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Kypera
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KYPERA – PACKAGE AND VENDOR BACKGROUND

Product: Kypera Financials
Version Number: 1.00
Date released: Jan 2003
Lab Test: July/August 2003

Note on terminology
In this review the terms Nominal Ledger(NL) and General Ledger (GL) mean the same thing and are used interchangeably. The former term is British, the latter American. Similarly PL means Purchase Ledger (AP in US) and SL means Sales Ledger (AR in US).

Company
Kypera Ltd is a new name in the accounting software industry, having come into existence as recently as January 2003. However, the company has a good pedigree, being known for many years as Thompson Systems Ltd. Privately owned, Thompson was set up in January 1993 as a value added reseller (VAR) supplying SunSystems and Great Plains accounting packages. It grew to be the fourth largest reseller of Sun in the world and has been a regular exhibitor at Softworld.

However, Thompson has now decided to cut its links with Sun and Great Plains and to market its own product. This is based upon the ICE32 package written by ICE Systems (also reviewed in this AccountingWEB Lab Test series). Both the new product and the company that sells it are named Kypera. Kypera has acquired intellectual property rights to ICE32 and is making substantial enhancements to the software, so it should be considered as a genuine software developer rather than a VAR as before.

Kypera specialises in the supply of financial and procurement software, principally to service companies or commercial companies that wish to attach a good quality set of financials to a bespoke front-end package. The company has a strong showing in government and non-profit-making organisations. Some sample customers are Notts Fire and Rescue Services, The Insolvency Service (a government agency), Crimestoppers and South Yorkshire Housing Association. A typical customer will have four to eight users in the accounts department entering journals, payments and so on. But if a customer also uses Kypera's Web-based purchasing module, there may be a hundred users or more logging in to the system in order to raise requisitions.

Kypera has an associate company called Comino, which supplies accounting software to around 180 housing associations - roughly half of Kypera's business. Comino's package is called UHFS (Universal Housing Financial Services) and is a modified version of Kypera.

Kypera stresses that the accounting software market is now very mature, with many customers on their second or third system. The developer is an expert at migrating from one system to another and making it as close to an upgrade as possible, rather than a root and branch new implementation.

The package

Written in Microsoft's Visual Foxpro, the original ICE32 product is sold to a wide variety of organisations, from single-user sites up to those with 120 users. For more than 25 users, Kypera suggests you use the Microsoft SQL Server version plus a lot of RAM.

ICE32 is a unified ledger design. There is no Summarise and carry forward – all transactions are held in original detail as they were entered. In addition, all transactions of whatever types are held in a single file. The aim is to create one big "transactional database" which may be easily interrogated for reports and does not have the problems associated with keeping a lot of little files in sync.

ICE32 is technically unusual in that it holds no online balances: instead it calculates all totals from transactions at run time. In principle, this design eliminates all the problems associated with maintaining online balances, but experience suggests that calculating balances from transactions "on the fly" can take some time, making the system appear slow. It is impossible to check this out at a demonstration, so I talked to the FD of a company with more than 100 users. He confirmed that response time was not a problem.

Kypera has enhanced ICE32 in three main areas.

The first is in that of Web-based requisition and purchasing. Any user throughout the organisation can log into Kypera and raise a purchase requisition. This can then be authorised by a manager via email and then converted into a purchase order. This module is aimed at organisations with 100 to 200 employees distributed over several sites. It is also particularly relevant in local and central government, where purchasing control is essential.

The second is in the area of management reporting. Kypera has written its own report writer, XLReporter, which runs from within Microsoft Excel and links directly to Kypera's data files.

Third, there is the addition of what Kypera call "corporate logic", and "pre-sets". These are extra facilities to set up transaction templates to fit the exact way you work, and to check data automatically as it is entered in order to reduce errors.

LAB TEST SUMMARY - KYPERA

PACKAGE: KYPERA FINANCIALS

			POOR	FAIR	GOOD	VERY GOOD	EXCELLENT
INVOICING and GL UPDATE	1.1	OPEN PERIOD ACCOUNTING				■	
	1.2	DIRECT INVOICE ENTRY				■	
	1.3	INVOICE AUTHORISATION				■	
	2.1	AUDIT & LEDGER UPDATE				■	
	2.2	ERROR CORRECTION				■	
	3.1	REQUISITIONS AND ORDERS				■	
	3.2	NOMINAL JOURNALS				■	
PAYMENTS	4.1	CREDIT LEDGER ENQUIRY				■	
	4.2	RECEIPTS & CASH ALLOCATION				■	
	4.3	BATCH PAYMENTS				■	
	4.4	BANK RECONCILIATION				■	
	5.1	MULTICURRENCY				■	
	6.1	EASE OF USE RATING				■	
STANDARD REPORTS	7.1	NOMINAL & VAT REPORTS				■	
	7.2	AGED DEBTORS/CREDITORS				■	
MANAGEMENT REPORTING	8.1	NOMINAL CODING STRUCTURE				■	
	8.2	LINKS TO EXCEL				■	
	8.3	REPORT WRITER				■	

1.1. System Design - Open Period Accounting

You can set up as many as 54 periods in Kypera. You define them by manually typing in a table of period start and finish dates.

