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Cover photo courtesy of Denver Botanic Gardens.
AUDITOR’S LETTER

In keeping with generally accepted government auditing standards and Auditor’s Office policy, as authorized by city ordinance, the Audit Services Division has a responsibility to monitor and follow up on audit recommendations to ensure audit findings are addressed through appropriate corrective action and to aid us in planning future audits.

In our follow-up effort for the “Denver Botanic Gardens” audit issued July 19, 2018, we determined the Gardens has adequately implemented most of the recommendations made in the audit report. Despite the Gardens’ efforts, auditors determined the risks associated with the audit team’s initial findings have not been fully mitigated. As a result, the Audit Services Division may revisit these risk areas in future audits to ensure appropriate corrective action is taken.

The Highlights page in this report provides background and summary information about the original audit and the completed follow-up effort. Following the Highlights page is a detailed implementation status update for each recommendation.

I would like to express our sincere appreciation to the Denver Botanic Gardens personnel who assisted us throughout the audit and the follow-up process. For any questions, please feel free to contact me at 720-913-5000.

Denver Auditor’s Office

Timothy M. O’Brien, CPA
Auditor
Follow-Up Status

The Denver Botanic Gardens has fully implemented 19, partially implemented four, and not implemented two of the 25 recommendations made in the July 2018 audit report.

Objective

The audit had two objectives: 1) To examine the financial relationship between the City and County of Denver (City) and the Denver Botanic Gardens (Gardens) and identify areas in need of improvement related to select financial processes and controls; and 2) To review the effectiveness of the Gardens’ management of select operations and activities, including the Gardens’ Foundation’s Board of Trustees, IT-related infrastructure, planning and implementation of special events, and its volunteer program.

Background

Since 1951, the City and the Gardens have operated under a cooperative agreement that outlines responsibilities for the Gardens, requirements related to the board, and a framework for the financial arrangement, including an annual appropriation and a provision for capital improvement funds.

Report Highlights

Highlights from Original Audit

In our first audit of the Denver Botanic Gardens, we identified a variety of controls and processes that were insufficient or could be improved.

FINDING 1: The Gardens’ Management of Safety, Security, Public Events, and Volunteers Should Be Improved

- Safety and security policies were inconsistent across locations.
- Planning, training, and staffing for events was inconsistent.
- The Gardens could have been more proactive in anticipating and mitigating its effects on nearby residents.
- The Gardens did not keep accurate records on its volunteers and could not demonstrate that its ongoing volunteers had passed background checks.

FINDING 2: The Gardens Lacks Critical Safeguards over IT Systems, Segregation of Duties, and Physical Access to Restricted Areas

- The Gardens lacked policies and procedures for key IT controls such as granting individual access to information systems.
- The Gardens had not adequately protected its IT infrastructure against physical and environmental risks.
- The Gardens was unprepared to continue business operations in the event of a disaster and did not properly segregate duties for sensitive tasks.
- Control of door key access was insufficient.

FINDING 3: The Board of Trustees’ Attendance, Conflict of Interest Documentation, and Governance Practices Need Improvement

- Board and committee meeting attendance rates did not meet bylaw expectations.
- The board could not provide complete conflict of interest documentation for years reviewed.
- The board did not follow certain best practices, such as conducting regular self-evaluations.

For a copy of this report, visit www.denverauditor.org or contact the Auditor’s Office at (720) 913-5000.
RECOMMENDATION — STATUS OF IMPLEMENTATION

FINDING 1 – The Denver Botanic Gardens’ Management of Safety, Security, Public Events, and Volunteers Should Be Improved

Recommendation

1.1 Develop a Risk Management Plan for Special Events – The Gardens should develop risk management plans for key programs that are critical to its operations such as the special events program. This plan should (1) comprehensively identify program risks, (2) assess risks for likelihood, impact, and interaction, and (3) develop response strategies and policies and procedures appropriate to its risk tolerance.

Status: Partially Implemented (Original target date for completion: December 31, 2018)

Agency Action

Gardens management developed risk management plans based on conversations with the City and County of Denver’s Risk Management Office and the Gardens’ insurance carriers as well as online examples of risk management templates.

