

DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES
ANNUAL REPORT ON GOALS, OBJECTIVES AND POLICIES

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Program ID/Title: AGS-101/Accounting System Development and Maintenance

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I. Goal

The goal of the program is to satisfy the following requirements:

- A. Making changes and modifications in the accounting system (including the design and implementation of an adequate system of internal controls to encompass the changes or modifications in the accounting system) that appears to be in the best interest of the State and counties, as promulgated by Section 40-2 of the Hawaii Revised Statutes (HRS).
- B. Determining the forms required to adequately supply accounting data for the State government, maintaining the applicability, relevancy and uniformity (i.e., classification, numbering and standardization of such forms in terms of design, dimension, color and grade of paper) of accounting forms in Statewide use, and recording such forms in a catalogue of Statewide accounting forms, as promulgated by Section 40-6 of the HRS.
- C. Providing the only cost efficient and feasible means of developing and implementing changes or modifications in the Statewide Accounting System (which includes the Financial Accounting and Management Information System or FAMIS, Payroll System, Central Warrant Writing System, Warrant Reconciliation System, and Financial Datamart) to enhance or improve the functionality and/or internal controls of the system.

II. Objectives and Policies

- A. Systems Development and Implementation - Develop and implement new Statewide accounting applications and/or major enhancements to existing Statewide accounting applications to correct accounting deficiencies (i.e., non-compliance with Generally Accepted Accounting Principles or GAAP), improve operational efficiency by providing accounting applications with greater functionality or improved capabilities, and comply with changes in applicable State and Federal laws, and management policies.
- B. Systems Maintenance - Maintain existing Statewide accounting applications to improve operational efficiency and/or usability through continued monitoring of the

system's performance in providing useful and timely information, and collaboration with users on a Statewide basis to identify, develop and implement system modifications due to changes in applicable State or Federal laws, or management policies that will benefit all system users.

- C. **Statewide Accounting Controls** - Establish and maintain proper internal control over Statewide accounting functions through the use of Statewide Accounting Manuals to safeguard assets against loss or waste, and provide reasonable assurance that the financial information generated from the Statewide Accounting System can be relied upon to fairly present the financial position of the State for a given accounting period by prescribing the accounting policies of the State and standardizing the accounting methods and practices of the State.

This function also controls the content, format, flow and timing of accounting information required by applications comprising the Statewide Accounting System through the use of Statewide Accounting Forms (SAFORMs). Use of standardized accounting forms promotes operational efficiency through maintenance of applicable, uniform and consistent information.

III. Action Plan with Timetable

A. Objective/Policy #1 - Systems Development and Implementation

- 1. **Required Actions** – The following major actions/tasks are usually required to develop and implement new Statewide accounting applications and/or major enhancements to existing Statewide accounting applications to correct accounting deficiencies. Custom software is developed only when the purchased software cannot properly satisfy the requirements of the new system, and interfaces are developed only when the new system is required to share data with other systems.
 - a. **Project Management of State Resources**
 - b. **System Scope and Requirements Definition**
 - c. **Purchased Software Installation, Configuration, and Testing**
 - d. **Gap Analysis and System Functional Design Development**
 - e. **System Process and Document Re-engineering**
 - f. **Custom Software Requirements Definition, Programming, and Testing**
 - g. **System Interface Requirements Definition, Programming, and Testing**

- h. User Manual and Training Documentation Development
- i. User Training
- j. Pilot Implementation
- k. Statewide Deployment

2. Implementation Timetable

- a. Enterprise Resource Planning (ERP) Program – Participate in the development and implementation of the ERP which will replace the existing Statewide Accounting System.

- (1) Past Year Accomplishment

- Participated in the collection and consolidation of requirements and data for the ERP.

- (2) One Year

- Participate in the preparation of the Request for Proposal (RFP) for the ERP.

- (3) Two Year

- Participate in the development and implementation activities of the ERP.

- (4) Five Year

- Participate in the development and implementation activities of the ERP.

- b. Electronic Payroll Change Schedule (ePCS) Project - Participate in the development and implementation of the ePCS system which will automate the entry of payroll data to the Payroll System.

- (1) Past Year Accomplishment

- Participated in the system and functional design, requirements definition, changes to the policies and procedures, reports, etc. for the ePCS system.

(2) One Year

Conduct unit and system testing, prepare user documentation, training materials, conduct user training, conversion, and implementation of the ePCS system.

