2019
Office of the Auditor
City and County of Denver
Annual Report

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Timothy M. O’Brien, CPA
Denver Auditor
Our work matters. We serve the people of Denver by championing accountability in our audit work and through education and enforcement of wage law on behalf of everyone who lives and works here. After another year of meaningful work by the Auditor’s Office, I am pleased to present the 2019 Annual Report.

In this report, you will find summaries of our audits and highlights and impacts identified from our follow-up work, as well as the achievements of my exemplary staff as they serve the people of Denver, further their professional development and represent our office in the community. This report showcases the many accomplishments of Audit Services and Denver Labor’s Prevailing Wage and Minimum Wage divisions.

Let me first extend my appreciation to the mayor, the City Council, the Audit Committee and members of the city’s operational management for supporting our mission throughout the year.

As an independent agency, we take an objective look at how public money is used and how efficient and effective the city’s services are for the people of Denver. Our work is performed on behalf of everyone who cares about the city, including its residents, workers and decision-makers. Our mission is to deliver independent, transparent and professional oversight in order to safeguard the public’s investment in the City and County of Denver.

In the past year, we took meaningful and extensive looks at several programs the public told us were of high importance to them. This year the mayor created a new agency to address some concerns identified in our homeless services audit. Members of the community from across the city reached out to call for the hotel at the airport to uphold the Auditor’s authority. And we found some agencies are doing a better job than others at following through on needed improvements identified in audit recommendations. Cybersecurity remains a priority for my team, as well as data analytics and continuous auditing.

One of the most notable areas of concern the public shared with me was Denver’s services for people experiencing homelessness. We conducted an audit and found a lot of money and good intentions, but not enough organization. The lack of a cohesive overall strategy along with unclear authority and understaffing hindered the city’s ability to comprehensively address homelessness or measure the effectiveness of its efforts. After the audit, the mayor announced plans to form the new Department of Housing and Homelessness. I am interested to see what our team finds when we follow up on this audit report in the future.

We heard from many members of the community after we attempted to examine the Westin Hotel’s revenue reporting to Denver International Airport. Unfortunately, the audit team could not access needed information. Marriott International impeded audit efforts by deeming as “proprietary” the information necessary for the audit. I called on the mayor and City Council to fix this in the city’s contract with Marriott, and I hope my team will be able to finally conduct the revenue audit in the future.

That conflict — which related to access to third-party information that should be required in every contract — illustrates the importance of other contract compliance audits we completed in 2019. For instance, our audit team looked at the Denver Preschool Program to see how the city oversees the nonprofit organization managing dedicated sales tax funds. We found the nonprofit might have been able to help more kids and preschool providers if it did not save more than necessary and if it invested more money in expanding the preschool program, or if it at least invested its millions of dollars in reserves more profitably.

Meanwhile, we also took another look at Denver’s affordable housing program after continued concerns
from our first audit in 2018 and after ongoing concerns expressed by members of the community. We found weaknesses in how the city makes sure affordable homes stay in the affordable housing inventory. We also found issues with how the city makes sure the affordable housing program is not abused through illegal rentals and other violations.

I was very concerned with management of jail safety, and so I was disappointed after our 2019 audit that the Sheriff Department did not respond with quick agreement and improvement after we made our recommendations. We found the department lacks a comprehensive and systematic approach to identifying risks, ensuring the safety of deputies and inmates, and responding to incidents related to assault, sexual assault, or uses of force. I believe the department must take action to better protect the public, staff, and inmates.

This year, I also placed more emphasis on financial auditing activities. We checked the city’s math on the valuation of the Denver Employees Retirement Plan. We made sure the city was following requirements to secure and use grant funding. And we examined the city’s contract procurement process and found a need for more transparency to avoid conflicts of interest or favoritism in the process.

The Audit Committee continues to contribute valuable feedback on findings from performance and financial audits and risks found through continuous auditing work. I’m also pleased with my team’s continued innovation in data analytics and continuous auditing techniques.

Our Prevailing Wage Division, as part of the new Denver Labor, continued to work extensively with employers and employees to ensure everyone is compensated according to the law. My team more than doubled the amount of money recovered on behalf of workers, collecting $655,000 in restitution, and they also expanded efforts to work with employers to educate them and explain the process.

We also expanded our wage enforcement work for the Denver contractor minimum wage. In July, the city increased the pay for all workers paid using Denver tax dollars or on city property. The minimum applies to all future contracts for city work — including concessions, catering, maintenance, ramp and cargo work, hospitality, security, and other jobs. Our minimum wage team did in-person outreach and created a process for complaint-based investigations. In 2020, the team will continue to expand its work for enforcement for the new citywide minimum wage. All city wage enforcement work is now consolidated within the Denver Auditor’s Office as “Denver Labor.”

We are continuing to work hard to engage the people we work for: the public. Our “Ask the Auditor” video series walks the community through audits and basic functions of the office. I attended more than 50 neighborhood and community events and meetings to talk about what I do and to answer questions. And we reached thousands of people through social media on Nextdoor, Facebook, Twitter, Instagram, and LinkedIn. Sign up for our newsletter to read about our latest findings or email us at auditor@denvergov.org to share your thoughts, concerns or questions.

I am very proud of our employees’ accomplishments and of our efforts to work with city agencies and residents, employers and employees, to ensure a better Denver for everyone.

Timothy M. O’Brien, CPA, Denver Auditor
Contract Procurement Processes

We assessed the process for contract procurement across the city and for three selected agencies: the departments of Public Works, Parks and Recreation, and Public Health and Environment. We evaluated the efficiency, effectiveness, and documentation of contract procurement from when officials identified the need for a good or service to when they selected a vendor.

RESULTS: The audit revealed citywide contract procurement policies and procedures did not adequately address conflicts of interest and were not periodically reviewed. The Department of Public Works had inconsistencies in its contract procurement process because it lacked certain procedures. The Department of Parks and Recreation had elements of its contract procurement procedures that were inadequate or simply were not followed. The Department of Public Health and Environment did not have comprehensive policies and procedures for its contract procurement process. And, we found all three agencies did not have adequate procedures for keeping vendor proposals secure and for performing data analytics to look for unusual trends and inefficiencies in the contract procurement process.