For example, for special events, the Gardens created plans that address the likelihood and impact of alcohol, cash handling, weather, lost children, and traffic at both York Street and Chatfield locations. To mitigate risks, Gardens management leveraged existing policies and procedures and, when necessary, created new ones. For instance, to address the risk of weather at both York Street and Chatfield, Gardens management included new weather incident protocols in the site-specific emergency procedures guides.

While Gardens management has clearly made strides toward addressing risk management, more progress is needed for this recommendation to be fully implemented. The recommendation specifically stated that the Gardens should assess risks for likelihood, impact, and interaction; however, Gardens management indicated the interaction of risks, such as those involving special events, cash, and volunteers, had not been considered. Additionally, while some policies have been updated, other identified mitigation strategies do not clearly address the risk or are not relevant. For example, the mitigation plan for traffic at Chatfield is based upon a traffic study conducted in 2008 and does not accurately reflect the current types of events or event attendance. Finally, Gardens management assigns percentages of probability for risks based on informed speculation but does not use data to help determine the likelihood of a specific event. The Gardens’ safety and security department, however, does track data for incidents such as those related to alcohol or suspicious activity, which could be used to help inform risk likelihood.

As Gardens management continues to build out its risk management program to encompass risks associated with other departments, officials should assess the interaction of risks, ensure all mitigation strategies are up to date and relevant, and consider using data to help inform the likelihood and impact of risks.
Recommendation

1.2 Fully Develop and Align Safety and Security Program – The Gardens should fully develop its safety and security program to ensure that it aligns with operational risks. At a minimum, this process should include (1) assessing the emergency procedures in place for York Street and Chatfield and ensuring they follow recommended Occupational Safety and Health Administration guidelines, including training, (2) reviewing the adequacy of the current number of permanent security staff at both locations and their qualifications and take action as needed, (3) developing safety and security policies and procedures for public events at York Street and Chatfield that include criteria for when to develop a safety and security plan and cash management plan, and (4) establishing a monitoring and evaluation function to ensure consistent application of safety and security policies and procedures.

Status: Implemented (Original target date for completion: October 31, 2018)

Agency Action

Gardens management reviewed and updated emergency procedures documents for both York Street and Chatfield to be consistent with each other, yet site-specific and in line with guidance provided by the federal Occupational Safety and Health Administration. Previously, Chatfield’s emergency procedures document was one page long and did not include key elements such as communication or reporting requirements for emergency situations, as well as a description of roles for responsible parties. The new procedures now include some of these key elements related to communication and roles and responsibilities. The Gardens also offers safety trainings to all Gardens staff and retains documentation to evidence attendance.

The Gardens has scheduled on-site security staff, both employees and contracted, at the York Street location 24 hours a day, seven days a week. While security guards are not at Chatfield 24 hours a day like at York Street, they are on-site during peak times. Further, all internal security guards will be required to maintain appropriate City licensure. Gardens management indicated that the number of security guards required at both locations is dependent on the number of tickets sold for an event and is determined by the security and special events teams prior to an event. Additionally, Gardens management has shifted how it uses volunteers, such as ambassadors, to replace some of the basic functions security officers were handling, such as responding to guest questions. This change has allowed officers to be more strategically placed.

While Gardens management updated the emergency procedures guides for both sites, the guides do not include criteria for when to develop a safety and security or cash management plan as noted in the recommendation. However, according to management, this is because all public events have a safety and security plan, and every event where cash is present has a cash management plan. We were able to confirm that 2019 events had safety and security plans, and cash handling and management plans were in place for events involving cash. Management could ensure these plans continue to be developed, as needed, by documenting this expectation in its emergency procedures guides.

Gardens management established a monitoring and evaluation function by developing an incident report template and providing training to security officers to ensure consistency; however, there are
no documented procedures for how to complete these incident reports. Following report completion, management reviews the information contained in the report and tracks the information in a spreadsheet to help identify and monitor trends and issues. Gardens management indicated that this data has been tracked for approximately a year and that during this time, policies have been updated or created based on the data. Gardens management should document procedures for completing the incident report to ensure consistent implementation and use going forward.

