

STATE OF HAWAII
Accounting Manual

Volume I

Part 400: General Nature of the Accounting System

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SECTION 410: PURPOSE AND OBJECTIVES

The systems concept, as generally applied, approaches a goal through the assemblage of related activities so that they form an integrated process for accomplishing the goal. If the goal of an accounting system is to provide complete and accurate financial information, in proper form and on a timely basis, then it must consist of those accounting activities related to controlling, recording, summarizing, analyzing, and interpreting financial transactions. The accounting system provided in so meeting its goal serves management in evaluating past performance, in making current decisions, and in planning future operations.

In a governmental accounting system, and more specifically in the accounting system of the State of Hawaii, the following particular objectives must be met:

1. to recognize and satisfy all levels of legal requirements;
2. to provide financial reports that are timely, accurate, appropriate in detail, and adequate in meaning and usefulness to all points of responsibility and authority;
3. to furnish valid, reliable, properly classified financial data to a statewide management information system;
4. to provide a continuing historical record of financial operations; and,
5. to perform the accounting activities required to meet these objectives by efficient and economical means.

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