 1. What security features (password/ audit trail) are in place to control changes made to:      1. General ledger VAT control accounts? |  |  |
| * + 1. VAT tables set up and change? |  |  |
| * + 1. Tolerance levels?     2. Invoice sales number table? |  |  |
| * + 1. Changes on VAT code on customer files? |  |  |
| * + 1. Changes on VAT code on stock files? |  |  |
| * + 1. VAT calculated on sales invoices or credit notes? |  |  |
|  |  |  |
| * 1. Does the software store and report a VAT return identifier [VRI]? |  |  |
|  |  |  |
| * 1. How does the software ensure that that each eligible posting is reported only once in a VAT return? |  |  |
|  |  |  |
| **Method of operation** |  |  |
|  |  |  |
| * 1. VAT basis. Can the software handle:      1. Invoice (standard) accounting? |  |  |
| * + 1. Cash accounting? |  |  |
|  |  |  |
| * 1. If the software can handle both invoice (standard) and cash methods of accounting for VAT is the basis clearly identified during set up? |  |  |
|  |  |  |
| * 1. Does the software allow for a switching between methods?   If Yes:- |  |  |
| * + 1. Is the change fully supported by audit trails to ensure proper VAT treatment of all transactions? |  |  |
| * + 1. Is this ability to change a basis of accounting clearly flagged, i.e. users warned etc. |  |  |
| * + 1. Does the software alert the user that they require HMRC authorisation if they attempt to apply, retrospectively, the ‘Cash Accounting Scheme’ for VAT accounting? |  |  |
| * + 1. Does the software provide useful and relevant information on switching in the software help section? |  |  |
|  |  |  |
| * 1. Can the software handle the following VAT schemes:-       1. Annual accounting scheme? |  |  |
| * + 1. Flat rate scheme? |  |  |
| * + 1. Retail schemes? |  |  |
| * + 1. Account for VAT on the margin? |  |  |
|  |  |  |
| * 1. Can the software be configured to handle partial exemption methods? |  |  |
|  |  |  |
| * 1. Please state the number of VAT codes available for VAT analysis. |  |  |
|  |  |  |
| * 1. How does the software handle:-      1. Outside scope? |  |  |
| * + 1. Distance selling (supply to an unregistered EC customer)? |  |  |
|  |  |  |
| * 1. How the software handle EC VAT:-      1. Goods and related service? |  |  |
| * + 1. Services only? |  |  |
| * + 1. Process? |  |  |
| * + 1. Triangulation? |  |  |
|  |  |  |
| * 1. Does the software include the functionality to identify EU acquisitions? |  |  |
| If Yes:-   * + 1. Can the software generate acquisition tax? |  |  |
|  |  |  |
| * 1. Can a report be generated of all EU acquisitions and the amounts of acquisition tax generated? |  |  |
|  |  |  |
| * 1. Does the software include the functionality to identify transactions liable to reverse charge VAT? |  |  |
| If Yes:-   * + 1. Can the software generate reverse charge VAT? |  |  |
|  |  |  |
| * 1. Can a report be generated of all transactions liable to reverse charge VAT, and the amounts of tax where so generated? |  |  |
|  |  |  |
| * 1. Does the software have a facility to reconcile the VAT returns amounts for input, output and net VAT payable/recoverable to the General ledger control account? |  |  |
|  |  |  |
| * 1. How does the software handle late transactions posted outside the closed VAT return period? |  |  |
|  |  |  |
| **Input VAT (purchases)** |  |  |
| * 1. Can the software handle VAT inclusive amounts and automatically calculate the input VAT? |  |  |
|  |  |  |
| * 1. Does the software require the following to be entered:-      1. Supplier reference? |  |  |
| * + 1. Supplier document reference? |  |  |
| * + 1. Internal document reference? |  |  |
| * + 1. Invoice tax point date? |  |  |
| * + 1. Invoice posting period date? |  |  |
| * + 1. Invoice gross total? |  |  |
| * + 1. Invoice VAT amount? |  |  |
| * + 1. Individual invoice lines:-        1. Net amount? |  |  |
| * + - 1. VAT rate?       2. VAT code? |  |  |
|  |  |  |
| * 1. Does the software validate individual invoice line VAT amounts against the total invoice of VAT (less early settlement at discount) and accept or reject the amount subject to the software tolerance? |  |  |
|  |  |  |
| * 1. Can the user override the software derived input VAT amount and input VAT as shown on the supplier invoice? |  |  |
|  |  |  |
| * 1. Does the software allow VAT to be reclaimed on the basis of registered but unposted invoices? |  |  |
| If Yes:-  Does the software flag the status as:-   * + 1. VAT not yet reclaimed? |  |  |
| * + 1. VAT claimed? |  |  |
|  |  |  |
| **Output VAT (sales)** |  |  |
| * 1. Does the software generate sales invoices? |  |  |
|  |  |  |
| * 1. For each invoice generated is the following information included on the sales invoice:-      1. Unique software generated invoice sequential reference? |  |  |
| * + 1. Company name, address, EC country code and VAT number? |  |  |
| * + 1. The time of supply (tax point) |  |  |
| * + 1. Date of issue (if different to the time of supply) |  |  |
| * + 1. Customer’s name (or trading name) and address, EC country code and VAT number (if applicable) |  |  |
| * + 1. The unit price [applies to countable goods or services. E.g. an hourly rate; or a price for standard services.] |  |  |
| * + 1. A description which identifies the goods or services supplied? |  |  |
|  |  |  |
| * 1. Does the software identify supplies that are zero-rated, exempt, no VAT applicable?      1. Is this on the face of the invoice? |  |  |
|  |  |  |
| * 1. Does the software handle Proforma invoices? |  |  |
| If Yes:-   * + 1. Are the invoices clearly identified as “this is not a tax invoice”? |  |  |
|  |  |  |
| **VAT Reporting** |  |  |
| * 1. Does the software produce a VAT 100 form as standard? |  |  |
| If No:-   * + 1. Does the software have a means of producing reports that support the completion of the VAT return? |  |  |
|  |  |  |
| * 1. Is the VAT return information available by report on a three monthly basis or any other specified period? |  |  |
|  |  |  |
| * 1. Is there a detailed and summary analysis of all transactions included in each return sorted by VAT code and transaction type making up the total in each of the boxes on the VAT 100 Form? |  |  |
|  |  |  |
| * 1. Can the VAT return be recreated showing all the transactions which were included in the original VAT return? |  |  |
|  |  |  |
| * 1. Does the software have a separate VAT audit log? |  |  |
| * 1. Note where the software details the following non routine event in the audit trail or VAT audit log etc:-      1. Changes to VAT tables. |  |  |
| * + 1. Change from invoice/cash VAT accounting or other Schemes. |  |  |
| * + 1. VAT tolerance. |  |  |
| * + 1. Changes to VAT rates on customer, supplier, product master files.   Please specify |  |  |
|  |  |  |
| * 1. Are the above changes noted above stamped with a:-      1. User id? |  |  |
| * + 1. Software generated unique reference number? |  |  |
| * + 1. Date and time? |  |  |
|  |  |  |
| * 1. VAT postings      1. Are all VAT postings recorded in the audit trail or VAT audit log? |  |  |
| * + 1. Does the software denote whether each transaction has been included in a reconciled VAT return? |  |  |
| * + 1. How does it denote which VAT Return the transaction has been included in? |  |  |
|  |  |  |
| * 1. Does the software produce a VAT Exception report detailing such transactions as:-      1. VAT amounts outside tolerance levels? |  |  |
| * + 1. Manual changes to software generated VAT? |  |  |
| * + 1. Write offs |  |  |
| * + 1. Zero value invoices? |  |  |
| If No for any of the above:-   * + 1. How does the software document these occurrences? |  |  |
|  |  |  |
| * 1. Does the software handle “intra-community” supply of goods? |  |  |
|  |  |  |
| * 1. Does the software support production of an EC Sales List? |  |  |
| If Yes:-   * + 1. Does the report show the country code, the customer name, their EC VAT number, the invoice reference and indicators for different types of despatches? |  |  |
|  |  |  |
| * 1. Does the software produce invoice level reports that enable every value on each EC Sales List report to be traced to source documents? |  |  |
|  |  |  |
| * 1. Does the software have a means of ensuring that each eligible posting on the EC Sales List is reported only once? (Please state how this is done within the software). |  |  |
|  |  |  |
| * 1. How does the software handle triangulation? E.g. a movement of goods without a related invoice transaction. |  |  |
|  |  |  |
| * 1. Does the software produce the relevant documents in a format [e.g. CSV or XML] that can be uploaded direct to the HMRC gateway? |  |  |
|  |  |  |
| * 1. Can these be electronically transmitted direct from the system? |  |  |
|  |  |  |
| * 1. Does the software produce Intrastat reports where applicable? |  |  |
|  |  |  |
| * 1. How are errors on VAT accounts corrected? |  |  |
|  |  |  |
| * 1. How does the software handle the VAT on purchase and sales ledger contras? |  |  |
|  |  |  |
| * 1. How does the software handle partially allowable expenditure, e.g. VAT on petrol invoices where employees are provided with petrol (adjustment required for own use)? |  |  |
|  |  |  |
| * 1. Can the software handle cheque refunds to customers?   If Yes:-   * + 1. How is the VAT accounted for under cash accounting? |  |  |
|  |  |  |
| * 1. Can the software handle invoices with multiple rates of VAT? |  |  |
|  |  |  |
| * 1. How does the software handle write off of bad debts and the related VAT? |  |  |
|  |  |  |