Recommendation

1.3 **Clarify Terms in Commitments to the Neighborhood Advisory Committee** – The Gardens should work with the Neighborhood Advisory Committee to revise the large event agreement, or formally document clarification on the agreement. These revisions should specify which events are subject to the agreement, include a reporting mechanism that will enable the Neighborhood Advisory Committee to measure compliance, and provide guidance for how the Gardens should measure sound and event size.

Status: Implemented (Original target date for completion: December 31, 2018)

**Agency Action**

Gardens management worked with the Neighborhood Advisory Committee to update the large event agreement. The revised version clearly defines amplified and large events, including the allowable sound decibels and the method for measuring and reporting on sound and event size. Additionally, the agreement lists the large events subject to the agreement. Finally, the updated agreement indicates the Gardens will use reasonable efforts to mitigate neighborhood impact due to traffic and parking at high-attendance events, including actively encouraging visitors to use other means of transportation.

Recommendation

1.4 **Consult with the City to Ensure Consistent Methodology for Sound Monitoring** – The Gardens should consult with the City’s Department of Environmental Health’s Community Noise Program to ensure its method for measuring sound is consistent with City practices and appropriately accounts for event setup such as the number of speakers and speaker angle, elevation, and location. The Gardens should consider periodically reassessing its method for measuring sound and consider including this consultation and resulting methodology in its reports to the Neighborhood Advisory Committee to promote transparency and demonstrate compliance with the City’s noise ordinances.

Status: Implemented (Original target date for completion: September 30, 2018)
Agency Action

Gardens management met with the City’s Department of Environmental Health to discuss the best methodology for measuring sound and to ensure the Gardens’ methodology was consistent with City practices. This discussion included the identification of the best locations for measuring sound, obstacles that could impact sound measurement, and optimal speaker setup. Environmental Health also reviewed and approved a sound monitoring plan developed by the Gardens. Finally, as outlined in a 2018-2025 agreement between the Gardens and the Neighborhood Advisory Committee, Gardens management will continue to monitor sound pressure levels at events and distribute reports to the advisory committee.

Recommendation

1.5 Develop Documentation Procedures for Volunteer Management – The Gardens should develop and implement procedures that outline how volunteer services personnel should document compliance with volunteer requirements within its systems of record. The procedures should include measures to ensure accuracy of information in Volgistics as well as a process for periodic review of the accuracy of the data.

Status: Implemented (Original target date for completion: October 31, 2018)

Agency Action

Gardens management developed new policies related to how staff should document compliance with volunteer requirements, primarily documentation of background check results, within the system of record. Procedures include steps for how to upload background check results and where to document management’s review of background check results. Management reviews a sample of records on a quarterly basis to ensure background check results are uploaded and that system flags are checked accordingly.

Recommendation

1.6 Strengthen Background Check Policies – The Gardens should strengthen its current background check policy to ensure it includes the process for reviewing and approving volunteer background check results and requires retention of documentation, outside of Choice Screening, to demonstrate background checks were completed as required by policy.

Status: Implemented (Original target date for completion: December 31, 2018)

Agency Action

Gardens management updated its background check policies and procedures to include which results require additional review and approval, who is authorized to perform this review, how and where the
review and approval should be documented, and which background check results may result in either
denial or dismissal. Management also applied the policy to existing volunteers who work in child-specific
areas. Further, the policy now requires background check results to be uploaded into the volunteers' profile within the system of record. Finally, management conducts a quarterly review of a random sample of volunteer records to ensure documentation is uploaded according to policy.

Recommendation

1.7 Develop Risk Management Plan for Volunteer Management – The Gardens should develop
a risk management plan for programs critical to its operations, such as the management of
ongoing and special event volunteers. This plan should (1) comprehensively identify program
risks, (2) assess risks for likelihood, impact, and interaction, and (3) develop response strategies
and policies and procedures appropriate to its risk tolerance.

Status: Partially Implemented (Original target date for completion: December 31, 2018)

Agency Action

Gardens management developed risk management plans for possible risks associated with its volunteer
program. For example, the Gardens created plans that describe methods to mitigate the risk associated
with volunteers assisting with child-specific events or activities. To address the risk of corporate and
community volunteer groups working in child-specific areas, the Gardens now requires these groups to
sign an acknowledgment that all members of the group completed and passed a background check
prior to volunteering at the Gardens.