IMPACT: This audit highlighted improvements the city and certain agencies need to make to their process of soliciting and selecting vendor contracts. These improvements will help ensure a fair process and that the city selects the vendor that provides the best value for taxpayers’ money.

Cybersecurity Operations – Denver International Airport

Our audit of cybersecurity operations at Denver International Airport sought to determine the effectiveness of the airport's cybersecurity policies, process, and overall governance. We assessed how well different divisions in the airport work together to identify, protect, detect, respond, and recover from cybersecurity incidents.

RESULTS: The audit revealed the airport’s Business Technologies Division does not effectively communicate and share knowledge with other airport and city information security stakeholders, and the Security Operations Center has not approved and implemented IT security policies to protect airport data. The airport Security Operations Center’s lack of communication and its use of unapproved and ineffective policies increase the risk the airport’s digital assets could be stolen and data could be leaked.

IMPACT: The audit revealed the airport’s Business Technologies Division needs to better integrate its cybersecurity operations team with the rest of the airport and enhance its policies and procedures. Our recommendations offered several ways in which controls and processes can be improved to enhance the security of the system. The airport agreed to all six of our recommendations.

Data Centers

Our audit evaluated two data centers operated by the City and County of Denver’s Technology Services agency and two data centers operated by Denver International Airport’s Business Technologies Division. We assessed the facilities to determine the security and operability of technology assets, such as equipment, facilities, and infrastructure.

RESULTS: The audit revealed Technology Services and Business Technologies had inconsistent operational standards for the four data centers, they did not conduct ongoing reviews of software applications to ensure they still provided sufficient value, and they did not track the cost of application services. Additionally, the data center locations lacked geographical diversity, and one data center lacked adequate environmental protection. We also identified some security-related findings that we communicated separately to management of Technology Services and Business Technologies so those agencies could address the identified issues.

IMPACT: Our audit offered several recommendations to improve data center operations, to identify wasteful or unnecessary software applications, and to track data center costs. Additionally, we identified opportunities for the city to enhance the security of its data centers.
Denver Preschool Program

This audit assessed how well the Denver Preschool Program works to increase access to and quality of preschool programs for Denver children. In doing so, we evaluated the city’s oversight of the program and how the program allocated resources and spent voter-approved taxpayer funds on preschool services.

RESULTS: The audit revealed the city did not adequately oversee the Denver Preschool Program and that the program had accumulated over $20 million dollars in unused tax dollars because of insufficient budgeting and spending practices by Denver Preschool Program Inc., the nonprofit organization that administers the program. Additionally, the organization keeps its reserves in a commercial money market account, which is a loss of potential revenue by not providing much higher rates of return that alternative investment options offer. We also found Denver Preschool Program Inc. did not have well-defined policies for the financial and operational responsibilities of the nonprofit’s board of directors to help ensure the board spends taxpayer dollars adequately to support the program’s goals. Lastly, we determined the city and Denver Preschool Program Inc. did not follow leading practices to ensure third-party contracts to provide quality preschool services were fulfilled as required.

IMPAKT: Our first-ever audit of the Denver Preschool Program provided transparency and accountability for the millions in voter-approved tax dollars that are allocated to the third-party nonprofit overseeing the program. The excessive accumulation of tax dollars may have limited the participation of Denver children in preschool services provided by the Denver Preschool Program. Improvements to the program’s financial and operational practices should ensure the program achieves its goal of providing high-quality preschool services to as many children as possible, while also ensuring taxpayers’ dollars are invested and spent wisely.

Denver Public Trustee

This audit reviewed the Denver Public Trustee’s accounting practices, compliance with laws and regulations, and governance structure with the objective of evaluating the efficiency and effectiveness of its internal controls over financial reporting and the foreclosure process.

RESULTS: The audit revealed the Denver Public Trustee’s fund activity was not clearly stated in the city’s Comprehensive Annual Financial Report. Furthermore, we found a significant weakness in the Public Trustee’s internal controls due to several deficiencies such as an inadequate accounting system, insufficient written policies and procedures, insufficient segregation of duties, errors in the list of fees charged, and errors in recording fee revenue, among other issues. On the other hand, we found the Public Trustee staff approve employee timesheets accurately and timely.

IMPAKT: The comprehensive annual financial report failed to transparently and accurately disclose the Denver Public Trustee’s financial activity. Correctly recording Denver Public Trustee activity and transparently disclosing that activity will make the comprehensive annual financial report more useful for users. Improvements to Denver Public Trustee’s internal controls will ensure taxpayer resources, as well as resources held by the city on behalf of third parties, are better protected. The agency agreed to all our recommendations.
Denver Sheriff Department Jail Safety

We assessed how well the Denver Sheriff Department ensures the safe and secure operation of Denver’s jails. We looked at operational trends and management practices related to intake, classification, supervision, and incident response that affect the safety and security of staff, inmates, and public visitors in the jails.

RESULTS: The audit revealed the Denver Sheriff Department lacked a comprehensive risk management process, which causes challenges in identifying and responding to risks. This could adversely impact the safe and secure operation of the city’s jails. The department’s intake and classification practices were inconsistently identifying the risks inmates posed to staff and other inmates when the inmates are housed. We also found practices for restraining high-risk inmates and for pat-searching inmates were ineffective in controlling inmates, which creates unnecessary safety and security dangers. Finally, we determined the Denver Sheriff Department had insufficient processes for decision-making, communication, and resource management when responding to and resolving incidents that occur.

IMPACT: We identified several improvements the Denver Sheriff Department should make to demonstrate that the safety and security of staff, inmates, and the public is its priority. The department could more effectively ensure the safety and security of its jails through comprehensive risk management and jail management practices that identify and mitigate risks posed by inmates.

Denver Employees Retirement Plan Actuarial Valuation

We hired Bolton Partners Inc. to review the actuarial valuation for the Denver Employees Retirement Plan. This included validating source data, reviewing assumptions and methods applied for valuation, assessing compliance with Actuarial Standards of Practice, reviewing calculations in compliance with Governmental Accounting Standards Board requirements, and verifying whether all pension and retiree medical benefits provided by the city are valued accurately.

