

County of San Bernardino

**Auditor-Controller/Treasurer/Tax Collector
Internal Audits Section**

County Museum:

**Follow-Up of the Sensitive Equipment
Inventory Lists Audit**



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Auditor-Controller/Treasurer/Tax Collector

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The San Bernardino County Auditor-Controller's Office is committed to serving our customers by processing, safeguarding, and providing information regarding the finances and public records of the County. We perform these functions with integrity, independent judgment, and outstanding service. We are accurate, timely, courteous, innovative, and efficient because of our well-trained and accountable staff.

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January 29, 2015

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SUBJECT: Follow-Up of the Sensitive Equipment Inventory Lists Audit

In compliance with Article V, Section 6, of the San Bernardino County Charter and County Policy 05-20 entitled Internal Operational Auditing, we have completed a follow-up audit of the Sensitive Equipment Inventory Lists for the period of September 26, 2013 through August 25, 2014. The objective of the audit was to determine if the Department implemented the recommendation contained in the prior audit report. We conducted our audit in accordance with the International Standards for the Professional Practice of Internal Auditing established by the Institute of Internal Auditors.

We have provided a status of the audit finding identified in the original audit report, *Audit of Sensitive Equipment Inventory Lists*, issued on September 26, 2013. The report was addressed to the prior director. The Department has not implemented the recommendation from the original audit report.

We sent a draft report to the Department on November 20, 2014. The Department's response to the current status of our recommendation is included in this report.

We would like to express our appreciation to the personnel at County Museum who assisted and cooperated with us during this engagement.

Respectfully submitted,

Larry Walker

Auditor-Controller/Treasurer/Tax Collector
San Bernardino County

By:

Denise Mejico

Chief Deputy Auditor

Enclosure

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Date Report Distributed: 1/29/2015

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County Museum:

Follow-Up of the Sensitive Equipment Inventory Lists Audit

Objective, Scope, and Methodology	1
Prior Audit Finding, Recommendation, and Current Status	2



Objective and Scope

The objective of this follow-up audit was to determine whether the Department implemented the recommendation contained in the prior audit report, *Audit of Sensitive Equipment Inventory Lists*, issued on September 26, 2013.

Our audit included examination of original source documents received from county departments by the County Clerk from September 26, 2013 through the date of our fieldwork on August 25, 2014.

Methodology

In achieving the audit objective, the following audit procedures were performed, including but not limited to:

- Reviewing policies and procedures
- Examining original source documents



Prior Finding: Sensitive equipment inventory list was not filed annually with the County Clerk.

County of San Bernardino Policy 11-04 SP3 - Procurement of Goods, Supplies and Equipment- Equipment Control was adopted and was subsequently revised on August 26, 2011 to assure the Board of Supervisors, County management, and the public that appropriate control is maintained over County-owned property below the fixed asset level of \$5,000. Once a department establishes inventory controls of sensitive equipment, a department's inventory list shall be updated on an annual basis and filed with the County Clerk by June 30 of each year. According to the County Clerk, the Museum filed a sensitive equipment inventory list with the County Clerk on June 30, 2011. However, no subsequent annual list was filed through the date of our fieldwork on July 22, 2013. If an inventory of sensitive equipment is not maintained by the Museum as evidenced by its submittal to the County Clerk, the Museum cannot ensure that its equipment is safeguarded, increasing the risk of undetected loss.

Recommendation:

We recommend that the Museum file an updated sensitive equipment inventory list with the County Clerk within 90 days and subsequently file by June 30 of each year. If there are no sensitive equipment to report for the Museum, then the Museum should provide the County Clerk with a memo to that effect.

Current Status: Not Implemented

The report has not been filed as recommended in our prior audit report dated September 26, 2013.

Management's Response:

On September 26, 2013 an original audit report, *Audit of the Sensitive Equipment Inventory Lists*, was issued and addressed to the former Museum Director. The *Sensitive Equipment Inventory List* was not filed at that time. In August of 2014 a museum employee received a reminder email from the Auditor that a sensitive equipment inventory list had not been filed since the last audit. Staff did not notify the interim director of the notice and failed to respond to the reminder. The department will follow up with the appropriate staff to ensure that in the future reports are filed with the County Clerk in a timely manner.



On November 25, 2014 the department filed an updated Sensitive Equipment Report with the County Clerk and will subsequently file an updated report by June 30 of each year. If there is no sensitive equipment to report, the department will provide a memo to the County Clerk to that effect.

Auditor's Response

The Department's actions and planned actions will correct the deficiency noted in the finding.