The Sales Ledger, Nominal Ledger, Purchase Ledger and Cashbook can all operate in their own periods. So while at the beginning of a new month the sales people move forward to the new period, the Purchase Invoice clerk can stay in the previous one until the all invoices for the month have been received.

You can back-post to any open period, and post forwards up to 10 years ahead. Back-posting is controlled by the supervisor, who goes in and defines a period as "current", so that all periods before this period are closed.

If today we are in August, period 8, and an invoice dated June is received, the system will initially attempt to post it back into the June period 6. However, if the supervisor has defined period 8 as current, periods 1-7 are automatically closed and the invoice will be posted to period 8, August.

Back-posting to a prior period is technically far simpler in Kypera than in other systems, because there are no prior period online balances to recalculate (these are all calculated at report run time from transactions).

Date stamping is good. Apart from the invoice date and period number which the operator attaches to the invoice, Kypera automatically date stamps the transaction with the current system date and time. The system date is displayed on the invoice entry screen in read-only format. It also attaches a batch reference and a user code. Good.

Reference Numbers and Transaction Types

Each individual transaction type has its own series of sequential numbers, together with a prefix indicating the transaction type. So, a typical sales invoice number would be SI00003, a purchase invoice PIO00004, a purchase order PO0000101, and so on. Good.

Kypera supplies a standard set of template screens for each transaction type – sales invoice entry, payments entry etc. Users can customise these by moving fields around the screen. If you wanted to create two versions of the one transaction type, for example one Purchase Order screen for entering stock-based purchase orders and one Purchase Order screen for free-text orders, you can create the two different screens, then insert them both into the menus via Kypera's menu builder.

1.2. Direct Invoice Entry

Initial impressions were good. The main screen and the prompts are the standard Windows black and grey. Fields into which you key data have a light blue background, while fields holding automatically generated values have a cream background. A field offering code lookup has a little vertical arrow to the right of it, while date fields have a little calendar to the right, in which you can point and shoot the date. All told, a well-designed and easy to read screen.

Invoice Header
We entered an invoice for account number CAREF001, Careful Courses Ltd.

Wherever you have a lookup field in Kypera, the Pop-Up Wizard allows you to define which fields you want displayed in the lookup list, and in which sort order. Taking the example of the Account Code field for CAREF001, you might decide to display three columns such as account code, the account name, and the town. Then you can define whether to show them sorted into account code or into account name order. Very good.

You can just enter the first letter C, and all the Cs appear in the list. Or you can go into a Find window to enter a string such as "Courses" and search on that.

Kypera displays two dates. Today's date is generated automatically from the system, whereas you have to key in the Transaction Date. When I said: "So by Transaction Date you mean the Document Date?", the demonstrator simply right clicked and brought up an Options menu. Then he went in and changed the Field label there and then to Doc Date just for me. Kypera holds a local or central dictionary on each screen, one item of which is a list of prompts. We just went into the Customised column and entered "Doc Date" as my particular prompt, and from now on my screen displayed the field label Doc Date.

Screens in Kypera are user definable at set up time. Kypera can hold both a Central Dictionary which IT staff would modify for all users, or the individual user can change the screen specially for themselves in the Local Dictionary. Obviously this local flexibility has to be handled carefully but the sheer ease and simplicity of it was very impressive. You can omit fields from the screen, too. So, if you are running Kypera in sterling-only mode, it is very simple to remove the Currency Code box from the screen.

Next the period number was displayed, being the current open period. It would be nice to be able to see a popup that confirms, for example, that period 11 2002 actually refers to the month of February 2003. (Kypera said this field could be added if the user wished).

Invoice Details
When you enter an invoice into Kypera you can enter it as one of three types. You can enter it as an authorised transaction, as a registered transaction or as a forecast transaction.

As an authorised transaction it is fully analysed and passed for payment. As a registered transaction it is awaiting authorisation and not passed for payment. As a forecast transaction it is purely a memo entry not affecting the nominal ledger [you use forecast transactions for modelling purposes, such as cash flow forecasting].

When you enter a registered transaction you can elect to complete the GL analysis now or after the invoice comes back authorised from the manager. We chose to analyse now.

When entering GL lines Kypera allows you to select the GL code by reference to a Stock Code rather than have to go directly into the Nominal ledger. So you can set up a list of product codes as non-stock items covering most types of expense, such as Travel, Stationery, Couriers etc. These are set up to automatically default to a GL code, so if you want to have non-accounts staff posting orders or other such transactions you can thereby shield them from the General Ledger codes. Good.

Many accounts packages do not allow analysis to the product file during purchase invoice entry – I don't know why. But as well as Nominal code, Kypera offers both Stock code, Quantity and Discount fields as well, so during purchase invoice entry you have the facility to record prices of individual items purchased. This is achieved without making the screen look over-complicated. Good.

When you enter the stock code, say "Travel", Kypera displays the GL code associated with this product. In our demo data it was set up as TC-850000-001. We will look at the format of the GL code in detail later. Suffice to say now that each segment within the code, ie "850000" and "001", is independent of the other and driven by a different table. Bringing up the Pop-Up for the GL code, Kypera showed us that the 850000 segment referred to the nominal account, and the 001 segment to the employee incurring the expense. On either of these we could then do an on-screen lookup to see a list of the codes for each and what they meant. Entering even a complex multiple segment code becomes clear and simple.

