

**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**



ITEM: 2.4
(ID # 17495)

MEETING DATE:
Tuesday, November 02, 2021

FROM : AUDITOR CONTROLLER:

SUBJECT: Internal Audit Report 2022-001: Riverside County Office of Economic Development, The Edward-Dean Museum and Gardens Audit, All Districts. [\$0]

RECOMMENDED MOTION: That the Board of Supervisors:

1. Receive and file Internal Audit Report 2022-001: Riverside County Office of Economic Development, The Edward-Dean Museum and Gardens Audit

ACTION:Consent


Tanya Harris, Assistant Auditor Controller 10/28/2021

MINUTES OF THE BOARD OF SUPERVISORS

**SUBMITTAL TO THE BOARD OF SUPERVISORS COUNTY OF RIVERSIDE,
STATE OF CALIFORNIA**

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost
COST	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0
NET COUNTY COST	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0
SOURCE OF FUNDS: N/A			Budget Adjustment: No	
			For Fiscal Year: n/a	

C.E.O. RECOMMENDATION: Approve

BACKGROUND:

Summary

In accordance with Board of Supervisors Resolution 83-338, we completed an audit of the Riverside County Office of Economic Development, The Edward-Dean Museum and Gardens. This audit is conducted to provide management and the Board of Supervisors with an independent assessment of internal controls over artifact inventory and cash management.

Our conclusion and details of our audit are documented in the body of the audit report. Please see report for audit results.

Impact on Residents and Businesses

Provide an assessment of internal controls over the audited areas.

SUPPLEMENTAL:

Additional Fiscal Information

Not applicable

ATTACHMENTS:

A: Riverside County Auditor-Controller's Office - Internal Audit Report 2022-001: Riverside County Office of Economic Development, The Edward-Dean Museum and Gardens Audit

Internal Audit Report 2022-001

**Riverside County
Office of Economic Development
The Edward-Dean Museum and Gardens Audit**

Report Date: November 2, 2021



**Office of Paul Angulo, CPA, MA
Riverside County Auditor-Controller
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OFFICE OF THE
AUDITOR-CONTROLLER**

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**Paul Angulo, CPA, MA
Riverside County Auditor-Controller**

**Tanya S. Harris, DPA, CPA
Assistant Auditor-Controller**

November 2, 2021

Suzanne Holland
Director
Riverside County Office of Economic Development
The Edward-Dean Museum and Gardens
3499 10th Street, Suite 400
Riverside, CA 92501

Subject: Internal Audit Report 2022-001: Riverside County Office of Economic Development, The Edward-Dean Museum and Gardens Audit

Dear Ms. Holland:

In accordance with Board of Supervisors Resolution 83-338, we audited the Riverside County Office of Economic Development, The Edward-Dean Museum and Gardens to provide management and the Board of Supervisors with an independent assessment of internal controls over artifact inventory and cash management.

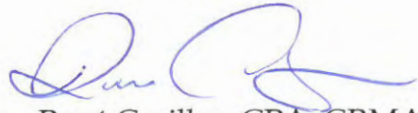
We conducted our audit in accordance with the International Standards for the Professional Practice of Internal Auditing. These standards require that we plan and perform the audit to obtain sufficient, reliable, relevant and useful information to provide reasonable assurance that our objective as described above is achieved. An internal audit includes the systematic analysis of information to evaluate and improve the effectiveness of internal controls. We believe this audit provides a reasonable basis for our conclusion.

Internal controls are processes designed to provide management reasonable assurance of achieving efficiency of operations, compliance with laws and regulations, and reliability of financial and non-financial information. Management is responsible for establishing and maintaining adequate internal controls. Our responsibility is to evaluate the internal controls.

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The Edward-Dean Museum and Gardens Audit**

Since the audit resulted in no findings or recommendation, there was no requirement for a response in accordance with Board of Supervisors Resolution 83-338.

