The Auditor of the City and County of Denver is independently elected by the citizens of Denver. He is responsible for examining and evaluating the operations of City agencies and contractors for the purpose of ensuring the proper and efficient use of City resources and providing other audit services and information to City Council, the Mayor, and the public to improve all aspects of Denver’s government.

The Audit Committee is chaired by the Auditor and consists of seven members. The Audit Committee assists the Auditor in his oversight responsibilities regarding the integrity of the City’s finances and operations, including the reliability of the City’s financial statements. The Audit Committee is structured in a manner that ensures the independent oversight of City operations, thereby enhancing citizen confidence and avoiding any appearance of a conflict of interest.

Audit Committee

Timothy M. O’Brien, CPA, Chairman
Rudolfo Payan, Vice Chairman
Jack Blumenthal
Leslie Mitchell
Florine Nath
Charles Scheibe
Ed Scholz

Audit Management

Valerie Walling, CPA, CMC®, Deputy Auditor
Heidi, O’Neil, CPA, CGMA, Director of Financial Audits

Audit Staff

Dawn Wiseman, CRMA, Audit Supervisor
Brad Harwell, Lead Auditor

You can obtain copies of this report by contacting us:

Office of the Auditor
201 West Colfax Avenue, #705
Denver CO, 80202
(720) 913-5000 • Fax (720) 913-5247

Or download and view an electronic copy by visiting our website at: www.denvergov.org/auditor
Report number: A2014-015
December 30, 2016

Mr. Donald Mares, Executive Director  
Department of Human Services  
City and County of Denver

Re: Audit Follow-Up Report

Dear Mr. Mares:

In keeping with generally accepted government auditing standards and the Audit Services Division’s policy, as authorized by D.R.M.C. § 20-276, our Division has a responsibility to monitor and follow-up on audit recommendations to ensure audit findings are being addressed through appropriate corrective action and to aid us in planning future audits.

This report is to inform you that we have completed our follow-up effort for the Denver’s Road Home audit issued April 16, 2015. Our review determined that the Department has not implemented all of the recommendations made in the audit report. Despite the Department’s efforts, auditors determined that the risk associated with the audit team’s initial findings has not been fully mitigated. As a result, the Division may revisit these risk areas in future audits to ensure appropriate corrective action is taken.

For your reference, this report includes a Highlights page that provides background and summary information on the original audit and the completed follow-up effort. Following the Highlights page is a detailed implementation status update for each recommendation.

This concludes audit follow-up work related to this audit. I would like to express our sincere appreciation to you and to Department personnel who assisted us throughout the audit and follow-up process. If you have any questions, please feel free to contact me at 720-913-5000 or Dawn Wiseman, Internal Audit Supervisor, at 720-913-5069.

Denver Auditor’s Office

Timothy M. O’Brien, CPA  
Auditor
Denver’s Road Home Performance Audit
December 2016

Status
The Department of Human Services has implemented two of the four recommendations made in the April 2015 audit report.

Background
In 2003, the United States Interagency Council on Homelessness challenged mayors throughout the country to develop a plan to end homelessness in their cities within ten years. As a first step towards creating a plan for Denver, the City released a Blueprint report for addressing homelessness with strategies for ending and preventing homelessness, as well as accessing and coordinating housing and related services and enhancing certain services. The Blueprint also resulted in the formation of a commission that would subsequently create Denver’s Ten Year Plan to End Homelessness in 2005, to be carried out largely by a newly created City entity, Denver’s Road Home. The Plan expires in 2015 but will be succeeded by the new plan known as The Way Home to continue the work of Denver’s Road Home.

Purpose
The purpose of the audit was to evaluate the effectiveness of the Denver’s Road Home program toward meeting goals and outcomes in the effort to reduce homelessness in Denver.

Highlights from Original Audit
After the final year of Denver’s Ten Year Plan to End Homelessness (Plan), it is clear that homelessness continues to be a problem in Denver. We found that Denver’s Road Home (DRH) had failed to utilize key resources to reduce homelessness in Denver, including performance data and the Commission to End Homelessness (Commission). With regard to performance data, DRH did not have robust data about the effectiveness of service provider programs funded by DRH. As a result, DRH could not evaluate whether the program was making progress towards its goals. Only in the final year of the City’s ten-year Plan had DRH begun to establish the methods to analyze the data it received from service providers. This is despite the fact that the Plan emphasized the importance of annual data collection and analysis through evaluation systems. Until performance evaluation becomes a priority of DRH leadership, the program will continue to be unable to demonstrate the impact of its efforts or effectively strategize for the future.

