

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

January 2024

Program ID/Title: AGS-101/CA Accounting System Development and Maintenance  
Contact Person/Phone: Roxanne Watanabe (808)586-0608

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 using 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

## Implementation Timetable

1. Statewide Time and Leave Modernization Project – involves replacing the existing Payroll System and implementing a statewide Time and Leave System.
  - (1) Past Year Accomplishment

Continue to participate in the maintenance, and support activities of the Time and Leave System.

Increased active support activities of the Time and Leave System.
  - (2) One Year

Increase active participation in the maintenance and support activities of the Time and Leave System, and integrate knowledge transfer to SAB.

Continue to fill positions and train staff to support Statewide Time and Leave System (HIP)

Develop notification processes to evaluate time and leave submittal to ensure employees are paid timely.
  - (3) Two Year

Participate in the maintenance and support activities of the Time and Leave System and integrate knowledge transfer to SAB staff and the stabilization of the system.

Continue to evaluate the user experience. Evaluate the system for workflow and process streamlining and efficiencies.

Continue to on-board support staff and train for proficiency in user support.

Review continued support of the system. Evaluate for possible software end-of-life.

Creating a plan for upgrading or replacing. Assessing the risks and potential impacts on business operations. Create communication with users and stakeholders about the process.

(4) Five Year

Continue with maintenance and support activities of the Time and Leave System and integrate knowledge transfer to SAB staff and the stabilization of the system.

Support implementation of a plan to upgrade or replace the current Time and Leave System. Review the risks, and impacts of continuing to use an unsupported platform, manage impacts to the business process in implemented scenario, continued use, upgrade, or replace.

m. New Financial System Project – involves replacing the existing Financial Systems.

(1) Past Year Accomplishment

Participated in the evaluation of vendor RFPs and the selection of the new Financial System.

Participated in the design and development of the new Financial System

(2) One Year

Continue to participate in the design and development of the new Financial System and participate in the implementation process activities.

(3) Two Year

Continue to participate in the design and development of the new Financial System and participate in the implementation process activities.

(4) Five Year

Participate in the maintenance and support activities for the new Financial System.

n. Financial Datamart System

(1) Past Year Accomplishment

Maintained the efficiency and the functional performance of the Financial Datamart System to ensure that department users could consistently access the system.

(2) One Year

Continue maintenance of the Financial Datamart system to ensure system performance in providing required functionality for the department users. The need for future enhancements will be evaluated and based on the functionality and readiness of the new Financial System, to ensure the best use of personnel and financial resources.

Assessment of future Financial System and possible replacement of Datamart system. Create a plan for replacement. Review risks and business process impacts.

(3) Two Year

Continue maintenance of the Financial Datamart system to ensure system performance and providing required functionality for the department users.

Evaluate the conversion of the Financial Datamart system from an active database to an archive database system in preparation for the migration to the new financial system.

(4) Five Year

Migration from the Financial Datamart system completed. The new financial system is performing and providing the required functionality for department users.

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. Check Image Storage and Retrieval System

(1) Past Year Accomplishment

Maintained the Check Image Storage.

(2) One Year

Review HRS and retention documentation, past responsibilities, & FHB digital image access. Warrant Reconciliation System reports uploaded to a SharePoint site allowing immediate access to cash management resources for The Department of Budget and Finance to resume jurisdiction over warrant redemption and the proper payment of warrants including their proper endorsement.

Support task to transfer operational duties to The Department of Budget and Finance along with the Check Image process and prior check image mediums for retention and disposal.

b. User Support for Statewide Accounting System

Assist and support all users of the Statewide Accounting System (which includes FAMIS, Payroll System, Central Warrant Writing System, Warrant Reconciliation System, and Financial Datamart).

These are ongoing activities and are applicable to all year categories – past year, one year, two year and five year.

c. Systems Maintenance and Enhancement

Provide ongoing systems maintenance, trouble shooting and resolving problems, and making necessary improvements to the Statewide Accounting System.

These are ongoing activities and are applicable to all year categories – past year, one year, two year and five year.

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 about 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) Data Integrity and System Security

2. Implementation Timetable

a. Past year Accomplishment

Maintained and enforced systems security protocols for existing accounting systems to ensure users were authorized to access systems to enter data, review data, or retrieve data.

b. One Year

Evaluate the Time and Leave system accounting controls to ensure that the system processes transactions properly and complies with overarching governance guidelines.

Develop a program for the new Financial System accounting controls to ensure that the system processes transactions properly and complies with overarching governance guidelines.

c. Two Year

Maintain the Time and Leave system accounting controls to ensure that the system processes transactions properly and complies with overarching governance guidelines.

Evaluate the new Financial System accounting controls to ensure that the system processes transactions properly and complies with overarching governance guidelines.

d. Five Year

Continue to maintain the Time and Leave System and Financial System accounting controls to ensure that these systems process transactions properly and complies with overarching governance guidelines.

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.