

The systems development life cycle

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A structure that a business uses to collect, manage, store, process, retrieve, and report financial data to accountants, consultants, high ranking corporate officers, or tax agencies is the prime definition of an accounting information system. Accounting information systems are responsible for every facet of numerical data in a company and a malfunction could potentially cause a disaster within the corporation. Accountants have different roles in working with accounting information systems including design, implementation, usage, and ownership.

These rolls help accountants keep track of a company's budget and other financial documents such as quarterly reports. Accountants also use the different information technologies systems in a company to put together reports to persuade investors to keep their money in the company stock or persuade potential investors why placing their money in this company is a good financial decision. Thoroughly studying a large accounting information system can be a very tedious job; for this reason, companies put together teams to analyze and handle the development work implementations to the different information technologies in a corporation.

Systems study groups begin with a formal analysis of the technology in order to see what issues are present in the software or hardware, what implementations need to take place, and how to proceed with the repair or update. This step is known as the planning and investigation stage and is the first stage when determining the route to take when working with the specific company technology. After this preliminary stage, and the systems study group is chosen, the analysis stage takes place to determine the strengths and weaknesses of the particular unit.

The next stage, known in the book as “ design,” is when the systems study group determines how to precisely remove a system’s weaknesses while maintain the system’s strengths. If I was working on a project for a company, I would follow this exact model in determining how to gain optimal output from an information system. The final stage in the systems development life cycle is implementation, follow up, and maintenance and in this stage the company periodically checks on the information system to make sure it is still performing optimally.

After making sure the implementation is properly installed, I would do a follow up examination every six months to make sure the system is functioning properly and to determine if further implementation needs to take place to update the system. After the implementation is successfully installed and has been followed up on, the new mission is to locate further challenges the corporation may face, whether it be dated information systems, or the data produced by the information system that affects the company such as budgets and quarterly reports.

Challenges that may face a company include: loosing capital on technology that is not the most efficient for the corporation, loosing capital on an unnecessary implementation or company investment, internal fraud, unseen information system malfunctions. When a system study group is formed and the steering committee, high ranking group of top managers that lead the project or projects, determines the best route for the study group to proceed, data should be gathered to properly assess the situation.

The five sources of data come from reviewing existing documentation, observing the current system in operation, using open and closed ended

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questionnaires, reviewing internal control procedures, and interviewing the different participants who have either worked with the system being implemented or done a similar job in the past. The data gathering and data analysis process can effectively reduce the chance of possible future challenges for the company or information system.

Any system that is outdated, costing the company more money than necessary or malfunctions needs to be replaced or implemented. If a system is outdated, competitor companies who have the same technology will update their systems and be at an advantage thus, if the corporation I was working for had outdated software, I would recommend an upgrade or replacement. Some system operations fees have the potential to bankrupt a company, especially if the technology is drawing a large amount of energy.

Malfunctions cannot be tolerated because they are a threat to important company data and financial paper work. The information held on an accounting information system is extremely important and any loss of documentation would result for a copious amount of which would have to be carried out by managers in the human and production resources department as well as a tedious job for the company team of accountants and executives.