We did our standard test, entering three detail lines for flights to Oslo, Geneva and Paris. Data entry was clear and intuitive, and there was plenty of room for entering narrative. Users coming from character-based systems can define the Enter key to move to a new field or move to new line, and Up Arrow to move you back to the previous field. If you find the Windows cursor virtually invisible, the active field can be assigned its own background to show you where you are on the screen. Kypera said it usually started new users off with big icons and text to guide them around the screen. Later, when the operators have become familiar with the system, they make the icons small and remove the text so as to give them more screen space.

All told, navigation around the screen was quick and intuitive. A small complaint, though: online Help is not field-sensitive but applies to the entire screen.

The three GL lines appeared in alternative turquoise and white background. A small point, but it guides the eye and makes the screens easy to read.

Finally, Kypera calculated the VAT for us. We were able to amend the VAT amount by a couple of pence to match the supplier's invoice.

1.3. Invoice Authorisation

Invoice authorisation is discussed in section 3.1, Requisitions and Orders

2.1. Update to the GL

It is possible within Kypera to enter invoices in batch mode without updating the GL. Some Kypera users apply this feature for new operators so that their work can be checked before being committed.

However, normal practice with Kypera is to update everything automatically to the PL and GL as soon as the transaction is authorised. Since Kypera allows you to correct errors easily even after posting (see below), there is little need for a checking procedure before update to the GL.

So, having entered the purchase invoice we went into the Nominal Ledger and reviewed the Travel Account. All three of the GL came through, each with its own narrative. Good.

2.2. Error Correction

Most accounts packages still do not allow you to amend a transaction after it has been posted to the General Ledger and you have to enter a reversing transaction. In Kypera, however, you can amend any field you wish.

Suppose that you are in GL enquiry and wish to correct the cost centre analysis on a transaction. In the Lab Test, we simply highlighted the offending transaction on the screen, right-clicked for the Edit menu, then amended the cost centre. It was very simple to do.

At first sight this ability to change anything might appear dangerous. But this is not the case. Rather than simply overwriting the error, Kypera automatically creates a Cancel transaction to reverse the original, followed by a new, corrected, transaction. So, the original transaction is retained on file and there is a full audit trail.

On every enquiry and report menu Kypera offers a set of filter options. One of them is the option to exclude Cancelled transactions. Ticking this box will filter out all the erroneous transactions and their reversals - which is what the manager wants to see. Unticking displays all the transactions on the account including errors and reversals – which is what the auditor wants to see. This really is rather brilliant, since it stops reversals and corrections from disfiguring the management reports but still maintains a full audit trail.

If *all* the lines of the invoice have been analysed to a wrong cost centre, it is easy to call up the invoice lines on the screen, then go down the cost centre column correcting each line. A real time saver.

Finally, note that correcting account or analysis codes in Kypera is far simpler than in other packages because there are no online balances to be recalculated. Kypera calculates balances at run-time from transactions.

3.1. Requisitions, Orders, Workflow

Rather than enter purchase invoices directly, some organisations wish to start earlier in the cycle by raising the original requisition and purchase order on the computer. In this way the whole process from requisition to order to delivery to invoice to payment is automated. In addition, some organisations are setting up direct links with their suppliers to place orders over the Internet.

The whole subject of electronic procurement is in its infancy and the models haven't yet developed. The public sector is taking the lead, under the encouragement of the government's eBusiness initiative. Kypera has developed a requisitioning system that is based upon the Internet and email. This is particularly useful for larger organisations that are geographically dispersed and where orders and invoices have to be passed from HQ to branches for approval by budget holders.

3.1.1. Set Up

When you first set up Requisitioning on Kypera there are about 2½ screens of choices and permissions to enable you to fit the system to your own requirements.

So, you can set up different order types, each of which can ask for different information and be routed differently throughout the organisation. So, an order for stationery might ask for minimal information, and go straight to the supplier without any authorisation. However, a requisition for IT equipment might be much more detailed and be routed to someone in IT for vetting before being issued as an order. Requisitions of another type might all be routed to Purchasing dept to be consolidated into a single purchase order.

You can decide whether each order type needs to be "delivered" on the computer to generate a goods received note (GRN). If the Yes option is selected, the invoice will be compared with the GRN when it is received. If No, it will be compared with the order. Good.

You can check whether a requisition is within budget and either issue a warning or stop it altogether. When comparing against budget you can define whether you are comparing budget against the actual amount invoiced to date, or actual plus orders, or actual plus orders plus requisitions. Or you can just allocate a spend limit to an individual user – Jim Smith is allowed to spend £50,000 this year.

Individual managers can be set up within the authorisation structure and given different authorisation levels.

To me all these parameters and options demonstrates that Kypera has considerable experience in this area and that the system will probably work OK in practice. [Detailed case studies on two procurement customers can be found on Kypera's website].