1. Currency

|  |  |  |
| --- | --- | --- |
|  |  |  |
| * 1. Is multi-currency processing available?  If Yes:-      1. State number of currencies available.   Does this cover:-   * + 1. General ledger? |  |  |
| * + 1. Sales ledger? |  |  |
| * + 1. Purchase ledger? |  |  |
| * + 1. Stock? |  |  |
|  |  |  |
| * 1. Is conversion to sterling automatic?   If Yes:-  Does this cover-   * + 1. General ledger? |  |  |
| * + 1. Sales ledger? |  |  |
| * + 1. Purchase ledger? |  |  |
| * + 1. Stock? |  |  |
|  |  |  |
| * 1. Can the user select which currency to value each of the ledgers?   If Yes:-  Does this cover:-   * + 1. General ledger?     2. Sales ledger?     3. Purchase ledger?     4. Stock? |  |  |
|  |  |  |
| * 1. What are the currency capacities? |  |  |
|  |  |  |
| * 1. What are the maximum and minimum exchange rates? |  |  |
|  |  |  |
| * 1. What approach will the Software House take towards handling the EURO? |  |  |
|  |  |  |
| * 1. What currency information is held:      1. Currency Code/description? |  |  |
| * + 1. Country? |  |  |
| * + 1. Currency rate table? |  |  |
| * + 1. Date rates effective from-to? |  |  |
| * + 1. Previous rates held? |  |  |
|  |  |  |
| * 1. Can a base currency be selected? |  |  |
|  |  |  |
| * 1. Can the user over ride the exchange rates during a transaction? |  |  |
|  |  |  |
| * 1. Can the user change the exchange rates per account? |  |  |
|  |  |  |
| * 1. Is there a restriction on accounts to a single selected currency?   If Yes:-   * + 1. What controls are in place over any changes? |  |  |
|  |  |  |
| * 1. Can the user manually over ride the currency calculation? |  |  |
|  |  |  |
| * 1. Are gains or losses on currency calculations automatically processed? |  |  |
|  |  |  |
| * 1. Can the user over ride the calculation /processing of currency gains and losses? |  |  |
|  |  |  |
| * 1. Can a user override an exchange rate on each transaction? |  |  |
|  |  |  |
| * 1. Can the user define the treatment of foreign exchange gains/losses i.e. where posted to in the general ledger? |  |  |
|  |  |  |
| * 1. Can ledger accounts be defined to take invoices/payments in specified currencies/ multiple currencies? |  |  |
|  |  |  |
| * 1. Does the software prevent the deletion of the active currency? |  |  |
|  |  |  |
| * 1. Does the software prevent use of duplicate currency codes? |  |  |
|  |  |  |
| * 1. Can currency transactions be entered in selected currency and/or base currency? |  |  |
|  |  |  |
| * 1. Can transactions be entered in multiple currencies? |  |  |
|  |  |  |
| * 1. How does the software handle exchange differences? |  |  |
|  |  |  |
| * 1. How does the currency treat revaluations relating to:      1. Ledgers (sales/ purchases) |  |  |
| * + 1. Monetary assets/ liabilities |  |  |
| * + 1. General ledger accounts? |  |  |

1. Sales Order Processing and Invoice Production

|  |  |  |
| --- | --- | --- |
|  |  |  |
| * 1. Does the software start with a quotation or the sales order? |  |  |
|  |  |  |
| * 1. Are recurring or schedule orders handled? |  |  |
|  |  |  |
| * 1. At quotation or initial order stage state how does the software:      1. Checks stock availability?      2. Highlight alternative stock? |  |  |
|  |  |  |
| * 1. How does the software check credit status of customer:      1. On receipt of order?      2. Prior to dispatch? |  |  |
|  |  |  |
| * 1. Can the software block:      1. Customer orders?      2. Deliveries?      3. Invoice production? |  |  |
|  |  |  |
| * 1. Where stock is not available is a “back order” raised and a purchase order issued? |  |  |
|  |  |  |
| * 1. Does the software handle forward orders?   If Yes is this:-   * + 1. Only when stock is now available?     2. Allocated from future planned stock? |  |  |
|  |  |  |
| * 1. Can multiple addresses be held for each customer (invoice and delivery address). |  |  |
|  |  |  |
| * 1. Are the following documents produced:      1. Quotations?      2. Order confirmation?      3. Picking lists?      4. Labels?      5. Dispatch/Delivery note?      6. Invoices? |  |  |
|  |  |  |
| * 1. Are the following reports available:      1. Quotes for which orders not received?      2. Orders received (analysis)?      3. Items placed on backorder and/or purchase orders raised?      4. Items dispatched not invoiced?      5. Items ordered but not dispatched due to stock out?      6. Gross margin (by invoice or item)? |  |  |
|  |  |  |
| * 1. Are invoice details derived from order input? (e.g. prices, quantity*)* |  |  |
|  |  |  |
| * 1. Can picking lists /dispatch notes be amended for non-availability of stock?   If Yes:-   * + 1. Is this reported?     2. Are the items dispatched reflected in final invoice? |  |  |
|  |  |  |
| * 1. Is there one dispatch note and invoice per order? |  |  |
|  |  |  |
| * 1. How does the software ensure all dispatches are invoiced? E.g. where multiple dispatches are raised per order, or several orders on a single dispatch note. |  |  |
|  |  |  |
| * 1. Can manual invoices be raised (i.e. without a sales order)? |  |  |
|  |  |  |
| * 1. Does the software produce proforma invoices as required? |  |  |
|  |  |  |
| * 1. Can returned goods be processed to produce credit notes? |  |  |
|  |  |  |
| * 1. Are these referenced to the original order/invoice? |  |  |
|  |  |  |
| * 1. Will the product accept orders from the Web?   If Yes:-   * + 1. How are web orders integrated with the sales order processing ledgers?     2. What control features are available for checking web orders before processing? |  |  |

