Seminar 2

A performing arts school based in the north east of England currently operates entirely on a paper only based system. All payments for classes are submitted in case in a envelope with the students name on, additional payments are taken on the same basis for the additional activities such as competitions, dance wear, costumes, show fees etc.

The timetable is held on a word document and the registers for the classes are held in a note book but there are no registers taken during the classes. The payment envelopes do not contain any details of classes to be taken, simply a value for the fees that are paid.

There are 3 permanent members of staff and 4 relief staff who come in on a need basis, there is no electronic payments made and staff are paid in cash only based on the hours they claim they work.

Working in groups of 2 or 3 do the following tasks:

1. Consider the elements that will be needed for accurate business records, is the company able to meet the standard required with the current system?

This requires students to understand or identify the bits that are needed for business records. The minimal requirements would be income and expenditure, the tax man likes to know how much income you are getting so they can get their cut. The danger at the moment is that there is no accurate way of mapping the payments coming in and as its all cash then that is a high risk of being classed as avoidance unless they can record the payments expected and payments received and then this correlates to the company income account.

They also need to keep accurate record on staff, hours worked and payments made. They will be liabale under new laws to provide a company pension scheme for certain staff and the minimum wage rules mean they need to ensure that they are paying a legal rate. If an employee earns over a certain amount they need to pay NI and tax, how is this known.

At the moment the company do not meet the required standards for effective record keeping that would satisfy the organisations legal requirements

1. Which elements would you recommend be entered into a database?

This is a question that is open for discussion, I’m looking to see if the students are able to see that a full db implementation is not necessary. Some elements need to be in a database but some may be managed in other electronic elements, try and get the students to think about the different approaches. Registers do not need to be on a database, they can be paper based or a spreadsheet etc. As long as the fees due are known it doesn’t matter if the student attends or not, they have to pay so the calculation of fees due and the fact the fees are paid is the key thing. It could be argued that how do they know what fees are due if the data is not held and that is a valid point, the system could keep the data electronically but it doesn’t have to. I would hold that the likelihood of having a computer in every studio that is networkd to the database would be low, therefore practicalities are such that if a register is needed it needs to be paper based.

The records of the fees are definitely something that is needed to be recorded, as is the staffing payments and hours worked, these elements are needed as they feed into the final company accounts to companies house etc this data needs to be accurate and recorded for report generation.

1. What would the advantage of using a database give to the organisation.

The advantages are that the data would be central and should be more likely to meet data protection rules rather than paper based. Report generation is increased and that means that generating the required legal documents or doing some sort of accountancy or trend management would be easier. Etc.

1. What limitations would there be and how do you determine these?

One key limitation would be staffing, most systems now are computer based, the fact that the company iks still paper based and doesn’t even have a card payment or bacs payment method would indicate that the staff are not technologically savy, the choice of system would need to be careful as they are unlikely to be able to support it themselves. In addition the cost of a system needs to be examined, the use of an enterprise system would not be appropriate as it is not needed, its overkill, mysql is free but requires a skill set or knowledge base they do not have but access would have an existing template they could use so that would be the anticipated view.

Another limitation would be infrastructure, databases that are central need network facility’s, they won’t have that or we can’t assume they do. It may be that the bulk of work can be done on a standalone system in the office but that would need to be examined.