3.1.2. Raising a Requisition

Requisitions are raised over the Web. So if you are an employee working at home you might go into Internet Explorer and login to Kypera. Then you choose the Create Requisition option. Up comes a list of the order types you are allowed to raise and you choose the one you want.

Raising the requisition was straightforward. We looked up the supplier code easily by typing in part of the name, then entered a company and department code.

When entering details of the item, you can choose to display a grid-type screen for several items, or a free format one. If a lengthy description is required, there's a big memo field. You can also add an internal comment as to "why I need this". In this case the Notes tab goes red, alerting the recipient that they should read it. Good. You can also attach a file to it, such as a specification, or a schedule in Excel.

You then release the requisition to an approver. It goes to them by email and appears in their in-tray. When the approver logs in, it will be in their in-tray. S/he can double click on it to display the detail, and read the Notes and Attachments. The approver can choose to Approve or Reject the requisition, and it now returns to the person who raised it.

At this point the requisition can be printed as a purchase order, either as hard copy or sent by email.

On the screen is a list of available reports, which is a list of outstanding orders and requisitions.

3.1.3. Delivery and Invoicing

Delivery was straightforward too. We chose the Goods Received menu option, which displayed a list of outstanding orders for a particular supplier. We chose our order and the list of items ordered appeared. Then we delivered the quantities. It was all pretty clear, except that where there was a part delivery, we had to manually raise a new line for the remaining quantity.

When the invoice arrived, we called up the supplier, and entered our order number, invoice and amount. Then at the bottom of the screen Kypera displayed the lines of the GRN and we selected the particular lines this invoice related to. The window for displaying the GRN lines was a bit small, but many purchase ordering systems do not cross-refer at all to individual delivery notes. Kypera does. Good.

We had invoiced three of one item, but wished to allocate them all to three different cost centres for reporting purposes. Assigning a quantity of items from a single order line to different jobs or cost centres for reporting purposes is a nasty problem for any procurement system. But Kypera allowed us to move to a Link Page screen, where we could create new lines for each cost centre. This is hardly elegant, but Kypera at least addressed the problem.

In a future release, the developer plans to amend purchase order entry to allow several requisitions for the same part item to be consolidated into one line in the purchase order, but kept separate for reporting purposes.

3.1.4. Invoice Authorisation and Enquiry

If necessary, the invoice can now be sent off for approval via email to the requisitioner, to be authorised in the same way as the original requisition.

The invoice appears in a Task List - a list of orders and invoices that have been approved by others for the individual, or which require the user's approval. Once an order or invoice has been dealt with, Kypera doesn't remove it but puts a red line through, indicating that it has been actioned. The user decides when it actually disappears from the list. A small point, but useful.

Kypera interacts with email in the sense that, if a document such as a purchase invoice is sent to you, when you authorise it you are authorising it direct on the Kypera system. You can also drill down to detail of the invoice plus the originating order and requisition. Kypera mentioned that many users found in practice that it is not necessary to scan an image of the actual supplier invoice into the system - with all this information being available you really don't need to keep an image of the invoice as well.

The invoice and order also hold the approval history. So, if something goes over budget, you've got a record of the person who authorised this excessive amount.

All in all, Kypera's Web requisitioning module seemed to me to sophisticated and convincing, and to have been written by people with considerable practical experience of making these systems work.

3.2. Nominal Journals

Nominal journal entry was good, with a variety of specialist journals available.

There are auto-reversing journals for accruals. In a similar way, you can post "forecast" journals, check their effect on the trial balance, then either choose to delete or confirm them.

You can enter one side of a journal and Kypera will automatically generate the other. For example, by selecting the Petty Cash account in the journal header, every debit entry you key in Kypera will automatically create a balancing credit entry to the Petty Cash account.

You can set up monthly Salaries as a scheduled journal. To remind you when the scheduled journals are to be posted, you can define them as Prompt Before Post. When you log on to Kypera it will come up with a list of scheduled journals that are due to be posted that day.

If you wish to vary the monthly salaries a little, you can, but have to make a new template. So if the journal is going to vary each month, you can call up last month's journal posting and clone it. Then amend and redate the new journal.

You can create apportionment journals that will distribute an expense across cost centres in pre-set percentages. This feature can also be used to create inter-company journals (Kypera allows you to run more than one company within the one database, as long as the companies use a common set of nominal accounts).

4.1. Credit Ledger Enquiry

If you purchase Kypera it is worth making sure you buy a 17-inch screen to go with it. This is because its transaction listing screens – Credit Ledger, Nominal Ledger, Order Daybooks, etc – enable you to have multiple windows open simultaneously, each showing data at differing levels.

To explain this in the case of the Credit Ledger enquiry screen, you have three horizontal windows open simultaneously. The top window displays a list of customers. The middle window displays a list of the transactions on a customer's account, ie sales invoices and payments. The bottom window displays the individual GL lines within each sales invoice. All three windows operate in combination. So, for example, as you highlight a particular customer account in the top window, the middle window displays a list of the outstanding invoices on *this* customer's account. As you click on to any invoice in the middle window, the bottom window displays the individual GL lines within *this* invoice.

This really is very clever, and makes use of the whole concept of Windows to display different views of the same data simultaneously. The windows are resizeable, so you can make the middle one bigger to accommodate an account with many transactions.