1. Purchase Order Processing

|  |  |  |
| --- | --- | --- |
| * 1. Does the software generate suggested orders?   2. Can orders be generated by the user? |  |  |
|  |  |  |
| * 1. Is the software easy and efficient to use, i.e. scroll backwards and forwards in the product file, tagging more than one item per order? |  |  |
|  |  |  |
| * 1. Can more than one supplier be allocated to each product? |  |  |
|  |  |  |
| * 1. Does the software hold details of substitute products if applicable? |  |  |
|  |  |  |
| * 1. Based on automatic and manual order generation (above) does the software produce a list of proposed purchase orders, if so, can these be easily amended? |  |  |
|  |  |  |
| * 1. Is stock availability updated for stock on order? |  |  |
|  |  |  |
| * 1. Can the software handle partially completed orders and returns? |  |  |
|  |  |  |
| * 1. Are receipts checked to orders and discrepancies reported? |  |  |
|  |  |  |
| * 1. Are purchase invoices checked to purchase orders, confirmed receipts and discrepancies reported? |  |  |
|  |  |  |
| * 1. Are the following reports available:      1. Purchase Orders raised (analysis)?      2. Purchase Orders not received?      3. Goods received discrepancies?      4. Invoice to goods received discrepancies?      5. Goods received not invoiced? |  |  |
|  |  |  |
| * 1. Can the software handle “back to back” ordering? |  |  |

1. Stock Control

|  |  |  |
| --- | --- | --- |
| * 1. What information is held in respect of stock (and are there any limits):-       1. Item numbers/ description? |  |  |
| * + 1. Location(s)? |  |  |
| * + 1. Quantity, (available, allocated, on order)? |  |  |
| * + 1. Minimum and maximum stock levels? |  |  |
| * + 1. Reorder lead times? |  |  |
| * + 1. Supplier(s)? |  |  |
| * + 1. Prices/cost/ discount details? |  |  |
| * + 1. Batch/serial number? |  |  |
| * + 1. Weights etc? |  |  |
| * + 1. Other – please specify? |  |  |
|  |  |  |
| * 1. How is stock updated?      1. Dispatch of goods? |  |  |
| * + 1. Receipt of goods? |  |  |
| * + 1. Adjustments? |  |  |
| * + 1. Transfers between locations? |  |  |
|  |  |  |
| * 1. Is negative physical stock allowed? |  |  |
|  |  |  |
| * 1. Can the software handle “sale or return” stock? |  |  |
|  |  |  |
| * 1. Can the software handle variations to a standard pack of products? |  |  |
|  |  |  |
| * 1. What methods of stock valuations are allowed?        1. Average |  |  |
| * + 1. FIFO |  |  |
| * + 1. LIFO |  |  |
| * + 1. Standard cost |  |  |
| * + 1. Other – please specify |  |  |
|  |  |  |
| * 1. How can stock enquiries be made, i.e. by product code, short name/supplier etc. |  |  |
|  |  |  |
| * 1. Does the software track orders and enable enquiries by date, e.g. list of all stock due on a particular day; stock to be dispatched on a set date? |  |  |
|  |  |  |
| * 1. Does the software facilitate the regular counting/ inspection of physical stock (e.g. by producing random/defined stock check lists)? |  |  |
|  |  |  |
| * 1. Can the software handle more complex situations such as:       1. Bill of materials |  |  |
| * + 1. Links to CAD/CAM systems |  |  |
| * + 1. Job costings to collate and value WIP. |  |  |
|  |  |  |