However, Gardens management still has not considered the interaction of certain risks related to using
volunteers, such as using volunteers at special events with both alcohol and child-specific activities, and
it has not used data to help determine the likelihood of a specific event, even though the safety and
security department tracks incident data.

Additionally, while some policies have been updated to clearly address risks, such as the background
check policy for ongoing volunteers, other mitigation strategies have not. For example, in the risk
management plan for individual volunteers working in child-specific areas at special events, one risk-
mitigation technique is to have the volunteer sign a general waiver. The waiver, however, would not
necessarily protect the Gardens. Rather, it is a liability waiver indicating the volunteer agrees to hold
the Gardens harmless regarding accident or injury. A second risk management technique requires a
Gardens staff member be present for child-based activities. While having a staff member present could
mitigate risks associated with special event volunteers, Gardens management may need to reconsider
other current risk mitigation strategies and update its risk management plan accordingly.

Management should consider assessing the interaction of risks, ensuring all mitigation strategies address
risks, and using data to help gauge the likelihood and impact of risks.
Recommendation

1.8 **Evaluate the Importance of Current Volunteer Policies** – The Gardens should evaluate the importance of requiring an active membership and a volunteer fee for ongoing volunteers. If the Gardens determines these are critical elements, it should develop policies and procedures to ensure the requirements are consistently implemented. At a minimum, these policies should include its method of documenting compliance and developing criteria for awarding a scholarship and documenting this decision.

**Status: Implemented (Original target date for completion: December 31, 2018)**

**Agency Action**

Gardens management determined that volunteers would no longer be required to maintain an active membership or pay a volunteer fee. Information related to memberships and fees communicated to volunteers via handbooks was updated between 2018 and 2019 to reflect these changes.

Recommendation

1.9 **Advertise Volunteer Scholarship** – After establishing criteria for awarding a scholarship, the Gardens should advertise this information on its website alongside the volunteer program requirements to prevent potential limitations in the diversity of its volunteer pool.

**Status: Implemented (Original target date for completion: December 31, 2018)**

**Agency Action**

Since Gardens management removed the requirement for volunteers to pay a nonrefundable fee, there is no longer the need for a scholarship related to the fee. The volunteer handbook and Gardens website were updated to reflect this change.
RECOMMENDATION — STATUS OF IMPLEMENTATION

FINDING 2 – The Denver Botanic Gardens Lacks Critical Safeguards over Information Systems, Segregation of Duties, and Physical Access to Restricted Areas

Recommendation

2.1  **Create IT Policies Based on National Standards** – The Gardens should work with a qualified third-party to adopt an IT control framework, such as the one outlined by the National Institute of Standards and Technology, and develop and implement IT control policies in compliance with the adopted framework to address the five control areas outlined above, as soon as possible.

**Status: Implemented (Original target date for completion: December 31, 2018)**

**Agency Action**

Gardens management worked with an external audit firm to assess the state of the Gardens’ existing IT environment and subsequently hired a director of innovation and technology in December 2018. Since then, Gardens management adopted an IT control framework based on nationally recognized standards and developed and implemented policies specific to access control, vendor management, configuration management, data backup, and incident management as of January 2019 to address our audit recommendation. Our review of the policies showed that each complied with the adopted framework and included governing standards and dates for future review.

Recommendation

2.2  **Tighten Management of Key Fobs** – Executive management at the Gardens should work with the Operations department and IT department to establish accountability over electronic key distribution, management, and access, including regular monitoring of access alerts, as soon as possible. Additionally, the responsible department should periodically review access over electronic keys.

**Status: Implemented (Original target date for completion: July 31, 2018)**

**Agency Action**

Gardens management has created a key and fob acceptance agreement form that is signed by the individual receiving a key, fob, or parking tag and by the individual providing the key. Management also created procedures to monitor daily and weekly access of Garden areas accessible by fobs. The procedures include who is responsible for monitoring alerts or violations, how to access the monitoring system reports, a requirement to review and investigate alerts, and a reporting requirement. Finally, management conducts audits or reviews of fob alerts to ensure access is appropriate.
These actions demonstrate Gardens management has established more accountability over fob distribution, management, access, and oversight by responsible departments. While the recommendation did not explicitly state that the Gardens should develop a written policy over the management of key fobs, management should consider documenting these new procedures, including the processes for distribution, monitoring, and review, to ensure consistent implementation in the future.

