



STATE OF TENNESSEE  
DEPARTMENT OF FINANCE AND ADMINISTRATION  
STATE CAPITOL  
NASHVILLE, TENNESSEE 37243-0285

DAVE GOETZ  
COMMISSIONER

September 30, 2009

TO: Fiscal Review Committee

FROM: M.D. Goetz, Jr.

SUBJECT: Project Edison

We have met with Comptroller Wilson and his staff and reviewed a draft of a letter dated September 30, 2009 regarding Edison. In our meeting we agreed to continue to improve our communications regarding the status and any issues with the Edison project. To accomplish improved communications, two meetings have already occurred between our respective departments and weekly meetings are scheduled for the future. Additionally, we will provide written notification of issues that arise for discussion at our weekly meetings.

There are three items that were included in the September 30 letter that have drawn the attention of the Comptroller and his staff.

First, there is a strong possibility that the state's Comprehensive Annual Financial Report (CAFR) will not be issued by December 31, 2009. Staff time has been stretched to maintain the old accounting system in addition to Edison, because we increased the implementation timeframe, as recommended by Gartner as well as the comptroller and Edison staff. For the fiscal year ended June 30, 2009, the CAFR will be prepared after information is converted from the old accounting system to Edison, and this work is underway. Generally, when other states have implemented a new enterprise-wide system, CAFR preparation is delayed. We traditionally have the CAFR completed in December each year. For 30 consecutive years, the state's CAFR report has received the Government Finance Officers' Association of the US and Canada Certificate of Achievement for Excellence for Financial Reporting, and this will continue to be a mark we strive to meet each year.

The second item related to reporting: Gartner reported in their July report that departments had expressed concern about Edison's capability to produce needed reports and queries. The following actions have been taken:

- Weekly reports and queries workshops have been held since mid July
- Meetings have been held individually with departments to see if they have any unique reporting requirements. We are continuing to reduce the number of outstanding reports and queries and we expect this effort to be completed in November.
- Reports and queries needed by the Recovery Act Management Office have been completed and tested by the Recovery Act Management staff.
- The initial Maintenance of Effort (MOE) report to Congressman Oberstar's Committee for the month of July was 8 hours late. The August MOE report format was changed by the congressional committee and required additional programming. The required changes were made and the report was submitted on time.
- In total, 663 reports have been delivered, 36 custom reports have been developed and 671 customer developed queries have been completed.

Third, approximately 2,200 journal voucher transactions that were posted in error before approval workflow was completed due to human error. These transactions are just one type of financial transactions recorded within Edison. Journal vouchers are accounting entries to reflect an agency's billing to other state agencies and did not impact vendor payments. There is not a valid reason that journal voucher transactions should be allowed to post without proper approvals. A change to the system is in process to prohibit an unintended posting to occur in the future. We hope to implement this change quickly but in the interim, staff working on the month-end close process have been alerted to not use the mark for post check box in Edison. Staff are manually checking each other's work steps until this can be corrected within the system. Most of the agencies have completed their manual work and the Division of Accounts is now completing the manual review and approval of these transactions. The Department of Finance and Administration and the Edison team take the responsibility to deliver a system with proper internal controls for overall financial processing very seriously and will continue to swiftly address any potential system deficiencies encountered.

Regards,

  
M.D. Goetz, Jr.

MDG:pp

cc: Mike Morrow  
Stephanie Richardson  
Jan Sylvis