



Joint Legislative Audit Committee
Office of the Auditor General



**FINANCIAL AUDIT REPORT
INTERGOVERNMENTAL BOARD ON
ELECTRONIC DATA PROCESSING
YEAR ENDED JUNE 30, 1979**

REPORT TO THE
CALIFORNIA LEGISLATURE

REPORT **F-999.11**

REPORT OF THE
OFFICE OF THE AUDITOR GENERAL
TO THE
JOINT LEGISLATIVE AUDIT COMMITTEE

999.11

FINANCIAL AUDIT REPORT
INTERGOVERNMENTAL BOARD
ON ELECTRONIC DATA PROCESSING
YEAR ENDED JUNE 30, 1979



California Legislature

Joint Legislative Audit Committee

GOVERNMENT CODE SECTION 10500 et al

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S. FLOYD MORI
CHAIRMAN

October 17, 1980

999.11

The Honorable Speaker of the Assembly
The Honorable President pro Tempore of the Senate
The Honorable Members of the Senate and the
Assembly of the Legislature of California

Members of the Legislature:

Your Joint Legislative Audit Committee respectfully submits the Auditor General's financial audit report of the Inter-governmental Board on Electronic Data Processing, year ended June 30, 1979.

The auditors are Curt Davis, CPA; Romero Zamora; Gus Demas; Geraldine Parks; Teri Yee; Michael Tritz; and Charles Thrasher.

Respectfully submitted,

S. FLOYD MORI
Chairman, Joint Legislative
Audit Committee

Attachment

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INTRODUCTION

In response to a resolution of the Joint Legislative Audit Committee and in compliance with federal Office of Revenue Sharing regulations, we have conducted a financial audit of the Intergovernmental Board on Electronic Data Processing. This audit was conducted under the authority vested in the Auditor General by Section 10527 of the Government Code.


The Intergovernmental Board on Electronic Data Processing was primarily formed to establish a system for disseminating business information among governmental entities. The board, however, is no longer operating and most of its transactions during fiscal year 1978-79 were accounting related. According to Chapter 299 of the Statutes of 1978, a new board was formed called the Intergovernmental Board on Information Systems which took the place of the Intergovernmental Board on Electronic Data Processing. The closing costs of the board were supported through General Fund appropriations under Executive Order Number E78-5.

AUDITOR'S OPINION

To the Joint Legislative Audit Committee of the California Legislature:

We have examined the balance sheet of the Intergovernmental Board on Electronic Data Processing as of June 30, 1979 and the related statements of financing sources, expenditures, and changes in operating clearing for the year then ended. Our examination was made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the aforementioned financial statements present fairly the financial position of the Intergovernmental Board on Electronic Data Processing at June 30, 1979 and the results of operations and changes in operating clearing for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.


WESLEY E. MOSS
Assistant Auditor General

Date: March 7, 1980

Staff: Curt Davis, CPA
Romero Zamora
Gus Demas
Geraldine Parks
Teri Yee
Michael Tritz
Charles Thrasher

INTERGOVERNMENTAL BOARD
ON ELECTRONIC DATA PROCESSING

BALANCE SHEET

JUNE 30, 1979

ASSETS

Assets \$ --

LIABILITIES AND FUND EQUITY

Liabilities:	
Accounts payable (Note 5)	<u>\$235</u>
Fund Equity:	
Operating clearing (Note 4)	<u>(235)</u>
Total Liabilities and Fund Equity	<u>\$ --</u>

The notes to the financial statement are an integral part of this statement.

INTERGOVERNMENTAL BOARD
ON ELECTRONIC DATA PROCESSING

STATEMENT OF FINANCING SOURCES, EXPENDITURES,
AND CHANGES IN OPERATING CLEARING - BUDGET AND ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 1979

	<u>Budget as Adjusted</u>	<u>Actual</u>	<u>Variance</u>
Financing Sources: (Note 2)			
Support appropriation	\$10,000	\$ 14,850	\$ 4,850
Miscellaneous adjustments (Note 3)	<u> --</u>	<u> 7,193</u>	<u> 7,193</u>
Total Financing Sources	<u>10,000</u>	<u>22,043</u>	<u>12,043</u>
Expenditures: (Note 2)			
Personal services	8,000	6,343	1,657
Operating expenses	<u>2,000</u>	<u>1,635</u>	<u> 365</u>
Total Expenditures	<u>10,000</u>	<u>7,978</u>	<u>2,022</u>
Excess of Sources over Expenditures	<u>\$ --</u>	14,065	<u>\$14,065</u>
Operating Clearing - July 1		<u>(14,300)</u>	
Operating Clearing - June 30		<u>\$ (235)</u>	

The notes to the financial statements are an integral part of this statement.