To make a good design even better, at the bottom of the screen Kypera displays an Exclude filter box which allows you to select the transactions displayed. You can choose whether or not to show to Registered transactions which have not yet been authorised, to show all items on the ledger, or only Unpaids, or those later than a certain date or period. If you wish to see further information about a transaction, highlight it and right click to bring up a menu. Among the options you can choose to Edit the transaction, or Print it, as well as "drill across" to see related transactions such as the originating order.

The transactions are displayed in grids which may be customised by the user to display the detail they wish to see. For example, only the Outstanding amount of the invoice was showing, and I wanted to see the Original Amount as well. It was the simplest matter to call up a list of available fields and insert the Original Amount field where I wanted.

Throughout the grids are very easy to read: debit values are blue, for example, while credits are red. Using colour this way helps direct the eye through a great deal of information. You can also sort the grid any way you like by clicking onto one of the column headings. Excellent.

4.1.1. Customer Relationship Management

As an add-on module Kypera supplies a CRM (Customer Relationship Management) module within Kypera. This aims to give you a complete bird's eye view of the customer rather than a purely accounting-oriented one you get from a traditional ledger screen.

So the CRM screen is very similar to the credit ledger screen with its three horizontal windows – at the top the list of customers, in the middle the transactions outstanding, at the bottom the item details of each individual transaction. But in addition to the traditional ledger screen of invoices and payments, CRM lets you see all the quotes, orders, deliveries and contacts with client. Kypera's three window design is especially good when looking at the outstanding business with the client, ie quotes and orders. As you scroll down the list of orders and quotations in the middle window, so the bottom window instantly displays the individual items on the order and their status.

CRM also displays on the screen "business cards" of all the contacts you have within the customer's company. There is also a contacts log of all conversations with the customer. You can Diarise actions, assigning tasks to people with an Action date. When the Action date comes round, it will appear as a pop-up on that person's screen.

Probably CRM will come into its own in conjunction with a set of front office distribution modules rather than in a purely back-office financials system. But anyone who wants to maintain a history of contacts and activities with customers or suppliers will find that the CRM module is well worth investigating.

4.2. Receipts & Cash Allocations

You can post cash and allocate it against invoices at the same time. Or, in the case of a complex allocation, you can choose to post it on account and allocate later.

There are a number of different methods of allocation including manual and automatic processes and users can select the most suitable method for each allocation. Manual Cash Allocation is one option. The system prompts for the cash book into which the cash is to be posted, plus the transaction reference, payer and date of transaction. You can then call up a list of invoices due. You simply select from the list and the system will prompt with the invoice amount which can then be overwritten if you want to part-allocate or over-allocate.

If the cheque pays off a large number of invoices, you can choose to display all the invoices on the screen, then use Kypera's standard Toggle and Mark facilities to quickly highlight the ones you want to pay. Good.

4.2.1. De-allocation

When you allocate in Kypera, all the paid transactions are stamped with a unique allocation reference. The reference is displayed on screen and is very helpful as it enables you to see at a glance which invoices were paid off by which payments.

If you find you have allocated cash against the wrong invoice, it is not a problem. You simply identify the allocation reference involved. Then go into the Unallocate menu, and enter the Allocation reference number. Kypera will now automatically undo the allocation. Good.

4.3. Batch Payments

You make regular payment runs to suppliers via the Supplier AutoPayments facility.

You can choose which company you are making payments for, which Purchase Ledger Control account, which bank account and the due date up to which you wish to make payments. You can also choose for just one operator or for one currency.

After making your selection Kypera will automatically generate a list of proposed payments. You can print off this list as hard copy, or email it as a PDF file to a manager for authorisation. Ticking the AutoPayment Locks box will keep the original list unchanged even if the purchase ledger changes while the list is waiting to be authorised.

Once the proposed payments list comes back authorised, you recall the list of proposed payments to the screen. It is very easy to select all the items on the list via with the Mark All button, then use the Toggle button to deselect any invoices in the list which are not to be paid. These Mark and Toggle features have already been mentioned as being standard throughout Kypera when you are processing batches of transactions on-screen.

Once all the invoices to be paid have been selected, Kypera will automatically create payment transactions for each supplier and save them as a BACS file to be transmitted to your bank, or for output in a cheque print run. Kypera has a library of BACS output formats required by most banks in the UK. These are available to users free of charge.

4.4. Bank Reconciliation

Kypera offers both manual and automatic bank reconciliation.

The manual process was straightforward. Kypera asks you for the account to be reconciled, followed by the statement date, statement number and statement balance.

The reconciliation then lists all the un-reconciled transactions for you to tick off against the statement. As with other areas of Kypera you can use the Toggle/Mark facility to select ranges of items or tick individual lines. One clever feature is that you can sort the items you are ticking off into the order you have ticked them. This forces them to

match the order on the statement, making it much easier to compare the items on screen against the items on the statement.

Once you have completed the ticking process a reconciliation report provides a detail of the reconciliation with a summary beneath. If there are any items on the bank statement that have not been entered onto the system (eg direct debits), you can post them now from here.