With regard to the Commission, we found that it is not structured or managed in a way that effectively supports DRH’s efforts. Commission members are unclear about their role and responsibilities as well as the overall purpose of the Commission, which does not appear to have an updated targeted vision and operates without the guidance of by-laws. Further, the format and frequency of Commission meetings failed to capitalize on member expertise. Meetings were infrequent and conducted in a way that minimizes opportunities for group discussion and member input. The membership of the Commission also reduced its efficacy; key stakeholders, such as mental health organizations, public safety officials, and City housing officials, were not represented on the Commission. These factors have prevented the Commission from serving as an effective advisory body, which would otherwise be well positioned to inform policymakers and help drive solutions for the homelessness issue in Denver.

Findings at Follow-up
The audit made four recommendations, of which two have been implemented. Denver’s Road Home has worked to implement by-laws for the Denver Homeless Commission which lay out the mission and other guidance expected from members of the Commission. After year 10 of the Ten Year Plan, Denver’s Road Home continues to develop a new strategy to address homelessness in Denver.

For a complete copy of this report, visit www.denvergov.org/auditor
Audit Contact Person: Dawn Wiseman | 720.913.5069| Dawn.Wiseman@denvergov.org
## Recommendations: Status of Implementation

<table>
<thead>
<tr>
<th>Recommendation</th>
<th>Auditee Action</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Finding: Denver's Road Home Has Failed to Utilize Key Resources to Reduce Homelessness in Denver</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>1.1 Financial Resources</strong>—The Executive Director of Denver's Road Home should conduct and document an analysis to determine the level of private and public financial resources necessary to accomplish its goals and mission regarding The Way Home plan and develop and document a strategy to obtain the necessary financial resources.</td>
<td>Strategies have yet to be documented that describe the process in which Denver's Road Home plans to obtain necessary financial resources. However, there are ongoing efforts to reorganize and revise the City's approach to addressing homelessness.</td>
<td>Agree/Not Implemented</td>
</tr>
<tr>
<td><strong>1.2 Data Analysis</strong>—The Executive Director of Denver's Road Home should document a framework regarding data collection and analysis which includes, at minimum, the following elements: documenting guidelines for standardized reporting from service providers, developing a plan for how outcome metrics are used to inform funding decisions, as well as standards for clear and transparent public reporting of Denver's Road Home progress towards meeting program goals. This framework should be incorporated into The Way Home plan and codified in Denver's Road Home’s policy and procedures.</td>
<td>Although Denver's Road Home has taken steps to implement a more standardized approach to data collection, Denver's Road Home has yet to formalize and document a framework for data collection and analysis. There are currently ongoing efforts to reorganize and revise the City's approach to addressing homelessness, and part of this effort includes reevaluating the process in which data is collected and analyzed.</td>
<td>Agree/Not Implemented</td>
</tr>
<tr>
<td><strong>1.3 Commission Mission</strong>—The Executive Director of Denver's Road Home should work with the Mayor and current members of the Commission to End Homelessness to develop an updated mission and focus for the Commission, which could include involvement in developing and reviewing financial strategies as well as operational and performance metrics for Denver's Road Home.</td>
<td>The Commission’s mission was developed and approved by the Commission and is included in the organization’s by-laws. The by-laws clarify the Commission’s role as an advisory body in addition to clarifying the functions of the Commission, which centers on making policy recommendations and using resources such as data and relationships to contribute to strategic, financial and political support.</td>
<td>Implemented</td>
</tr>
<tr>
<td><strong>1.4 Commission By-laws</strong>—The Executive Director of Denver's Road Home should work with the Mayor to develop and approve by-laws for the Commission to End Homelessness that specify the format and frequency of meetings, attendance expectations, and the appropriate mix of members to ensure that all relevant stakeholders are represented.</td>
<td>By-laws for the Commission have been developed and approved by the Commission and include information describing the format and frequency of meetings, attendance expectations, and the appropriate mix of members to ensure that all relevant stakeholders are represented.</td>
<td>Implemented</td>
</tr>
</tbody>
</table>
Conclusion

While the Department has implemented some recommendations made in the Denver’s Road Home Performance audit report, others have yet to be acted upon or fully implemented. Despite the Department’s efforts, auditors determined that the risk associated with the audit team’s initial findings has not been fully mitigated. For example, a new plan or strategy for homelessness that formalizes a framework for collecting and analyzing data has yet to be implemented. As a result, the Audit Services Division may revisit these risk areas in future audits to ensure appropriate corrective action is taken.

On behalf of the citizens of the City and County of Denver, we thank staff and leadership from the Department or their cooperation during our follow-up effort and their dedicated public service.