1. User Documentation

|  |  |  |
| --- | --- | --- |
| This section applies to any of: online, hardcopy or other (e.g. WWW) documentation – specify which are applicable. | | |
|  |  |  |
| * 1. Is the manual clearly laid out and understandable? |  |  |
|  |  |  |
| * 1. Is the manual comprehensive and accurate? |  |  |
|  |  |  |
| * 1. Is there an index to the manual? |  |  |
|  |  |  |
| * 1. Is it easy to locate specific topics in the manual when required? |  |  |
|  |  |  |
| * 1. Is it easy to follow through all procedures in the manual? |  |  |
|  |  |  |
| * 1. Does the manual include:      1. A tutorial section? |  |  |
| * + 1. A guide to basic functions? |  |  |
| * + 1. Pictures of screens? |  |  |
| * + 1. Completed examples included in the manual? |  |  |
| * + 1. Specific “error correction” procedures? |  |  |
| * + 1. VAT information? |  |  |
|  |  |  |
| * 1. Does the documentation clearly specify the actions to be taken by users at each important stage of processing? |  |  |
|  |  |  |
| * 1. Are help screens available relating to the task in hand? (context sensitive help). |  |  |
|  |  |  |
| * 1. Do they provide on-line instructions on how to use particular features of the software? |  |  |
|  |  |  |
| * 1. Can they be edited or prepared by the user? |  |  |
|  |  |  |
| * 1. Will the Software House make the detailed program documentation (e.g. file definitions for third party links) available to the user, either directly or by deposit with a third party? |  |  |
|  |  |  |

1. Efficiency

|  |  |  |
| --- | --- | --- |
| * 1. Are the various functions of the software menu-driven, or otherwise easy to initiate? |  |  |
|  |  |  |
| * 1. Is there a good response time in the initiation of functions? |  |  |
|  |  |  |
| * 1. Is data entry easily repeated if similar to previous entry? |  |  |
|  |  |  |
| * 1. Does the software prevent access to a record while it is being updated? |  |  |
|  |  |  |
| * 1. Is there locking at file or record level? |  |  |
|  |  |  |
| * 1. Does the software allow for the running of reports whilst records are being updated? |  |  |
|  |  |  |
| * 1. Does the software retain a log of file updates until the next occasion on which the relevant information is reported or the relevant file used in a regular control procedure? |  |  |
|  |  |  |
| * 1. Can regular reports be easily duplicated if required? |  |  |
|  |  |  |
| * 1. Does the software warn the user when space is becoming short? |  |  |
|  |  |  |

1. Integration and www facilities

|  |  |  |
| --- | --- | --- |
| * 1. Are the different accounting modules integrated? |  |  |
|  |  |  |
| * 1. Are they integrated on real time basis or batch basis? |  |  |
|  |  |  |
| * 1. Can the integration of batches be by batch, weekly or monthly? |  |  |
|  |  |  |
| * 1. Is the ledger updating process satisfactorily controlled by the production of control reports? |  |  |
|  |  |  |
| * 1. What operating systems does the software run under? |  |  |
|  |  |  |
| * 1. Which databases can be used? |  |  |
|  |  |  |
| * 1. Can more than one software function be performed concurrently? |  |  |
|  |  |  |
| * 1. Can the software be linked to other packages e.g. word processing, graphics, financial modelling, to provide alternative display and reporting facilities? |  |  |
|  |  |  |
| * 1. Can definable links to spreadsheets be created? |  |  |
|  |  |  |
| * 1. Does the software integrate with any web trading software?      1. External or |  |  |
| * + 1. Suppliers own? |  |  |
|  |  |  |
| * 1. Note which other business application software that can be linked to the software:       1. Payroll? |  |  |
| * + 1. Time/fees? |  |  |
| * + 1. MRP? |  |  |
| * + 1. Fixed assets? |  |  |
| * + 1. Document management software? |  |  |
| * + 1. Job costing? |  |  |
| * + 1. CIS? |  |  |
| * + 1. Other – please specify? |  |  |
|  |  |  |
| * 1. Is the software compatible with XML standards? If so in what respect? (input/ output/ other)? |  |  |
|  |  |  |