The manual bank rec was good. Vitally important, Kypera captures the bank statement page number as an allocation reference against each transaction. This means that if the bank account on Kypera and your bank statement get out of kilter and don't reconcile, you can reprint the Kypera bank account sorted into bank statement order and discover where the error lies.

Kypera's automatic reconciliation process enables you to receive a statement from your bank electronically and upload it directly into the system. Kypera will then try to automatically reconcile it to the unreconciled items on the bank account. You can define which criteria Kypera uses (eg cheque number and amount, perhaps.)

You are left with a residue of items that cannot reconcile. You can then manually allocate these as described above.

5.1. Multicurrency

Since the original ICE32 was designed for use in the City of London for commodities trading and funds management, Kypera can handle any number of currencies and can be used in either single currency, multi-currency or dual base currency modes.

Throughout testing, with multi-currency or dual base currency transactions we found that Kypera clearly marked amounts as to whether they were in original or base currency via currency codes such as STG or EUR. Batch payments, aged creditors, and bank reconciliation all clearly displayed the currency involved.

Kypera can operate customer or supplier accounts in multiple currencies. If you issue an invoice in dollars and the customer pays it in yen, Kypera will automatically create an exchange gain/loss journal. If you choose to partially allocate, it will generate a set of internal journals to a cross-currency suspense account to keep the currencies in balance.

Kypera has a forecast revaluation facility which enables it to simulate the effect of exchange rate movements without posting any transactions to the ledger. Forecasting is very useful particularly if you have a lot of currency transactions and exchange rates become volatile.

5.1.1. Revaluation

Transactions are held in original, base currency and dual base currency (if dual base is selected). Furthermore the system stores copies of the original exchange rate and original amount so any changes to base currency caused by revaluation can be

reconciled back to the original posting. So if you are a subsidiary of a US company operating in the UK and have received an invoice in euros, the amount will be held on Kypera in the original currency of euros, in the base currency of sterling, and in the reporting currency of US dollars. Transactions posted in non base currency can be flagged as "revaluable" or "non revaluable". Transactions flagged as non revaluable are excluded from the revaluation process.

The profit or loss in base currency generated by revaluations can be posted to either a pre-defined balance sheet or profit and loss account. Most business would elect to post revaluation amounts to the balance sheet as these are unrealised gains or losses. Kypera handles the unrealised gains and losses very cleverly as once cash is allocated and any gain or loss is realised, the system automatically journals any profit or loss on the balance sheet caused by intermediate revaluations to the realised gain/loss account.

6.1. Ease of Use

Kypera proved very easy to use throughout the review. Screens are clearly designed, and make good use of colour to guide the eye. Data entry is easy and the ability to use the Enter and Up Arrow keys to move forward and back through fields will save keying time.

The ability to design your own lookups is good, allowing the operator to find data quickly and accurately. Processing large numbers of transactions in on-screen lists is assisted by use of the Toggle and Mark options.

Errors are easily corrected. Kypera allows you to amend coding errors in transactions very quickly while still maintaining a full audit trail.

In screen enquiries, the ability to have multiple windows open at once allows you to view data at topmost and lowest levels simultaneously. It is also very easy to modify screens to show the particular items of data you want.

All in all, Kypera offers a very high standard of screen design throughout.

7.1. Standard Reports

Kypera supplies about 300 predefined reports and screen enquiries (or "views") as standard with the system. Any of these predefined views can be customised by the installer and put directly into the Kypera menus. So there is no real distinction between standard reports and customised reports, since all reports are customisable.

Nor is there any real distinction between Enquiry views (which are shown on screen) and Report views (which are printed as hard copy). Every view is initially displayed on screen; if you want to print it, Kypera will automatically apply some extra formatting in order to make the screen enquiry appear like a printed report.

7.1.1. GL Enquiry

The Nominal Ledger screen enquiry has the same design merits as the Credit Ledger mentioned in section 4.1. We started by looking at the Nominal Ledger Movements report. In the topmost window this displays a list of Nominal Accounts, together with recent period balances - a sort of on-screen Trial Balance. As you scroll your way down the list of nominal accounts, the middle window displays the transactions that make up the account balance. Again, the Exclude filter allows you to see only the transactions for a particular period, or since a particular date, or to exclude cancelled transactions.

Similarly, below the middle window listing the individual transactions, there is an additional third window which displays all the individual GL lines within the highlighted source transaction.

Right clicking on a transaction brings up a menu wherein you can Edit it to correct an analysis or account code, or drill across to see related transactions such as the originating purchase order. Excellent.

We looked at the Travel account 85000 and could see all transactions analysed to the Travel account irrespective of the cost centre. Good.

One of the Exclude options within Kypera which deserves particular mention here is the option to exclude or include "forecast" transactions. If you choose to include forecast transactions, Kypera will display all sales and purchase orders on the account as well as invoices. So if you select this option while looking at the Nominal ledger you can effectively run Kypera in Commitment Accounting mode, that is, showing not just historical invoices but committed costs also.

And because Kypera's underlying design means that you calculate totals at run time from transactions, there is no need to maintain one set of online balances for committed costs and one for committed actual costs. All you have to do is to tick or untick this box.