Recommendation

2.3 Establish Server Room Policy – After implementation of recommendation 2.2, the responsible department should implement IT controls, as soon as possible, based on a nationally recognized standard such as the National Institute of Standards and Technology’s 800-53 standard to ensure that the data and infrastructure is properly protected from physical and environmental threats.

Status: Partially Implemented (Original target date for completion: December 31, 2018)

Agency Action

Gardens management created a data center access policy based on nationally recognized standards to regulate server room traffic and protect data and infrastructure from unauthorized access and malicious or environmental threats. We observed the Gardens existing server rooms and found that steps had been taken to physically secure equipment; however, there was still clutter in both rooms that could be a potential fire hazard. Management indicated the server rooms would be relocated to a new building in 2020. Regardless, management should have taken steps to ensure equipment is protected from potential fire hazards by removing all clutter and unnecessary items from the existing server rooms.

Gardens management also identified internal and external individuals, as well as vendors, who are permitted access to the server rooms; however, in the latest revision of the policy, the lists of individuals and vendors permitted access to the rooms were removed. Gardens management officials should ensure they keep updated lists of approved external and internal individuals and vendors who are permitted access to the server rooms to reconcile against visitor logs.

Recommendation

2.4 Implement Continuity Planning Policy – The Gardens should adopt an IT control framework, such as the one outlined by the National Institute of Standards and Technology, and develop and implement IT control policies in compliance with the adopted framework to address continuity planning. The policy should include the frequency for plan review and the approval process.

Status: Partially Implemented (Original target date for completion: December 31, 2018)
Agency Action

Gardens management created a project plan documenting objectives and steps toward creating a service continuity plan based on nationally recognized standards. The plan is expected to be completed by the end of 2019. Despite these efforts, however, management has not developed an overarching policy that defines how frequently the service continuity plan should be reviewed and who is required to approve the plan, as specified in the recommendation. For this recommendation to be fully implemented, management should develop a policy as outlined in the recommendation.

Recommendation

2.5 Create Business Continuity and Disaster Recovery Plans – The Gardens should implement a business continuity and disaster recovery plan for its information systems, data, and relevant personnel as soon as possible.

Status: Not Implemented (Original target date for completion: December 31, 2018)

Agency Action

As previously mentioned, Gardens management drafted a project plan as a first step to creating a service continuity plan, including elements for both business continuity and disaster recovery, which is scheduled to be completed by the end of 2019. Even though the Gardens developed this project plan for its information systems, data, and relevant personnel, it has not yet developed business continuity or disaster recovery plans as outlined in the recommendation.

Recommendation

2.6 Re-evaluate Data Retention Strategy – The Gardens should find an appropriate location for its data and information systems to ensure continuity of operations as soon as possible.

Status: Implemented (Original target date for completion: December 31, 2018)

Agency Action

Gardens management developed a data retention policy based on nationally recognized standards, that includes requirements for the frequency of backups, the transportation and storage of the backups off-site, and the timeliness of data recovery in the event of catastrophic or noncatastrophic system failures. The Gardens entered into a three-year contract with an off-site storage facility to help safeguard data and information systems to ensure continuity of operations. We reviewed backup logs and other documentation further supporting management’s compliance with the new policy.
Recommendation

2.7 Establish Segregation of Duties Policy for User Provisioning – The Gardens should develop and implement policies and procedures that address segregation of duties from a user provisioning perspective as soon as possible.

Status: Implemented (Original target date for completion: December 31, 2018)

Agency Action

Gardens management developed an access control policy for information technology based on nationally recognized standards to ensure Gardens employees have appropriate access levels within systems and applications and that these individuals understand the responsibility their access level provides them. The policy says the Gardens will limit information systems access to authorized users and that duties of individuals will be separated based on roles and to reduce the risk of malevolent activity. Further, management developed a workflow demonstrating the process for creating a user and approving access to systems and applications. There are additional layers of review and approval required for users to be granted access to sensitive systems, such as financial systems.