# 19 Support and maintenance

|  |  |  |
| --- | --- | --- |
| * 1. How is the software sold:      1. Direct from Software House? |  |  |
| * + 1. Via Value Added Reseller (VAR)? |  |  |
|  |  |  |
| * 1. How is the product supported:-      1. Direct by Software House? |  |  |
| * + 1. By VAR? |  |  |
|  |  |  |
| * 1. Is the software sold based upon number of users or number of concurrent users? |  |  |
|  |  |  |
| * 1. Do VARs have to go through an accreditation process? |  |  |
| If Yes:-   * + 1. Please note the process. |  |  |
| If No:-   * + 1. Please explain how organisations are chosen to be VAR? |  |  |
|  |  |  |
| * 1. In the event of a dispute between Supplier and VAR how can the situation be resolved? |  |  |
|  |  |  |
| * 1. Detail the types of cover available. |  |  |
|  |  |  |
| * 1. Please note all method of support available :-      1. Telephone. |  |  |
| * + 1. Internet. |  |  |
| * + 1. Other – specify. |  |  |
|  |  |  |
| * 1. Please provide an indicative cost of cover and what is included. |  |  |
|  |  |  |
| * 1. How often are general software enhancements provided? |  |  |
|  |  |  |
| * 1. Will they be given free of charge? |  |  |
|  |  |  |
| * 1. How are enhancements and bug fixes provided to customers? |  |  |
|  |  |  |
| * 1. Is “hot line” support to assist with immediate problem solving available?   2. If so, is there an additional cost involved?   3. At what times will this support be available? |  |  |
|  |  |  |
| * 1. Who provides training:      1. Software House?      2. VAR? |  |  |
|  |  |  |
| * 1. Is hardware and maintenance   provided by:   * + 1. Software House?     2. VAR? |  |  |
|  |  |  |
| * 1. Is a warranty offered in respect of specification of the software? |  |  |
|  |  |  |
| * 1. Will the software supplier/dealer make the program source code available to the user, either directly or by deposit with a third party (Escrow)? |  |  |
|  |  |  |
| * 1. Are there any unduly restrictive conditions in the license for the software? |  |  |

Additional questions for SaaS providers

**The following SaaS sections do not form part of the accreditation and are for information only.**

The ICAEW recommend that potential users undertake relevant financial and suitability due diligence on software and service providers.