RESULTS: Bolton Partners found the Denver Employees Retirement Plan’s valuation assumptions and methods were valid and reasonable. The changes from a 30-year to a 20-year amortization period and the changes in the funding method and asset method — all of which happened in 2019 — were appropriate. All assumptions and methods adhered to actuarial standards, and calculations under Governmental Accounting Standards Board requirements were correct. The valuation report included a detailed description of risks.

IMPACT: This audit confirmed the liabilities for Denver's retirement plan were properly valued and funding policies were consistent with best practices and standards. Bolton Partners identified several minor areas for improvement, such as reviewing and disclosing certain assumptions for both the pension and retiree medical benefits. The plan's management agreed with all recommendations.
Denver International Airport – Accounts Receivable

Auditors assessed the effectiveness of Denver International Airport’s management of accounts receivable, which included evaluating the processes conducted by Finance Division personnel in comparison to policies and procedures, job duties, and time management. The audit evaluated the efficiencies of accounts receivable processes as they related to the financial systems and reviewed the steps taken to prepare for the implementation of the upcoming system for managing accounts receivable activities.

RESULTS: The audit found that Denver International Airport’s accounts receivable processes have inefficiencies resulting in a loss of revenue. Some of these inefficiencies can be attributed to the inherited problems that continue despite changes in management and software. The audit found that duplicate and defunct accounts have not been removed, and a failure to properly charge interest on late payments has resulted in an estimated average loss of over $1.4 million a year in revenue starting in 2018. The airport’s Finance Division did not create a change management plan for converting to Workday accounts receivable software from 2015 to 2017, and the division does not have one for the conversion to a new software. In addition, weak policies and insufficient staffing limit the Finance Division’s ability to address inefficiencies. Longstanding accounts receivable process inefficiencies, such as researching customer account discrepancies and manually applying wire payments to outstanding invoices, are time-consuming activities that detract from the Finance Division’s ability to make process improvements.

IMPACT: Our report, in addition to showing that the airport was losing money by not collecting interest on outstanding debts, also could help head off another failed accounting software launch at the airport. While Denver’s airport is highly successful financially — averaging more than $1 billion in revenue the last few years — even successful enterprises should not let process inefficiencies prevent them from maximizing revenue, especially when they are owned by the public and managing public funds. The airport agreed with most of our recommendations.

Denver International Airport – Airport Improvement Program Grants

We assessed whether Denver International Airport’s Finance Division was complying with city and federal requirements for two Airport Improvement Program grants. We also looked at the airport’s policies and procedures for grant administration.

RESULTS: The audit found the Finance Division had not ensured compliance with both city and federal regulations, because the airport had insufficient internal controls over its grant administration, including inadequate policies and procedures. Specifically, the airport incurred and submitted for reimbursement to the Federal Aviation Administration $2.8 million in unallowable project costs, because it did not have effective controls to ensure it complied with the federal requirement that project costs must be incurred in the appropriate period. Further, the airport’s processes did not ensure employees submitted grant reimbursement requests on time. We found, on average, reimbursement requests were submitted 50 days late — conflicting with a city Fiscal Accountability Rule and potentially costing the airport money in lost interest. Lastly, the division’s policies and procedures were incomplete, outdated, and did not accurately reflect business practices. A schedule to review and update the Finance Division’s grant policies and procedures — as well as a process to make changes to those documents in a timely manner — did not exist.

IMPACT: Not following grant requirements could result in a loss of funding and in the city being required to pay the money back, a sum that could run into the millions of dollars.
Denver International Airport – Westin Hotel Revenue

The audit sought to assess whether Denver International Airport was effectively ensuring that revenues and expenses reported by the Westin hotel were reasonable and in compliance with the hotel management agreement between the airport and Marriott. Additionally, the audit analyzed whether the airport was effectively reviewing contract terms regarding performance management to ensure Westin was optimizing revenue.

RESULTS: We could not complete the intended audit of evaluating the Westin’s revenues and expenses because Marriott refused to provide the Auditor’s Office with the access and data necessary for auditors to evaluate Marriott’s and Westin’s operation of the airport hotel or assess whether they were complying with the hotel management agreement. Marriott claimed certain information was “proprietary” and would not provide it. Meanwhile, we found the hotel management agreement contains contradictory language about the Auditor’s right and authority to audit and it counters city charter. Auditors also had concerns over the quality of external audits and reviews of Marriott’s and Westin’s internal controls and found, because of Marriott’s obstruction, the Auditor’s Office may be prevented from reviewing additional external financial audits conducted on the hotel.

Airport management also had not clearly defined project monitoring and asset management roles and responsibilities for the hotel management agreement, and policies and procedures for overseeing the agreement lack details to ensure the hotel’s operational and financial success.

IMPACT: We found the airport cannot ensure potential revenues at the Westin are not being lost because the airport is not sufficiently monitoring or verifying Westin’s finances or performance. The airport agreed to all our recommendations and claimed two had already been implemented. We will evaluate whether they indeed have when we return for follow-up work. Auditor O’Brien continues to call on the mayor and City Council to amend the contract with Marriott to protect the Auditor’s authority and ensure audit access.

2019 Audit Reports

Denver International Airport – Interstate Highway Construction Inc. Examination

We hired CliftonLarsonAllen LLP to examine the city’s contract with Interstate Highway Construction Inc. at Denver International Airport. The examination evaluated how well the airport reviewed Interstate Highway Construction Inc.’s compliance with contract terms, what controls existed to ensure oversight, approval of pay applications and change orders, use of subcontractors, and whether processes were followed for project progress reporting and construction project closeouts.

RESULTS: The examination found an ineffective tracking system for subcontractors that could impact the accuracy of Interstate Highway Construction Inc. meeting the “disadvantaged business entity” goal required by contract. After reviewing various lists of subcontractor payments the airport provided upon questions from CliftonLarsonAllen, CliftonLarsonAllen discovered there had been import errors related to a recent software conversion at the airport — errors that were not fully corrected. Manual adjustments had been performed to attempt to correct the subcontractor payments, but not all errors were identified and corrected. The inaccuracies indicated the airport’s contract management system was ineffective at tracking subcontractor payments related to the contract with Interstate Highway Construction Inc.

