

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*  
Tanya Harris, Assistant Auditor Controller 10/28/2021

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MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Jeffries, seconded by Supervisor Hewitt and duly carried by unanimous vote, IT WAS ORDERED that the above matter is received and filed as recommended.

Ayes: Jeffries, Spiegel, Washington, Perez and Hewitt  
Nays: None  
Absent: None  
Date: November 2, 2021  
xc: Auditor

Kecia R. Harper  
Clerk of the Board  
By: *[Signature]*  
Deputy

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

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

**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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**COUNTY OF RIVERSIDE  
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**AO AUDITOR  
CONTROLLER  
COUNTY OF RIVERSIDE**

**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.



**Internal Audit Report 2022-001: Riverside County Office of Economic Development,  
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.

**Internal Audit Report 2022-001: Riverside County Office of Economic Development,  
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.



**Internal Audit Report 2022-001: Riverside County Office of Economic Development,  
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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.

**Internal Audit Report 2022-001: Riverside County Office of Economic Development,  
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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 treasurers 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.

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

**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.