1. Security and continuity of processing – SaaS (FOR INFORMATION ONLY)

|  |  |  |
| --- | --- | --- |
| * 1. Are different levels of security provided to control access to the product/service? |  |  |
|  |  |  |
| * 1. What forms of user authentication are supported e.g. user names, passwords certificates, tokens etc? |  |  |
|  |  |  |
| * 1. What is the proposed product/service availability percentage? |  |  |
|  |  |  |
| * 1. Is the service available 24x7 or are there downtime periods for maintenance? |  |  |
|  |  |  |
| * 1. Is a service level agreement offered regarding service availability? |  |  |
|  |  |  |
| * 1. Is the customer made aware of maintenance periods in advance? |  |  |
|  |  |  |
| * 1. Does the product/service require the use of any technologies that may be considered as a security risk? e.g. ActiveX, JavaScript, Cookies.   If so, describe how the user can mitigate this risk. |  |  |
|  |  |  |
| * 1. Where the product/service relies upon downloading and running an executable program, has that program been secured with a digital certificate to verify the source and integrity of the program? |  |  |
|  |  |  |
| * 1. Is data for different customers/companies kept:-      1. On separate servers?      2. In different databases?      3. In separate database tables?      4. In a database with data for other customers and companies using identification codes with each record? |  |  |
|  |  |  |
| * 1. How is it ensured that data for different customers and companies is reliably identifiable and only accessed by authorised users for each customer/company? |  |  |
|  |  |  |
| * 1. Are there any situations where users from one customer/company can work with data from another customer/company? |  |  |
|  |  |  |
| * 1. What are the implications of the Data Protection Act over information held by the service provider? |  |  |
|  |  |  |
| * 1. Does the application software:-      1. Require any client software to be installed on the user’s computer?      2. Work entirely within Internet Browser software on the user’s computer? |  |  |
|  |  |  |
| * 1. Are communications between the user’s computer and the software service encrypted:-      1. User log in data only?      2. All data exchanged between user client and software service? |  |  |
|  |  |  |
| * 1. What security steps are taken to prevent and detect intrusion attempts?      1. Is firewall hardware and software used to protect the live systems from unauthorised access?      2. Which monitoring software is used to create alerts when intrusion attempts are suspected?      3. Are designated staff responsible for receiving and urgently responding to these alerts?      4. Have clear procedures been established for identifying and responding to security incidents?      5. Is all security sensitive software, such as operating systems and databases, kept up to date with the latest software patches? Please indicate how regularly updates are applied.      6. List procedures and software tools in place to prevent or detect and eliminate interference from malicious code, such as viruses? |  |  |
|  |  |  |
| * 1. Is a system log maintained by the service provider that details      1. User access      2. User activity      3. Error messages      4. Security violations? |  |  |
|  |  |  |
| * 1. Is this log available to the customer? |  |  |
|  |  |  |
| * 1. Have been any successful unauthorised access attempts been made during the last year?   If Yes:-   * + 1. What was the effect on the business and users?     2. What steps are in place to prevent this happening in future? |  |  |
|  |  |  |
| * 1. Is penetration testing regularly carried out by (please indicate frequency of tests):-      1. Staff specialising in this field?      2. External specialists?      3. Are procedures in place to ensure that any weaknesses found by penetration testing are addressed quickly?      4. If penetration testing by a specialist is not performed regularly, please indicate the main procedures in place to identify weaknesses? |  |  |
|  |  |  |
| * 1. Are security procedures regularly reviewed? Please indicate frequency of reviews. |  |  |
|  |  |  |
| * 1. Are users automatically logged off after a preset time not using the system?      1. Can the time period be changed?      2. Can any information be viewed without being logged in, including after logging off, if so what information? |  |  |
|  |  |  |
| * 1. Data validation      1. To what extent is data input by users validated by scripts or routines in the browser, or other client software, before transmission to the server?      2. To what extent is data input by users validated by routines running on the server before data files are updated?      3. Does the above validation ensure that data entered in all input boxes: * Cannot be longer than a maximum length? * Cannot contain unaccepted characters such as semi-colons etc?   + 1. Are any data files, such as budgets or price updates, imported by users validated by routines running on the server before main data files are updated? |  |  |
|  |  |  |
| * 1. Are system messages clear? |  |  |
|  |  |  |
| * 1. Are user responses properly structured to ensure that erroneous input does not lead to inappropriate actions? |  |  |
|  |  |  |
| * 1. Are all data entries or file insertions and updates controlled to ensure that should part of a data entry fail the whole transaction fails?      1. Are alerts sent to technical support staff when incidents occur to enable data update problems to be investigated and resolved?      2. Are messages provided to users clearly explaining whether the data entry or file upload has been processed successfully or not? |  |  |
|  |  |  |
| * 1. Explain the procedures in place to ensure the security of customer data held by the service provider, in particular:-      1. Procedures to prevent unauthorised access from staff, or contractors, working for the service provider or any other people with access to the service provider’s internal systems?      2. Is there sufficient segregation of duties preventing system developers from accessing and changing live applications and data files?      3. Are there sufficient review and approval procedures covering system operations staff when emergency changes need to be made to live applications and data?      4. Is an audit trail always maintained of these emergency changes?      5. What procedures are in place when members of staff leave to ensure that their system access is stopped? |  |  |