IMPACT: While CliftonLarsonAllen observed that internal controls appeared to operate effectively throughout many of Denver International Airport’s processes, the inaccuracies found with the airport’s contract management system raise questions about whether the airport’s system was accurate in calculating that Interstate Highway Construction Inc. exceeded its “disadvantaged business entity” goal by 0.04%. The examination highlighted how Denver International Airport needs to more effectively monitor contract compliance for its construction projects.
Halcyon Construction Inc. On-Call Contract Examination

We hired CliftonLarsonAllen LLP to examine the Department of Public Works’ on-call contract with Halcyon Construction Inc. Specifically, the examination evaluated Halcyon’s selection of its subcontractors, Public Works’ internal controls surrounding the approval of pay applications and change orders, and oversight regarding Halcyon’s compliance with progress reporting and budgeting.

RESULTS: This examination identified issues within Public Works related to a lack of formalized policies and a lack of competitiveness within Public Works’ pool of on-call contractors. CliftonLarsonAllen noted the pool of “small business enterprise” on-call contractors should have been more competitive. Additionally, CliftonLarsonAllen identified weak internal controls over the pricing of construction projects and the change order process, as well as a need for Public Works to increase its monitoring over the Halcyon on-call contract.

IMPACT: The examination provided four recommendations for Public Works to improve its internal controls over its pool of on-call contractors. By implementing the recommendations, the city can be assured on-call contractors are hired through a competitive bidding process and are performing work for the city in a cost-efficient and appropriate manner.

Homeless Services

Our audit of Homeless Services had two objectives. First, we reviewed the funding going toward homeless services and prevention between 2014 and 2018 from two agencies — Denver Human Services and the Office of Economic Development (now known as Denver Economic Development and Opportunity). Second, we assessed Denver’s Road Home’s collaboration and coordination with other key groups in the city.

RESULTS: The audit found that while Denver’s Road Home had made progress strengthening partnerships with local groups to combat homelessness, it could not fully lead the city’s homeless mitigation efforts due to uncertainty over who is responsible for leading the city’s efforts. The audit also found Denver’s Road Home did not have the staff resources needed to meet all of its responsibilities such as strategic planning, policy development, and data analysis. Finally, our review of the governance structure of the newly established Advisory Committee for Housing People Experiencing Homelessness revealed the need for improvements, such as defined procedures for addressing potential conflicts of interest to ensure effective operations.

IMPACT: All parties, including the Mayor’s Office, Denver’s Road Home, and the advisory committee agreed with the audit recommendations. Additionally, at the conclusion of the audit, the mayor announced a restructuring that brought Denver’s Road Home and the city’s affordable housing resources together into a new Department of Housing Stability so the city can better serve the homeless and those struggling with housing affordability.

Preserving Affordable Housing for Denver Residents

Our audit of affordable housing examined Denver’s Office of Economic Development’s adherence to processes and covenant requirements as well as regulations that preserve affordability. We also sought to determine Economic Development’s effectiveness in preventing involuntary displacement, and we examined how certain locally funded programs related to affordable housing were monitored and measured.

RESULTS: The audit revealed that Denver’s Office of Economic Development was not evaluating whether its programs are effective. Specifically, we found that Economic Development focused on outputs and not outcomes. We also found that Economic Development was not enforcing housing violations effectively. Further, we determined that Economic Development’s poor communication with other city agencies has cost some affordable housing owners thousands in property tax dollars. Lastly, we found an overall lack of strategy surrounding Economic Development’s approach to handling affordable homes that fall into foreclosure. As a result, the city has lost affordable homes to foreclosure.

IMPACT: This audit was a second edition to our affordable housing audit in 2018, and highlighted continued challenges in providing affordable housing to Denver residents. The audit revealed a need for Economic Development to better monitor its programs and for it to improve citywide communication. The recommendations from this audit leveraged relevant industry standard criteria that should help the agency build a fundamentally better affordable housing program.
Property Tax Assessment Process

This audit reviewed the city’s policies and procedures related to property taxes. The audit also analyzed whether the city was recovering the costs of assessment and collection of property.

RESULTS: The audit revealed the city is incorrectly recording and reporting the state’s reimbursement for the senior and disabled veteran property tax exemption in the city’s financial accounting records and may have been improperly reporting the nature of the funds to other governments that receive the reimbursement through the city. The audit also found that the Department of Finance should improve oversight of the property tax system and underlying processes, particularly updates of policies and procedures, and it should ensure waived interest and fees are allowable and that information related to state-leased properties is accurate and consistent.

IMPACT: Our audit pointed out a misinterpretation of law that could change the way the state senior and disabled property tax exemption is classified for accounting purposes statewide. Errors in reporting the tax exemption may have an impact on the city’s external financial reporting. Furthermore, if other entities misreport the reimbursement in their own financial reports, their reports may also be misleading. Improvements to oversight of the property tax system and underlying processes will ensure property tax data is accurate, along with ensuring waivers of interest and fees are allowable.

Property Tax Spending for Intellectual and Developmental Disabilities

We looked at how Denver Human Services monitors Rocky Mountain Human Services’ spending of city property tax funds dedicated to helping residents with intellectual and developmental disabilities. Additionally, we looked at whether Rocky Mountain provides quality case management services and whether it uses city funds in compliance with city rules.

RESULTS: Denver Human Services was not properly monitoring the dedicated property tax funds it reimbursed for services provided by Rocky Mountain. Specifically, Denver Human Services did not follow the reimbursement method laid out in its contract with Rocky Mountain. Denver Human Services also did not monitor whether Rocky Mountain’s special projects subcontractors achieved their outputs. Additionally, we found the internal auditor assigned to the Rocky Mountain contract did not perform regular audits on Rocky Mountain’s use of city funds.