Paul Angulo, CPA, MA
Riverside County Auditor-Controller



By: René Casillas, CPA, CRMA
Chief Internal Auditor

cc: Board of Supervisors
Jeff A. Van Wagenen, Jr., County Executive Officer
Grand Jury

Internal Audit Report 2022-001: Riverside County Office of Economic Development,
The Edward-Dean Museum and Gardens Audit

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**Internal Audit Report 2022-001: Riverside County Office of Economic Development,
The Edward-Dean Museum and Gardens Audit**

Executive Summary

Overview

The Edward-Dean Museum and Gardens was founded in 1958 in Cherry Valley by Edward Eberle and Dean Stout to showcase their collection of 16th to 19th century Asian and European furnishings and decorative arts and was donated to Riverside County in 1964. The Edward-Dean Museum and Gardens hosts weddings, receptions, banquets, retirements, concerts, and other special events.

The Edward-Dean Museum and Gardens has a recommended budget of \$765 thousand for FY 2021-22 and 4 recommended positions to execute its responsibilities. *County of Riverside, Fiscal Year 2021-22 Recommended Budget, 206.*

Audit Objective

Our objective is to provide management and the Board of Supervisors with an independent assessment about the adequacy and effectiveness of internal controls over artifact inventory and cash management. Internal controls are processes designed to provide management reasonable assurance of achieving efficiency of operations, compliance with laws and regulations, and reliability of financial and non-financial information. Reasonable assurance recognizes internal controls have inherent limitations, including cost, mistakes, and intentional efforts to bypass internal controls.

Audit Scope and Methodology

We conducted the audit from June 10, 2021, through July 14, 2021, for operations from July 1, 2019, through July 14, 2021. Following a risk-based approach, our scope initially included the following:

- Appraisal of Artifacts
- Artifact Inventory
- Cash Management

Through inquiry, observations, and limited examination of relevant documentation, it was determined through a risk assessment of the business process for the appraisal of museum artifacts, that the risk exposure to Edward-Dean Museum and Gardens associated with this process was considered low. We focused our scope on internal controls over artifact inventory and cash management.

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The Edward-Dean Museum and Gardens Audit**

Audit Conclusion

Based upon the results of our audit, we conclude that internal controls over artifact inventory and cash management provide reasonable assurance that its objective related to this area will be achieved. Reasonable assurance recognizes internal controls have inherent limitations, including cost, mistakes, and intentional efforts to bypass internal controls.

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Artifact Inventory

Background

The Edward Dean Museum contains 16th through 19th century Asian and European furnishing and decorative artifacts of various values. The Edward-Dean Museum mission statement is “to create and provide a unique collection in safe spaces offering social, cultural, and educational enrichment in an effort to develop our community by developing knowledge and inspiring creativity.” The Museum is tasked with the development and care of the museum’s collections as well as safeguarding every artifact under its care.

Objective

To verify the existence and adequacy of controls over artifact inventory.

Audit Methodology

To accomplish these objectives, we:

- Obtained an understanding of department policies and procedures over artifact inventory.
- Reviewed best practices for artifact inventory.
- Conducted interviews with department staff to observe the artifact inventory handling process.
- Sampled artifact inventory items to verify accuracy of items and safeguarding of inventory.

Finding: None Noted

Based upon the results of our audit, we determined internal controls over artifact inventory provide reasonable assurance that its objective related to this area will be achieved.

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Cash Management

Background

The Edward Dean Museum receives payments for museum admissions, event hosting, and donations. Payments for admissions to the museum are made at the counter upon entrance. For event hosting, Edward Dean Museum offers different packages starting at \$4,000 which requires a deposit upon agreement. The remaining balance is due on the day of the event.

Additional financial support to help preserve museum artifacts are received through donations.

Objective

To verify the adequacy and existence of internal controls over cash management.

Audit Methodology

To accomplish these objectives, we:

- Obtained an understanding of board policies and department policies and procedures.
- Conducted interviews and performed walk-throughs with department personnel responsible for cash management.
- Reviewed supporting documentation for revenue transactions.
- Performed a cash count and reconciled to assigned amounts.
- Confirmed the preparation of sample bank reconciliations and the treasurer's cash receipts.
- Verified appropriate levels of management reviews and approvals of event refunds transactions.
- Verified funds received are recorded and reconciled in the Riverside County financial system.

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Finding: None Noted

Based upon the results of our audit, we determined internal controls over cash management provide reasonable assurance that its objective related to this area will be achieved.