|  |  |  |
| * 1. What are the physical controls over the:-      1. Premises?      2. Fileservers?      3. Communications equipment? |  |  |
|  |  |  |
| * 1. Is Internet communication traffic monitored to identify potential problems before they happen? |  |  |
|  |  |  |
| * 1. What procedures are in place to prevent a break in Internet Connection (at the server, client or in between) from causing data corruption? |  |  |
|  |  |  |
| * 1. Is there a clear indication in the software or accompanying documentation of the extent to which the customer or the service provider is responsible for backups and recovery? |  |  |
|  |  |  |
| * 1. Backups by service provider      1. Explain the backup procedures applied by the service provider including:      2. Are backup procedures automatic?      3. What is backed up and how frequently?      4. The backup media used for the main backups?      5. Are backups kept for a sufficient time in case problems, such as data corruption, are not identified until a while later? Please indicate how long backups are kept before they are overwritten.      6. Where backups are located and whether there are always at least two up to date backups stored at a different location to the service provider’s main server location?      7. How frequently backups are tested? |  |  |
|  |  |  |
| * 1. Backups by users      1. Is it possible for users to download a backup of their own data?      2. If so, is the downloaded data in a format which can be viewed with relative ease in other software such as PC based spreadsheets or databases?      3. Is the user forced or prompted to backup at certain intervals?      4. Can the intervals be customised?      5. If sole responsibility for backups rests with users, explain the system, documentation and training support available to ensure that adequate backups are taken and can be used for recovery.      6. Are there facilities to test recovery with user managed backups? |  |  |
|  |  |  |
| * 1. Are contingency plans in place to enable a quick recovery from:-      1. Database or application software corruption?      2. Hardware failure or theft?      3. Fire, flood and other disasters?      4. Communication failures?      5. How often are these plans tested?      6. What is the longest period of time envisaged that service may not be available?      7. Are contingency plans documented?      8. How often are these plans reviewed and updated?      9. If transaction records are dated and time stamped are the times used local to the user or based on where the server is located? |  |  |
|  |  |  |
| * 1. Application change management:-      1. Do application changes automatically apply to all customers and users?      2. Are users able to test beta versions of the application before new versions go into live use?      3. Are users given notice before application changes are applied to the live system?      4. Are there sufficient internal testing and approval procedures applied by the service provider before all application changes are put into live use?      5. Are users informed when they next login of the application changes that have gone into live use?      6. Are sufficient application and data backups maintained to enable a roll back to an earlier version if recent application changes cause problems? |  |  |
|  |  |  |
| * 1. Reliance on key staff      1. What steps been taken to avoid undue reliance on individual members of staff?      2. Are there any individual members of staff whose leaving or illness would significantly reduce, or even stop, the service provider’s ability to provide a full and reliable service to customers? |  |  |
|  |  |  |
| * 1. What protection is in place to enable users to able to access their accounting and other data if the service provider should experience serious difficulties, cease trading or decide to stop providing the service? |  |  |
|  |  |  |
| * 1. Do these arrangements include:-      1. Standby arrangements for another organisation to continue providing the full service?      2. Minimal arrangements to at least enable customers to access their data for a sufficient period of time to extract data copies, produce reports and make alternative arrangements?      3. Up to date copy of system documentation, source code, scripts, database schema and procedures lodged with a third party under an Escrow agreement? |  |  |
|  |  |  |
| * 1. If the system is hosted by another party are there arrangements in place for this third party to continue providing a hosting service in the short term to allow time for customers to negotiate their own arrangements?      1. If so how long does the arrangement allow? |  |  |
|  |  |  |
| * 1. Is there a user group or committee in existence with sufficient information and understanding to take the lead in setting up arrangements, should the service provider cease trading or decide to stop providing the service? |  |  |
|  |  |  |
| * 1. Are there any licence or trading agreements which would become invalid should the service provider go into administration or cease trading?      1. If so what steps have been taken to protect customers from the impact of this situation arising? |  |  |
|  |  |  |
| * 1. What payment options are available for using the software / service? |  |  |
|  |  |  |
| * 1. Where online subscription is used, are the forms used to set-up or renew a subscription clear and straightforward to use? |  |  |
|  |  |  |
| * 1. Where online payment is used, what type of security is used to protect sensitive information? |  |  |
|  |  |  |
| * 1. Where online subscription / payment is used, is an invoice provided to the customer and, if so, in what format? |  |  |
|  |  |  |
| * 1. When subscriptions (if applicable) need to be renewed, what advance notice is provided and what is the time limit for renewal? |  |  |
|  |  |  |
| * 1. Is there a procedure for late renewal and is there a time limit after which subscriptions cannot be renewed? |  |  |
|  |  |  |
| * 1. How soon after creating or renewing a subscription (if applicable) can the system / service be used? |  |  |
|  |  |  |
| * 1. What notifications / confirmations are provided to the customer regarding subscriptions and payments? |  |  |
|  |  |  |
| * 1. To what extent are users able to access their accounting and other data if:-      1. They miss one or two payments?      2. They cease being customers? |  |  |