Recommendation

2.8 Evaluate Segregation of Duties for Business Processes – The Gardens should (1) conduct a comprehensive evaluation of internal controls including a segregation of duties assessment to identify incompatible work responsibilities of all staff and volunteers and (2) develop and document compensating or other controls to minimize risks that result from the identified incompatible work responsibilities. These controls should include measurable criteria and documentation requirements and periodic monitoring by management.

Status: Implemented (Original target date for completion: December 31, 2018)

Agency Action

Gardens management evaluated existing internal controls and conducted a segregation of duties assessment to identify incompatible work responsibilities. Following this assessment, management developed a segregation of duties flow chart, outlining the review and approval process for key functions, such as manual journal entries and vendor management. Additionally, the Gardens now uses a web-based project management tool to track review and approval tasks, as well as reconciliations, and to act as a repository for key documents related to these roles and internal controls.

While management has indicated the flow chart and segregation of duties analysis documents serve as policies and procedures, the Gardens should ensure all key components of segregation of duties are documented, such as time frames for review, what specifically should be included in a review, and how reviews and approvals should be documented in its web-based project management tool.
Recommendation

2.9  **Physical Key Management and Control Ownership** – The Gardens Operations and IT departments should work together to identify the department and positions responsible for door key distribution, management, and access.

**Status:** Implemented (Original target date for completion: July 31, 2018)

**Agency Action**

As outlined in recommendation 2.2, Gardens management developed a key and fob acceptance agreement form that identifies the manager of security as being responsible for key distribution, management, and access. Specifically, the form indicates keys should be returned to the manager when an employee leaves an office and that lost or stolen keys should be reported. This agreement requires the signature of both the employee receiving the key and the personnel issuing the key.

According to management, all physical keys were inventoried and stamped with a unique identifier following development of this form. This allows parties identified as responsible for this process to manage key distribution and access.

Recommendation

2.10  **Door Key Management Internal Controls** – After implementation of recommendation 2.9, the responsible department should document and implement appropriate internal controls based on a nationally recognized standard, such as the National Institute of Standards and Technology’s 800-53 standard, to ensure that the data and infrastructure are properly protected.

**Status:** Implemented (Original target date for completion: October 31, 2018)

**Agency Action**

Gardens management developed and implemented a data center access policy based on nationally recognized standards to restrict physical access to computer hardware and infrastructure. Further, as discussed under recommendation 2.2, Gardens management developed a key and fob acceptance agreement form to help monitor the distribution of physical keys and fobs. The policy statements, which include physically securing the data center by a locked door and restricting access to the server room, in addition to the key acceptance form, support the implementation of this recommendation to ensure the data and infrastructure are properly protected.
RECOMMENDATION — STATUS OF IMPLEMENTATION

FINDING 3 – The Board of Trustees’ Attendance, Conflict of Interest Documentation, and Governance Practices Need Improvement

Recommendation

3.1 **Assess and Enforce Board and Committee Attendance** – The Board of Trustees should assess the level of board and committee meeting attendance required to promote board engagement and revise its bylaws or other governing documents accordingly. In addition, the board should actively enforce its attendance requirement and ensure all communications regarding attendance requirements are consistent to ensure board members demonstrate their duty of care.

**Status: Implemented (Original target date for completion: September 30, 2018)**

**Agency Action**

The Gardens board amended its bylaws in September 2018 following discussions centered on a desire to increase accountability and better document member attendance. While the Gardens board made no change to the language regarding attendance expectations—that board members are expected to attend all meetings of the board and each committee—there is now guidance regarding when absences may be excused, as well as absence review and approval procedures.

The Nominating and Governance Committee reviews attendance patterns at least annually, and attendance and engagement are evaluated when considering board members for future terms. Documentation provided to board members, such as the board manual, contains the bylaws that outline the attendance expectations. Further, according to Gardens board leadership, these expectations are discussed with prospective board members during the interview process, as well as during board and committee meetings.

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**Recommendation**

3.2 **Track Attendance Rates** – The Board of Trustees should develop a method for analyzing and monitoring overall board and committee member attendance rates, including keeping an accurate, up-to-date roster of current board members, to identify and address patterns of low attendance.

**Status: Implemented (Original target date for completion: August 31, 2018)**
Agency Action

The Gardens board developed a process for tracking board member attendance at both board and committee meetings. Currently, committee and board attendance forms are used to document reasons for absence. Further, annual board and committee attendance is reviewed by the Nominating and Governance Committee.