IMPACT: By allowing Rocky Mountain to use an incorrect reimbursement method, the city could not verify that $16.5 million in dedicated property tax funds were spent as intended. Additionally, both Denver Human Services and Rocky Mountain’s lack of oversight of their special projects risks city funds being misused. Our recommendations should help ensure city funds are both properly monitored and spent as intended.
Urban Area Security Initiative Grant

This audit assessed the Office of Emergency Management and Homeland Security’s compliance with federal, state, and local requirements for the Urban Area Security Initiative grant. The efficiency and effectiveness of the agency’s grant management and transaction tracking procedures were also reviewed.

RESULTS: We only found minor compliance issues in the grant transactions we tested. However, we did note a bigger issue in that the Office of Emergency Management recorded and tracked grant transactions using spreadsheets, which are more prone to error and which lack security controls. Officials would then enter the transactions into the city’s system of record, Workday, effectively keeping two sets of identical accounting books for grant expenditures. We also found that insufficient grant policies and procedures may have contributed to questioned costs and reimbursement requests that are not submitted in a timely manner. We also noted a lack of a formal succession plan that could contribute to a loss of institutional knowledge if key personnel suddenly leave the department.

IMPACT: While no major compliance issues were noted in this audit, relying on spreadsheets to record and track transactions is not ideal. The Office of Emergency Management agreed to establish better controls over its existing spreadsheets while the agency determines whether it can fully move the recording and tracking functions into Workday.

Workday User Access Controls

Workday is a software application that is the city’s system of record for human resources and accounting. We examined the design and operational effectiveness of Workday’s controls over user access.

RESULTS: The audit revealed the city had not established effective oversight of Workday after the system was implemented. This resulted in inconsistencies in how new users were added to Workday and an overall lack of review for users who have access to the system. Additionally, the city had not established documented policies and procedures for how to grant user access and did not monitor the specific users with access in a testing environment that contains sensitive information. We also found the city did not establish a review for processes within Workday to ensure conflicting roles and approvals were properly segregated.

IMPACT: The audit revealed the city needs to improve access controls and governance for its primary accounting and human resources system. Our recommendations offered several ways in which better controls and processes could enhance the security of the software application.

Workday Post-Implementation Assessment

This assessment was performed by a third-party consultant, who reviewed the city’s implementation of the Workday system, a subscription-based software that offers payroll and human resources management applications. The review examined the implementation of both financial management and human capital management modules in Workday. The assessment involved user surveys, interviewing select users, and reviewing contracts to ensure the city received all systems for which it contracted.

RESULTS: The assessment found that users were largely satisfied with the Workday system. However, users often reported that further training was needed to improve the user knowledge and understanding of the system. Users also reported some frustration with interfaces with other systems, redundancies, and concerns about whether the users were getting the best information out of the system for use in their daily activities. The assessment found that Workday was implemented in accordance with contract terms.

IMPACT: The city has agreed to work on enhancing training tools to help ensure users are able to maximize the value derived from Workday. The city may also consider enhancing the Workday Community tool to allow users to share information to allow for peer-to-peer training.
**2019 Continuous Audits**

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### Purchase Orders and Invoices

New for 2019, this project developed secure continuous connections to Workday, the city’s system of record of purchase orders, and used this information to look for risks related to the purchase order process. The risk analyses are based on industry leading practices, including even-dollar analysis to identify purchases ending in zero cents; Benford’s law of analysis to look for human intervention in purchasing price; and duplicate transaction analysis comparing purchase order transactions to purchase card and travel cards transactions.

We also developed analyses to examine two specific risks. First, a tool to determine whether an item purchased was shipped to non-city addresses and affiliated with the city. Second, a method to automate the assessment of risks identified in the “Purchasing and Payment Processes” audit issued in October 2018 — how often physical checks are held for pickup rather than being mailed directly to the vendor.

**IMPACT:** This project has expanded the continuous audit program’s capabilities and informed ongoing audits related to procurement processes. Further it has provided a wide range of automated risk assessment tools to allow the office to monitor how different agencies are interacting with the city’s Purchasing Division and following the city’s purchasing policies and procedures.

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### Travel Cards

New for 2019, this project developed a secure, continuous connection to the city’s system of record of travel card transaction data. Through this connection, we created automated analyses to examine two risks. First, a test for duplicate purchase made on travel cards and purchase cards. Second, an analysis of merchant category codes to identify potential purchases that violate the city’s travel rules. These rules specify the types of transactions that can be made while traveling for city business.

**IMPACT:** This project has expanded the continuous audit program’s capabilities and allowed us to classify travel cards into high-, medium-, and low-risk based on merchant category code. Understanding how city agencies use travel cards not only informs the risk of their travel expenses, but also gives information about the control environment. This information will continue to inform the officewide risk assessment process, which results in more impactful audits.

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### Pay Equity

New to 2019, this project used three years of salary data and two years of merit increase data — both provided by the Office of Human Resources — to build statistical models to understand how well the city provides similar pay for similar work and whether race or gender influences employee merit increases. The team created a series of regression, logistic regression, and fixed-effects regression models to understand how race and gender related to salary and merit increases. The results from these analyses will allow the Auditor’s Office to consider risks related to pay inequities for future planning.

**IMPACT:** The results from these analyses will allow the Auditor’s Office to consider risks related to pay inequities for future planning.
Purchase Card Transaction Analyses

In 2019, we monitored the four analyses completed in 2018 and added three additional analyses to identify risks related to misuse, fraud, or abuse. Our analyses range from control tests to risk assessments.

Analyses we monitored from 2018 include detecting split transactions — where someone breaks a transaction into multiple pieces to circumvent a purchase card’s single transaction limit; recurring transactions between a supplier and an agency; identifying even-dollar transactions — purchases ending in zero cents; and identifying the top spender and top vendor within each agency.

In 2019 we added three risk assessment analyses. First, we began monitoring the volume of transactions made to pass-through internet vendors such as Amazon, eBay, Etsy, PayPal, or Square. These transactions are considered high-risk because the final recipient of funds is unknown, and the volume of these transactions is increasing overtime. The other two analyses identify potential duplicate transactions between purchase cards and purchase orders and between purchase cards and travel cards.