7.1.2. VAT Report

Kypera records VAT against each transaction detail line and therefore permits different rates within the one invoice. It also handles partially reclaimable VAT which apparently is particularly important for users in the charitable sector.

On the reporting side, VAT returns may be made as frequently as you like. Kypera provides a summary report in VAT Return format. There is also a range of transaction reports that give detailed analysis to back up the VAT return.

Companies that close the Purchase Ledger period at the end of the month will have purchase invoices where the VAT period (based on invoice date) differs from the GL period. Kypera records the period of the VAT Return in which each transaction was reported. This enables you to reconcile the quarterly totals on the VAT return to the VAT period totals on the GL.

7.2 . Aged Debtors and Creditors Report

The Aged Debtors report comes as an on-screen report which can be printed to hard copy. The report provides a summary by period and it is very easy on the screen to drill down to see the individual transactions that make up the balance. Ageing points are user-definable, should you wish to change the usual 30-60-90 days format.

There was no column for Unallocated Cash in the standard Aged Debtors. However, it was a simple matter to go into the Grid Wizard and create a new column that displayed Unallocated cash and credit notes.

Printing out an Aged Debtors report as at a previous period is straightforward. Kypera stores the date when an invoice or payment is allocated, so we selected the Historical Aged Debt report template, entered the date at which we wanted to view the aged debt status, and the system produced the report. Very good.

Conventionally, there is a need to reconcile the balance on Creditors or Debtors Control in the Nominal Ledger with a list of account balances in the Sales and Purchase ledgers. Kypera pointed out that this is not necessary, since there is no Creditor's Control. Balances are always calculated from transactions rather than held online.

8.1. Nominal Coding Structure

Kypera offers a nominal code up to 33 digits in length. This nominal code can be split into multiple segments of any size you like. But, crucially, the segments are independent of each other and are all handled as separate tables.

Thus a typical basic GL code might be 85000 = Travel Costs. If you attached to this GL code additional segments for company, cost centre and department, the resultant combined code (e.g. Company-Nominal-Cost Centre-Department) might look like 01-85000-101-003.

However, because the segments of each are independent of each other, when you want to look at your total expenses for Travel Costs throughout the year, the Trial Balance will show the balance for a/c 85000 Travel Costs, not a multiplicity of combined accounts such as 85000-001-001, 85000-001-002, 85000-002-001, etc.

In addition to the 30 character nominal code Kypera has a further nine Analysis codes, each up to 20 characters in length. You can give these analysis fields their own headings and you can use them for any type of additional transaction analysis that is not been incorporated into the nominal code.

Coding hierarchies

To each segment code you can attach up to 9 additional "link" or "mapping" codes. You can use these codes to build a hierarchy on top of any code so as to group account totals a higher level.

Take, for example, the case of the Telephones nominal code. On your P&L you might wish this account to appear within the Administration Expenses group, which itself is

part of Overheads. So you can set up Administration Expenses and Overheads as group codes mapped to Telephones. Similarly, if employee Jim Smith works for Sally Jones in Marketing Department of Northern Division, you can attach Sally Jones, Marketing Department and Northern Division to Jim Smith as mapping codes.

The important point is that, once these hierarchies have been set up, entering the lowest level code (ie "Telephones" or "Jim Smith") automatically updates the high level codes as well. The operator only has to enter the analysis at the lowest level.

Mapping codes have manifold uses, enabling you to create different hierarchies. Consolidations is one, where the companies to be consolidated use different charts of account. So, for its own purposes a company might split Depreciation into several accounts, but at HQ they only want to see total Depreciation. All you have to do within Kypera is to set up an HQ mapping code for each of the lower level Depreciation accounts and give all three the value "Group Depreciation".

So Kypera allows you to enter dimensions of analysis via the multi-segment nominal code, the analysis codes, and the mapping codes. The result is that in every transaction detail line in Kypera there can be over 100 fields of analysis information. This is vast and should handle the analysis needs of even the largest organisation as long as it is set up correctly. In effect, Kypera's GL transaction file becomes a transactional database which can be interrogated to create an unlimited variety of management reports and analysis.

All Balances Calculated at Run Time

At this point it is important to recollect that in Kypera all balances are calculated at run time – Kypera holds no online summary balances. In practice, once you start analysing beyond a certain level of complexity, this is the only way to create reports. The alternative method, that of holding online or OLAP balances, just becomes too cumbersome, with a vast array of every combination of online balances to calculate, maintain and correct.

The more complex the analysis required, the better the Kypera design becomes. Each query is built individually at run time at every level or combination, and because the balances are re-calculated afresh every time the report is run, they are accurate. Online balances, by contrast, tend to be a hostage to fortune since if just one transaction amount fails to be added to the balance for whatever reason, the balance will be permanently wrong thereafter.

Although calculating totals on the fly from transactions has many advantages, adding up thousands or millions of transactions is obviously going to take longer than adding up a handful of online balances. However, as mentioned earlier, I talked to a large (100+) user of Kypera who said they were quite happy with the time it took to calculate reports.

Each summary balance created can be drilled down in reverse, if you wish to see the underlying transactions that make up the total.