1. Reports extra questions for Saas (FOR INFORMATION ONLY)

|  |  |  |
| --- | --- | --- |
|  |  |  |
| * 1. Are reports produced from the same software as the financial applications or is separate reporting software used? |  |  |
|  |  |  |
| * 1. Does any application software (i.e. other than a web browser or PDF reader) need to be installed on the user’s computer in order to prepare or view the reports? |  |  |
|  |  |  |
| * 1. Is access to the reporting facilities and data these use controlled by the same procedures as access to the main financial applications?      1. If it is different explain the user access control facilities available to ensure information is only viewed by users with appropriate authority? |  |  |
|  |  |  |
| * 1. In what electronic formats are reports produced:-      1. PDF?      2. XML?      3. MS Excel spreadsheet?      4. CSV file?      5. As html for viewing in a web browser? |  |  |
|  |  |  |
| * 1. Are report documents stored on the web server or on the user’s computer?      1. If report documents are stored on the web server are they secure to ensure only users with appropriate authority can get access?      2. If reports can be downloaded to the user’s computer are there adequate warnings about the possible dangers of other computers users being able to view the reports and the need to store the documents in a secure storage location? |  |  |
|  |  |  |
| * 1. For documents viewable in a browser is any data stored on the user’s computer in a web browser cache or temporary file (when viewing the report presented for the browser or for any simplified print layout style options)?   If Yes:-   * + 1. Is there any protection against other users viewing the report or data on which it is based?     2. Is it clear on the reports when they were produced and the date of the data on which they are based, so the user can tell whether they are viewing out of date information? |  |  |
|  |  |  |
| * 1. Are communications between the browser and the server encrypted for any report related communications? |  |  |
|  |  |  |
| * 1. If reports are produced dynamically each time the user views them can historical reports be reproduced at any time?      1. Indicate any reports that are not available after a period of time has elapsed, e.g. events such as period end or records have been purged/deleted. |  |  |
|  |  |  |
| * 1. Can reports viewable in a browser be navigated dynamically by users? For example:-      1. Enabling drill down to more detailed information (Please state the extent of drill down/across functionality available).      2. Altering which columns and rows of data are displayed.      3. Choosing time periods.      4. Specifying selection criteria. |  |  |
|  |  |  |
| * 1. Can report data be reliably copied and pasted direct from browser viewable reports to an MS Excel spreadsheet retaining any table layout? |  |  |
|  |  |  |
| * 1. If reports are incomplete, for instance due to a poor Internet connection, is sufficient information provided to enable the user to notice that some of the report is missing? |  |  |

❖