GenTax

In 2019, we monitored and improved the two analyses created in 2018 to monitor two risks related to the municipal tax process. First, the timeliness of tax return processing and second, the separation of duties between the administrator who requests a tax write-off and the administrator who approves the request. In 2018, the tax write-off analysis focused on sales tax, while in 2019 we expanded the analyses to include all tax types.

**IMPACT:** We examined all tax records related to returns and write-offs from January 2015 through the end of 2019. Our analysis shows the improvement in both timeliness of tax return processing and separation of duties since the 2016 Municipal Sales Tax Audit have been maintained.

Contract Splits

In 2019, we continued to monitor the analyses on contract data that identifies potential split contracts. Contract splits are a risk for circumventing oversight requirements based on dollar-amount thresholds. For example, if the two contracts exist between the same vendor and agency, with the same scope, and if their total value is over $500,000, then they would need to go before City Council for approval.

**IMPACT:** The results of our analysis informed the Contract Controls in Alfresco audit in 2017 and the follow-up to that audit issued in December 2018. We will continue to monitor this data in 2020 and use the results to update the Auditor’s Office risk assessment process.

Short Term Rentals

In 2019, we continued to monitor the analyses developed in 2018 related to short-term rental licensing. This work tracks data short-term rental licensing data quality issues and noncompliance issues.

**IMPACT:** These analyses examined over 225,000 purchase card transactions made between January 2016 and November 2019 and identified potential control failures and risky transactions. The results informed the 2019 risk assessment process and showed how risks related to purchase cards have changed over time.

**IMPACT:** The results of our analysis show the percent of compliant license numbers in the system continues to be around 90%, and the number of valid IDs since the 2017 audit period has more than doubled. Our analysis informed the December 2018 follow-up and signals the effort on the part of the Department of Excise and Licenses to correct the issues surrounding the establishment of a valid tax collection ID by license holders has been maintained.
Follow-Up Report Highlights

The Audit Services Division follows up on all recommendations an audited agency agreed upon to determine whether city agencies sufficiently addressed our audit findings to mitigate the risk our audit identified. We communicate our follow-up activities in formal reports published online, specifying how each recommendation was implemented or why an agency did not implement an agreed-upon recommendation. The city’s implementation of our recommendations is one way we measure the impact of our audit work.

List of 2019 follow-up reports

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Audit Impacts

We continued to see constructive impacts from our audits this year thanks to our staff’s diligent work and agencies’ willingness to make changes based on our findings. However, there were some agencies that failed to make necessary changes and missed the mark on some of our recommendations.

The operator of the gift shop and café at the Buffalo Bill Museum failed to implement audit recommendations to improve its cash registers and accounting system — despite the city signing a new contract with the vendor. On the other hand, a similar concession audit of Flog LLC at Willis Case Golf Course showed the vendor was able to implement most of the agreed-upon changes to ensure financial accountability for the city-owned property. The implemented recommendations at the golf course showed the recommendations were not unreasonable or too burdensome for a small business, and Auditor O’Brien was disappointed to see Pahaska’s poor performance.

Denver’s airport made some progress this year, but still has work to do to improve how it manages the public’s assets. Denver International Airport made significant progress in implementing all our recommendations related to oil and gas operations. However, the airport fully implemented fewer than half of our recommendations related to parking revenue. Parking is one of the airport’s largest sources of revenue. The airport says some of the outstanding recommendations are dependent upon the upcoming implementation of a new property and revenue management system.

One of the most successful audits, according to this year’s follow-up reports, was the assessment of how the city manages the process for building permits. Denver made significant progress in speeding up and organizing the building permitting process, as well as working to ensure customer satisfaction, according to the follow-up report for the Building Permitting audit. When auditors returned this year to see how city staff had addressed our recommendations, Auditor O’Brien was pleased to hear about the significant improvements made through better organization and better training.

We conduct audits on behalf of the people of Denver. Their support and the support of city agencies help us make meaningful recommendations that result in real change and improvement.
Who We Are

OFFICE OF THE AUDITOR: The mission of the Auditor’s Office is to deliver independent, transparent and professional oversight in order to safeguard and improve the public’s investment in Denver. Our work is performed on behalf of everyone who cares about the city, including its residents, workers and decision-makers.

Denver’s Auditor is unique because he is elected by the people and is independent from all other citywide elected officials and city operational management. He works independently from the mayor’s and City Council’s offices to maintain objectivity and offer frank, truthful reports for the betterment of Denver. Auditor Timothy M. O’Brien, CPA, was elected to a four-year term in 2015 and reelected for a second term in 2019.

The Denver Charter provides for the Auditor to conduct:

- Financial and performance audits of the City and County of Denver and its departments and agencies in accordance with Generally Accepted Government Auditing Standards;

- Audits of individual financial transactions, contracts and franchises of the City and County;

- Audits of the financial accounting systems and procedures administered by the Manager of Finance and other departments and agencies of the City and County, including records systems, revenue identification and accounting, and payment practices.

The Denver Charter mandates the Auditor follow the Generally Accepted Government Auditing Standards published by the U.S. Comptroller General, as well as financial management best practices, and any applicable laws and regulations governing the financial practices of Denver.

Denver’s charter further requires the Auditor to countersign all city contracts to ensure no liability is incurred, no money is disbursed, and no city property is disposed of in a manner contrary to law.

The Auditor’s Office also oversees enforcement of the city’s minimum wage, prevailing wage, and living wage ordinances. That means the Auditor works with both employers and employees to ensure every worker is paid according to the law. The office does outreach and works individually with contractors to help them understand these laws. Analysts also help identify workers’ correct prevailing wage classifications. New in 2020, the office will oversee education and enforcement of the citywide minimum wage law in Denver Labor. The office will work with employers and employees to ensure proper wage payments.

The Auditor is chairman of the Audit Committee, whose primary task is to annually commission an independent external audit of Denver. In addition, results of audits are presented to the Audit Committee. To ensure the committee’s independence, the mayor, the City Council, and the Auditor each appoint two members for four-year terms.