INTERGOVERNMENTAL BOARD ON
ELECTRONIC DATA PROCESSING
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 1979

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements reflect the financial position and results of operations of the Intergovernmental Board on Electronic Data Processing. The statements have been prepared in conformity with generally accepted accounting principles applicable to state and local governments as prescribed by the American Institute of Certified Public Accountants and by the National Council on Governmental Accounting.

The accompanying financial statements are of the Governmental Fund Type. The board accounts for only its portion of the Governmental Fund Type. The State Controller maintains the central accounts for all state funds and annually publishes fund statements.

GOVERNMENTAL FUND TYPES

Governmental Fund Types are those through which most governmental functions are financed. The acquisition, use, and balances of the government's expendable financial resources and the related current liabilities--except those accounted for in Proprietary Funds--are accounted for through governmental funds. The Governmental Fund Type for the Intergovernmental Board on Electronic Data Processing is the General Fund, which includes all financial resources not accounted for in another fund. The General Fund is maintained on the modified accrual basis of accounting. These are some of its more significant elements:

Income

Throughout the fiscal year all income, including revenues and reimbursements, is accounted for on a cash basis. At June 30, the accounts are adjusted to accrue all earned but uncollected income.

Expenditures

Expenditures are accounted for at the time claims for payment are filed with the State Controller. At June 30, all valid expenditure commitments are accrued as expenditures including encumbrances outstanding against budget appropriations for which no goods or services have been received.

Liabilities

Retirement Plan - Regular employees of the board were members of the Public Employees' Retirement System (PERS) which is a defined benefit, contributory retirement plan. The amount the board and its employees contribute to PERS is actuarially determined under a program in which contributions plus retirement system earnings provide the necessary funds to pay retirement costs as accrued. Retirement contributions for the year totaled \$344.

Vacation and Sick Leave - Costs of vacation and sick leave are charged when these benefits are used rather than when they are earned.

2. BUDGETED FINANCING SOURCES AND EXPENDITURES

The amounts shown under "Budget as Adjusted" for financing sources and expenditures reflect the Governor's Budget after allowing for adjustments by the Budget Act, interim statutory changes affecting appropriations, and authorized executive budget revisions issued during the year.

3. MISCELLANEOUS ADJUSTMENTS

This account shows the difference between the net amount of financing sources, expenditures, abatements, and reimbursements accrued as of the previous June 30 and the actual amount of financing sources, expenditures, abatements, and reimbursements related to the prior year but obtained during the current fiscal year.

4. OPERATING CLEARING

The Operating Clearing account is the connecting link between the records of the various state agencies and the central fund accounts maintained by the State Controller for the General Fund and other funds not accounted for entirely by one agency. The balance at June 30 represents the net assets and liabilities for which the board is accountable.

5. ACCOUNTS PAYABLE

The remaining liabilities of the Intergovernmental Board on Electronic Data Processing consisted of closing accounting costs for the months of April, May, and June 1979 and claims filed at June 30, 1979 which were paid in July 1979.

OTHER INFORMATION

As an integral part of our examination, we reviewed the board's accounting procedures and related system of internal accounting control at the board and at the Department of General Services (which maintains the board's accounting records) to the extent we considered necessary to properly form an opinion concerning the fairness with which the board's financial statements present financial position and results of operations in accordance with generally accepted accounting principles consistently applied.

cc: Members of the Legislature
Office of the Governor
Office of the Lieutenant Governor
Secretary of State
State Controller
State Treasurer
Legislative Analyst
Director of Finance
Assembly Office of Research
Senate Office of Research
Assembly Majority/Minority Consultants
Senate Majority/Minority Consultants
California State Department Heads
Capitol Press Corps