8.2. XLReporter

There is a movement these days towards presenting management reports on-screen. One major advantage over traditional paper-based reports is the drill-down facility available in screen reports. If managers want to query a total, all they have to do is to double click on the total on the screen to drill down and display the constituent transactions.

Most senior managers are already familiar with Excel. Therefore many vendors are making it possible to present management information on-screen either in Excel or in an Excel-like environment. And managers can see the report and drill down into the accounting database directly on their own PCs. There is no need to go cap in hand to the accounts department to ask for it.

Kypera has developed a product called XLReporter that does just this. But the developer has chosen a different tack from most other suppliers. While managers may like the idea of being able to bypass the accounts department and look directly at the data, it is also possible that when they do so, viewing the raw data might simply give them the wrong end of the stick.

So in practice many accountants are nervous about allowing managers direct access to data and prefer to have the opportunity to check and verify it themselves before letting management see it. XLReporter is designed around this concept. It is an enquiry tool which allows managers to see on-screen reports and drill down to the data, but is also a report writer which enables the accountant to design these on-screen reports in the first place.

The accountant designs the report on-screen in XLReporter. S/he then emails it to managers. If they have XLR as well, they can open and read it in Excel, and drill down to source transactions. If they don't have XLR, the report comes in Publish mode which simply displays the figures without a drill down facility.

8.3.1. Creating a Report

To write a report in XLReporter, you start by opening up Excel. You see a standard Excel screen plus a few more menu options such as Build Cell, Drill Down, and Breakout. We wanted to create a P&L so we typed in a list of account codes in one column. Then we clicked onto the Build Cell icon, and up popped a list of the Data Tables held in Kypera. We chose the Nominal Codes table and then the Description field, typed *=D2* into the box, then copied the formula down next to the list of account codes. All the account codes now had an account description too.

Next, we entered six periods across the top in similar fashion. Now we had to get the figures in. Using Build Cell again we selected the database we wanted to use, the fields we wanted to summarise, and the cell references they were in. This totalled up one cell. Then we simply dragged the formula over the rest of the worksheet as you do in Excel and this did all the rest of the report. Report finished – it was a piece of cake.

Drill Down
We wanted to see some further detail of the Sales figures in the P&L. To drill down, we highlighted the cells we wanted to analyse, then clicked onto the Drill Down icon. This brought up a list of the dimensions you can analyse by. We chose to analyse by Sales Module, and XLReporter generated another worksheet, this time showing the sales figures broken down by sales module. Then we decided to analyse them again, this time by customer. Then we decided to look at the individual sales to one customer. The Transaction Drill and Column Selection box allowed us to choose the particular items of data we wished to display in each invoice, then displayed the invoice list. Again, this was easy.

Drill Around
Another useful feature in XLReporter is Drill Around, which is a little like Excel's own AutoFilter. You can use it to search the entire transaction database and display a list of all the records containing a particular piece of text. So, for example, you can find any invoice with "Viking Direct" in it. You can also search on numbers, either exact matches or with small variations. So, "find me all amounts between 100.00 and 101.50, whether debits or credits".

There are many more features but, to summarise, Kypera has pitched this product just right. What accountants need is something that is powerful but, if they haven't used it for a week, they can pick up again quickly. By basing their report writer around Exce, Kypera has ensured that accountants know much of it already and that is half the battle.

Effectively XLReporter gives you a window onto the transaction database of Kypera. The only new task the accountant has to learn is where the data is held in the data tables and how to manipulate it with the Build Cell command to create a report. Probably if I looked hard enough at XLReporter I could find something it didn't do, but like Excel it is very easy to pick up, and very quick. This is just the right level, I think, for a keen accountant and I have a feeling that this is one of those products that is just so useful that users will soon be saying to themselves "How on earth did we manage before XL Reporter?"

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Screens in Kypera were well-designed and easy to read, as well as very easy to customise. Entering transactions was quick and intuitive, while on-screen processing of multiple transactions was made easy by the Filter, Toggle and Mark facilities. The enquiry screen design which allows you to see three levels of data simultaneously is outstanding and deserves to be widely copied.

Kypera is unusual in that it holds no online balances, but calculates report totals at run-time from a transactional database containing around 100 analysis fields. Provided that reports can be calculated quickly enough, this design has a number of significant advantages over traditional designs in that there is no array of online balances to maintain and errors are far easier to correct. It does seem, however, that Kypera has overcome any speed problems and managed to produce a package that technically is

ahead of much of the competition. Certainly, it is very scaleable, starting at a very modest £3,000 for a single-user system with all the modules, yet equally able to handle sites of 100 users or more.

The above comments apply to the basic design of ICE32, which is the product on which Kypera is based. But I was also very impressed by the additional features which Kypera has introduced, particularly Web-based requisitioning and XLReporter. Both give the impression of having been designed by developers who have long worked at the coal face and have a thorough understanding of the task in hand. XLReporter in particular is pitched just right. It offers you a very fast window into your transaction database and gives you the basic tools – no more – that you need to interrogate it and produce basic reports.

All in all, then, this is a very formidable piece of accounting software indeed. If you are a demanding management accountant who seeks a sophisticated set of financials, you need to take a look at Kypera.

David Carter, August 2003