(3) Two Year

Continue to train and implement the system to remaining departments and agencies. Begin phase II development to include additional features and functionality.

c. Electronic Treasury Deposit Receipts (eTDR) Project - Participate in the development and implementation of the eTDR system which will automate the entry of receipts and deposits data to the Department of Budget and Finance System and FAMIS.

(1) Past Year Accomplishment

Participated in the system and functional design, requirements definition, changes to the policies and procedures, reports, etc. for the eTDR system.

(2) One Year

Conduct unit and system testing, prepare user documentation, training materials, conduct user training, conversion, and implementation of the eTDR system.

(3) Two Year

Continue to train and implement the eTDR system to remaining departments and agencies. Begin phase II development to include additional features and functionality.

d. Financial Datamart System

(1) Past Year Accomplishment

Enhancements were made to improve the efficiency of the Financial Datamart system, and provide improved functionality for the departments.

(2) One Year

Continue enhancing the State's Datamart system to provide more data, functionality and/or reports for the departments.

(3) Two Year

Continue enhancing the State's Datamart system to provide more data, functionality and/or reports for the departments.

B. Objective/Policy #2 - Systems Maintenance

1. Required Actions – The following systems maintenance functions are required to maintain all Statewide accounting applications:

- a. User Support
- b. System Modification and Enhancement
- c. System Analysis and Re-engineering

2. Implementation Timetable

a. Warrant Reconciliation System

(1) Past Year Accomplishment

Reviewed and prepared system and functional requirement changes to the state's reconciliation system and processes to implement the banking industries check truncation (elimination of returning paper checks), and the new up-front positive pay process. Implemented the identified requirements and changes to the system, policies and procedures, forms, reports, etc.

b. Automated Clearing House (ACH) for the Payroll System

(1) Past Year Accomplishment

Reviewed and prepared system and functional requirement changes to the policies and procedures, forms, reports, etc. to the Automated Clearing House (ACH) for the Payroll System. Implemented the identified requirements and changes.

(2) One Year

Continue to enhance the Automated Clearing House (ACH) for the Payroll System.

c. Check Image Storage and Retrieval System

(1) Past Year Accomplishment

None

(2) One Year

Develop and implement a check image storage and retrieval system needed for the reconciliation process of the 2 million plus checks issued by the Comptroller.

d. User Support for Statewide Accounting System

User Support is performed on an on-going basis for the Statewide Accounting System (which includes the Financial Accounting and Management Information System or FAMIS, Payroll System, Central Warrant Writing System, Warrant Reconciliation System, and Financial Datamart).

C. Objective/Policy #3 – Statewide Accounting Controls

1. Required Actions

a. Statewide Accounting Controls are required to ensure that the accounting policies and procedures of the State:

- 1) Comply with the Generally Accepted Accounting Principles (GAAP) and pronouncements from GASB
- 2) Include adequate accounting controls for all Statewide accounting applications
- 3) Reflect management's expressed authorization with regard to the treatment of a given accounting event and processing of accounting transactions related to that event

b. The three areas of Statewide Accounting Controls are:

- 1) Statewide Accounting Manual Revisions
- 2) Other User Manual Revisions
- 3) Forms Control

2. Implementation Timetable

a. Past year Accomplishment

More State Accounting Forms were created in PDF fillable format and placed on the DAGS web site, which can now be used in place of preprinted forms.

b. One Year

- 1) Conduct a systems analysis to implement changes to the check layouts for all state checks to comply with Check 21 requirements. Implement and test the system changes to the check layouts.
- 2) Continue creating more single part and multipart State Accounting Forms in PDF fillable format and place them on the DAGS web site for departments to download and use. Revise existing PDF State Accounting Forms into a saveable format.

c. Two Year

Continue creating more single part and multipart State Accounting Forms in PDF fillable format and place them on the DAGS web site for departments to download and use. Continue revising existing PDF State Accounting Forms into a saveable format.

IV. Performance Measures

- A. Customer Satisfaction measure – Key departments are involved with the development of new systems and/or major enhancements to existing systems to provide input into the design and functionality of the systems. Departments are also contacted periodically to inquire on needs and changes that would impact them.
- B. Program Standard measure – Percentage of projects completed for development of new Statewide accounting systems and enhancement/maintenance to existing Statewide accounting systems. Percentage of projects completed for maintenance of accounting manuals and forms.
- C. Cost Effectiveness measure – Greater utilization of the Statewide accounting systems. Expenditures not exceeding budget amounts.