



**STATE OF HAWAII | KA MOKU'ĀINA O HAWAII**  
**DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES**  
**KA 'OIHANA LOIHELU A LAWELAWE LAULĀ**

P.O. BOX 119, HONOLULU, HAWAII 96810-0119

October 18, 2022

**COMPTROLLER'S MEMORANDUM NO. 2022-18**

TO: Department Heads

FROM: Curt T. Otaguro, Comptroller 

SUBJECT: Enterprise Financial System

This Comptroller's Memorandum ("CM") is issued under the Comptroller's mandate in Section 40-2 of the Hawaii Revised Statutes ("HRS") to "make such changes and modifications in the accounting system as shall from time to time appear to be in the best interest of the State and counties." This provision gives the Comptroller authority and responsibility for changing and modifying the State's accounting system in the best interest of the State and counties.

This CM informs all State departments and entities of the pending implementation of a new uniform accounting system to be used by all State entities.

**Background**

The State has invested in a modern accounting system, called the Enterprise Financial System ("EFS") to address the need to modernize and standardize government accounting processes. EFS will provide the State with an integrated and consistent financial platform where data is accessible among the executive and legislative branches in a reasonable period of time and accountability is ensured. Other benefits from the EFS adoption include:

- Standardize and unify accounting systems and practices.
- Standardize internal controls and delegation processes.
- Decrease operating expenses by eliminating or consolidating departmental secondary accounting systems into one State system.
- Decrease manual efforts and physical resources to prepare the annual financial reporting.

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- Increase the State's ability to implement and respond quicker to mandated accounting and disclosure standards (e.g., GASB 87 Lease Accounting).
- Increase the State's ability to consolidate and analyze data, enabling data-driven policy decisions regarding the use of State funds.
- Increase accounting capacity for the State through standardized processes and documentation by enabling employee portability and mobility.
- Standardize accounting processes and documentation that enable the central financial agencies to manage and monitor the use of State funds.
- Easier implementation of the Uniform Chart of Accounts which will be integrated into the EFS core foundation.

**Implementation**

To realize the full benefits of the State's new EFS investment, State departments and entities are highly encouraged to utilize and/or integrated into the EFS.

The EFS Project Team will be contacting individual departments and agencies in the coming weeks to engage with your appropriate subject matter experts and understand any unique needs and requirements before determining the best path forward to achieve a successful systems integration. If it is determined that your unique requirements are too disruptive to your operations, alternative conversion plans must be identified. If converting any department to the new EFS platform is not in the best interest of the State, the Comptroller's approval for an exemption should be obtained.

If you have any questions, please contact Lenora Fisher, DAGS Accounting System Administrator at (808) 586-0600.