

## Batcombe Parish Council

# Evaluation of Scribe 2000 Accounts Software

### INTRODUCTION

- 1.1 Accounts software is of great value to larger Councils with a large number of transactions each year. The question is whether it is value for money for a small Council such as ours with a limited number of transactions each year (23 receipts and 40 payments in 2015/16).
- 1.2 The accounts software licence cost £145 (+VAT) when purchased in January 2016. This included a special first year discount of £50. The usual price is £195 (+VAT) for a year's licence.
- 1.3 The accounts software produces a number of reports that the Parish Council requires each year. However, there is a serious drawback with Scribe 2000 in that these reports are produced as .rpt files which require anyone without the software to use a special viewer to view them (a Crystal Reports Viewer). This means that the only way to share these reports electronically would be to print them off and then scan them back into the computer.

### ACCOUNTS

- 2.1 For such a small number of transactions the time saving in entering transactions into the software rather than into an accounts book is minimal if any. Initially this process took considerably longer as the details of each "supplier" (the person or organisation receiving or making payments) had to be entered into the programme. In future years when most suppliers' details are already entered the difference would be between writing a name or scrolling down a list.
- 2.2 Transactions are entered under "cost centres" (which equate to groupings like "The Playing Field") and "codes" (the items appearing in the accounts like "Grass Cutting"). Unfortunately, the codes and cost centres have to be set up before the programme is used and the numbering of the codes cannot then be altered. New codes can be added during the year but these will appear at the end of the list in the Statement of Accounts - see print out of accounts for 2015/16 – instead of being grouped with similar items.
- 2.3 The Statement of Accounts produced by the programme is inadequate as the Financial Statements for the Parish Council, as it does not allow comparison with the previous year's figures or with the budget and does not group the items under different headings. It would have some value as a tool for producing the required Financial Statements, as it provides totals for the items which would save a certain amount of adding up.
- 2.4 The programme also produces the Statement of Accounts required for the Annual Return (confusingly it uses the same name for this Statement of Accounts and the Financial Statements). However, it requires the user to tell the programme which box in the Statement of Accounts each code should be entered in. The figures produced would then need to be copied into the Annual Return. Given the consequences of making a mistake on the Annual Return these figures would need to be checked, so there is no time saving here, but it would provide confirmation the correct figures are being entered.

### REPORTS

- 3.1 **VAT** - The programme provides a copy of the information needed to complete the Form 126 Schedule to reclaim VAT. As this information cannot be copied, it would need to be re-entered into the online form used by HMRC. There would be a small time saving in that the information (including the suppliers' VAT registration number) can be copied from one list rather than from the invoices for the goods supplied. However, as the invoices have to be

kept in order for the internal examination and there were only 24 entries in 2015/16 (many of which were from the same supplier) this saving would be minimal. For any new suppliers the VAT reg numbers and other details have to be entered into the programme.

- 3.2 **Assets Register** – The programme contains an Assets Register. However, this requires the user to enter details of the assets, so there is no time saving – especially as we already have an assets register set up on a computer spreadsheet.
- 3.3 **Section 137 Report** – The programme will produce a list of payments made under the section 137 power. However, as the Council usually only makes one or two payments under this power each year, this does not represent a significant saving.
- 3.4 **Other reports** – The programme will produce a number of other reports if required. These include lists of payments by supplier, receipts by customer, payments by cheque number, payments by voucher number, lists of receipts or payments by each code in all or separate cost centres, lists of bank transfers and transactions by bank account. While of value to a large Council needing to keep control of large numbers of transactions, none of these are necessary for a Council with the limited number of transactions we have, although the list of receipts and payments by code would need to be printed out for the internal auditor if no accounts book is kept.

#### **BANK RECONCILIATIONS**

- 4.1 Currently bank reconciliations are done quarterly by totalling receipts and payments for the quarter and comparing the balance with the total for the two bank accounts. If these totals are not the same the accounts are examined for unrepresented cheques and then for errors.
- 4.2 The Scribe 2000 software contains a bank reconciliation process, which involves checking each transaction against the bank statement for a particular account. The problem with the software is that the checking process has to be completed before software reveals the totals. If there is an error, it is not possible to go back to the checking process, instead the user has to scroll through the individual transactions to find and correct the error which can be time consuming.
- 4.3 The software produces a bank reconciliation which confirms that the bank statements and accounting balances are the same apart from unrepresented cheques. The list of unrepresented cheques is a separate report, which makes sense for a Council with a large number of transactions but means a separate report with one or two entries for a Council of our size.

#### **BUDGETS**

- 5.1 The software has a flexed budget option. This allows a budget to be entered for each cost code and the spread on payments and receipts over different months to be allocated. In terms of preparing a budget for the year this takes a little longer, but allows more flexible comparisons to be made against the budget during the year.
- 5.2 The software has a variety of budget update reports for individual and cumulative months and quarters that can be produced. Example enclosed.

#### **CONCLUSION**

- 6.1 Although the software has some useful features it is primarily aimed at Councils with more complex accounts and a larger number of transactions. For a Council of our size it cannot be considered to be good value for money, as any time savings are likely to be minimal. My recommendation would be to not renew the licence.

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