Auditor O’Brien is licensed in Colorado as a certified public accountant, or CPA. He also has a master’s in business administration from the University of Colorado. He holds the designations of chartered financial analyst and chartered global management accountant. He has more than 40 years of auditing and accounting experience — including time serving as the state auditor — which he uses to ensure Denver’s taxpayer dollars are used efficiently and effectively. He was also chosen as the chairman of the board of trustees of the Colorado Public Employees’ Retirement Association, which provides retirement benefits to more than 500,000 employees across the state.

Photograph provided courtesy of City and County of Denver
What We Do

Audit Services Division

The Audit Services Division produces independent financial and performance audits and other types of assessments of city agencies, programs, finances, technology, and contracts. The resulting recommendations from these efforts help strengthen governance, improve performance, enhance efficiency, increase revenues, reduce costs and risks, and improve the quality of services for Denver.

Performance audits review the efficiency and effectiveness of agencies’ work, as well as the overall use of Denver tax dollars. Financial audits take a close look at an agency’s records and processes to identify errors in reporting and payments and other risks to the city and its reputation. Meanwhile, contract compliance audits determine whether a third-party vendor — and/or a city agency — is following the terms of a contract. Information technology audits review the controls and operation of the city’s network, software applications, and cybersecurity processes to make sure they are operating correctly.

Key audits completed or commissioned this year included a report about safety concerns for deputies and inmates in Denver’s jails, a disappointing lack of access to information at the Westin hotel at Denver International Airport, and a look at the good intentions but inadequate organization in how Denver serves people experiencing homelessness. The audit teams also looked at how Denver administers contracts and works with third parties, including a look at the Denver Preschool Program and how the nonprofit uses dedicated tax funds. A second affordable housing report found the city was not doing enough to prevent involuntary displacement and that the city’s efforts were not meeting strategic goals of preserving affordable housing. A follow-up assessment is performed after the last implementation date given by agencies in response to recommendations in each audit. The follow-up reports confirm whether the agreed-upon recommendations were indeed implemented. We follow up on every audit to see if our recommendations are implemented and our findings are impactful.

Our expanding continuous auditing program helps identify high-risk areas of the city by repeatedly performing updated analyses of transactional data from different city databases. Using automation, we sort through thousands of data entries, rather than rely only on a random sample. This helps inform our risk assessments for current or future audits and can help us focus on areas of higher concern. The resulting reports provide us with timely feedback of anomalies or outliers in the city’s processes and transactions.

Auditor O’Brien also contracts with professional service firms to provide third-party audits and engagements where specialized expertise is needed, such as in a particular industry or technical discipline. This is a cost-effective and efficient way to complete specialized work such as cybersecurity audits or actuarial work, among other areas of focus. Hiring these firms on a contract basis allows our office to expand its range of audits while using taxpayer funds prudently.

Our annual Audit Plan — which includes many different types of engagements intended to address key risks to the city — is compiled from risk assessments of city agencies, input from community members, information from city leaders, current events, regulatory changes and other factors.

You can read all 2019 audit reports on denverauditor.org.

Contract Administration

The City and County of Denver enters into thousands of contracts every year, and the Denver Charter mandates Auditor O’Brien review and sign every city contract to ensure any liability incurred, any money disbursed, or any property disposed of is done so according to the law.

Auditor O’Brien believes progress in the city should not be held up by processes and paperwork. As a result, he works to get contracts signed more quickly while still ensuring a thorough review. Most contracts are approved within less than 24 hours.

Denver contracts can range from zero-dollar park rentals to multimillion-dollar technology purchases or construction projects. The Auditor’s Office continues to perform contract compliance, financial and specialty audits, evaluations and assessments to address these contracts. Auditor O’Brien believes the city has a responsibility to keep a close watch on contracts to confirm third parties uphold their agreements and spend taxpayer dollars as promised.
Denver Labor

City Council passed the new local minimum wage ordinance Nov. 25, 2019. The ordinance sets the hourly citywide minimum wage at $12.85 in 2020, starting Jan. 1. The separate minimum wage for city contractors and the prevailing wage rate will still apply as determined by law. All three of these areas of wage law are now under one roof known as “Denver Labor” in the Auditor’s Office. Denver Labor will continue efforts in 2020 for both education and enforcement of all wage law through payroll auditing, wage investigations and outreach.

Prevailing Wage Division

Every year, the city takes on billions of dollars’ worth of new projects and construction. The Auditor’s prevailing wage team works with both contractors and workers on all Denver projects to ensure compliance and payment according to the law. We have enforced prevailing wage requirements in Denver since the 1950s. Auditor O’Brien changed the way Denver does business on all projects and changed how work is performed on city property by revamping the city’s Prevailing Wage Ordinance in 2016. Now, his growing team works to bring all parties together to make Denver an efficient and good place to work.

Wage reporting software, easy-to-use tutorial videos and public question-and-answer sessions all help streamline the process. The simplified process aims to reduce the burden on contractors and encourages more of them to seek work with the city. Our analysts work with employees to ensure the employees are classified correctly, and they also work with employers to guide them through the reporting process.

The role of the Prevailing Wage Division includes education as well as enforcement. Anyone who has questions regarding prevailing wage is encouraged to call our hotline at (720) 913-5000.

Minimum Wage Division

New in 2019, the Denver Auditor’s Office now works to educate and enforce minimum wage across the entire city. The city’s contractor minimum wage began in July 2019 and the citywide minimum wage started Jan. 1, 2020, after the state of Colorado passed a law allowing local governments to set their own minimums independent of state minimums.

The new contractor minimum wage law required all city employees and contractors working for the city or on city property to pay a minimum of $13 an hour. That minimum will go up to $14 an hour in July 2020 and up again to $15 per hour on July 1, 2021. Our office developed a complaint-based system to investigate city work including concessions, catering, maintenance, ramp and cargo work at Denver International Airport, hospitality, security, and other jobs on city property.

In 2020, the Auditor’s Office will use existing knowledge and experience to expand again and start enforcing the new citywide minimum wage. The citywide minimum starts at $12.85 an hour in 2020. City leaders estimate more than 50,000 workers will be impacted by the wage increase. We will work to educate employers and employees about the law, and we will conduct investigations based on complaints, data, and trends identified by our office.