According to management, attendance concerns are addressed through conversations with the board member on a case-by-case basis and include consideration of overall board contributions and committee engagement. Finally, we reviewed board rosters and found evidence the rosters were kept up to date upon the addition or removal of a board member.

Recommendation

3.3 Develop Conflict of Interest Document Retention Policy – The Board of Trustees should develop and implement a document retention policy for the board’s conflict of interest disclosure statements.

Status: Implemented (Original target date for completion: September 30, 2018)

Agency Action

Gardens management updated the document retention policy to include clarification regarding the retention of conflict of interest disclosure statements, which are now to be permanently retained by the Gardens’ controller. The policy revisions are effective as of July 23, 2019.

Recommendation

3.4 Revise Conflict of Interest Policy – The Board of Trustees should revise its current conflict of interest policy to include steps to enforce the requirement for each active board member to sign a conflict of interest disclosure statement annually.

Status: Not Implemented (Original target date for completion: September 30, 2018)

Agency Action

The Gardens board updated its bylaws to indicate that conflict of interest disclosure statements must be signed annually. However, the Gardens’ conflict of interest policy already documented this requirement during the time of our audit, when we found that board leadership was not ensuring members were completing and submitting the forms for 2016 and 2017.

Although the board ensured collection of 2019 conflict of interest disclosure statements for members active as of April 25, 2019, the board did not revise the existing conflict of interest policy, or its bylaws, to outline steps to enforce the annual signature requirement for members as outlined in the
audit recommendation. For example, board leaders said they hold a conversation with any board member who has not submitted the disclosure statement, but this practice and the conversation are not documented. It is possible the board is taking a more active stance in ensuring these forms are collected; however, until these steps are formally documented in policy, there is no assurance they will continue to be followed in the future.

Recommendation

3.5 Document Governance and Nominating Committee Meetings – The Board of Trustees should revise its bylaws to require the Governance and Nominating Committee to document meeting minutes to include, at minimum, committee members in attendance, overall themes of the discussion, and decisions made.

Status: Implemented (Original target date for completion: September 30, 2018)

Agency Action

The Gardens board amended its bylaws in September 2018 to include a requirement for the Nominating and Governance Committee to keep minutes of its meetings. Although the revised bylaws do not stipulate exactly what should be documented in the meeting minutes, our review of meeting minutes since the implementation of the new bylaws indicates the committee is tracking attendance and documenting overall themes of discussion as well as decisions made. The committee should ensure these elements continue to be included in future meeting minutes as noted in the audit recommendation.

Recommendation

3.6 Conduct Board Self-Evaluation – The Board of Trustees should revise its bylaws to include a requirement that the board conduct a self-evaluation on a regular basis and clearly define the frequency with which this evaluation should occur.

Status: Implemented (Original target date for completion: September 30, 2018)

Agency Action

The Gardens board updated bylaws in September 2018 to require the Nominating and Governance Committee conduct an evaluation of the board’s collective performance at least every other year and report the results to the full board. Previously, the bylaws indicated an evaluation would be conducted from time to time, and the only evaluation conducted in the past 10 years was in 2014.

Since the bylaws revision, the board conducted an evaluation in 2018, which yielded primarily positive results related to overall board functioning and satisfaction. The results of this evaluation were communicated during the January 2019 board meeting.
CONCLUSION

While the Gardens has implemented most recommendations made in the “Denver Botanic Gardens” audit report, others have yet to be fully implemented. Despite the Gardens’ efforts, auditors determined the risks associated with the audit team’s initial findings have not been fully mitigated. We have referenced specific improvements for the Gardens to make under each of the above recommendations. Generally, Gardens management should ensure policies contain appropriate information, and include revisions dates and signatures, as necessary. 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 Denver Botanic Gardens for their cooperation during our follow-up effort and for their dedicated public service.
Office of the Auditor

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. He also provides 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.

Our Mission

We deliver independent, transparent, and professional oversight in order to safeguard and improve the public’s investment in the City of Denver. Our work is performed on behalf of everyone who cares about the City, including its residents, workers, and decision-makers.