Wage complaints should be sent to wagecomplaints@denvergov.org or anyone can submit a complaint form at DenverAuditor.org/DenverLabor.
Community Outreach

The Denver Auditor and his communications team believe in transparency and accountability in local government. As a check and balance on the “strong mayor system,” they work on behalf of taxpayers to make sure those residents know what is happening in the city. This year, Auditor O’Brien continued to fulfill his promise to keep the public informed by continuing to explore new ways to reach members of the community where they are and in ways they can understand — through social media, a dynamic website, a successful e-newsletter, videos, media outreach, and many forms of printed informational materials.

The Auditor’s community outreach efforts ensure the important work of the office is more widely known and understood. He regularly attends meetings with registered neighborhood organizations, homeowners’ associations, business associations, universities, and other groups. The public is also invited to participate on our social media platforms: Facebook, Nextdoor, Twitter, LinkedIn — and new in the past year, Instagram. We post unique content on different platforms about community events, important city updates, audit information, labor and wage developments and other key communications.

The Auditor also continues to emphasize visual media, including an ongoing initiative to bring information about auditing and wage enforcement to YouTube and local television through Denver8 TV. This year, we shared on Denver8 TV, YouTube, our website and on social media our monthly public service announcements about how the office works and about important takeaways from audits. The Auditor also expanded our graphics and visualization capabilities for audit reports and public communications to improve residents’ understanding of our work.

The multiplatform approach to outreach helps the Auditor’s Office maintain two-way communication with the people it serves. Residents provide valuable information about what is and is not working in the city. The Auditor always wants to hear from constituents. You are encouraged to contact the office by phone, by email, or at community meetings. You can also join our conversations about current city updates on Facebook or our other social media platforms.

Audit Committee

Auditor O’Brien is the chairman of the independent Audit Committee, which meets monthly. The other six members of the committee are appointed to four-year terms. The members and their appointing authorities are listed below. Members are appointed based on education or experience in accounting, auditing, financial management, or related fields.

- **Rudolfo (Rudy) Payan**, Vice-Chairman (appointed by Auditor O’Brien)
- **Jack Blumenthal** (appointed by Auditor O’Brien)
- **Leslie Mitchell** (appointed by City Council)
- **Florine Nath** (appointed by City Council)
- **Charles Scheibe** (appointed by Mayor Hancock)
- **Edward Scholz** (appointed by Mayor Hancock)

The primary responsibility of the Audit Committee is to commission an annual independent external audit of the city’s finances. The Audit Committee receives the results of audits, assessments, and examinations performed or commissioned by the Auditor’s Office, and the results of the annual external audits. In addition to the audits of the Comprehensive Annual Financial Report and the Single Audit report of major grant programs, an external CPA firm audits two enterprise fund agencies — Denver International Airport and the Water Management Enterprise Fund. An external firm also audits the Deferred Compensation Plan Trust Fund. Auditor O’Brien and the Audit Committee receive and review the results of these audits.

All audit reports and committee minutes are published, and the committee meetings are televised on Denver8 TV.
Professional Achievements

In 2019, Denver voters chose to reelect Auditor O’Brien for his second term as Denver Auditor. Auditor O’Brien is a certified public accountant with more than 40 years of auditing experience. He recognizes the importance of professional development, of continuous learning throughout a career and of serving the community in the office and beyond. Auditor’s Office team members met high standards again this year through continued professional learning and achievements, industry conferences, staff presentations, involvement in professional organizations and community contributions.

Auditing Accomplishments

Audit Services, under the leadership of Auditor O’Brien and Deputy Auditor Valerie Walling, completed impactful, substantial work on behalf of the people of Denver. Our office integrated the auditing specialties and experience of all of our auditors and audit directors to ensure success and impact of our work. We completed performance, financial, information technology, data analytics and compliance audit work.

This year, the Auditor’s Office received a national Distinguished Knighton Award from the Association of Local Government Auditors, or ALGA. The professional organization chose our “Affordable Housing” audit for recognition among submissions from auditing offices across the country.

The prestigious Knighton awards recognize the best work from government auditing offices each year. Auditor O’Brien directed his audit team to submit the “Affordable Housing” audit for consideration because of the report’s impact in the community, its comprehensive and extensive research and field work and its overall presentation.

The audit team worked hard on this award-winning audit, including Audit Supervisor Jared Miller, Audit Supervisor Patrick Schafer, Lead Auditor Shaun Wysong, and Associate Auditor Chris Wilson. Audit Director Katja Freeman oversaw the team.

Our office currently has five members who volunteer to serve on and participate in ALGA governing committees.

Deputy Auditor Valerie Walling recently began serving on the Awards Committee; Audit Director Katja Freeman is a member of the Professional Issues Committee; Audit Director Dawn Wise- man is on the Membership Committee; Reporting Specialist Kristen Clark serves on the Diversity, Equity, and Inclusion Committee; and Reporting Specialist Tim Hoover serves on the Publications Committee.

Members of our auditing division also participated in professional conferences throughout the year to further their education and expertise. Auditors who attended educational sessions at conferences earned continuing professional education credits toward meeting requirements of Generally Accepted Government Auditing Standards requirements.

Several of our knowledgeable audit staff did presentations at the annual Mountain and Plains Intergovernmental Audit Forum conference, organized by the U.S. Government Accountability Office. Audit Supervisor Kharis Eppstein presented about the Westin Hotel Revenue audit, along with Audit Supervisor Sonia Montano and Lead Auditor Amy Barnes, with Audit Director Dawn Wise- man as the moderator. The title of their presentation was “Auditing Agreements Between Public and Private Entities: Challenges and Considerations for an Evolving Audit Environment.” Audit Analytics Supervisor Sam Gallaher, Senior Auditor Darrell Finke, and Lead Data Analytics Auditor Robert Persichitte all presented at the same conference, with Audit Director Katja Freeman as the moderator. The title of their presentation was “Jail Safety: Using Mixed Methods to Audit A Changing Environment.”

Audit Analytics Supervisor Samuel Gallaher presented several workshops and topics throughout the year, sharing his expertise in data analysis and audit sampling. He presented a four-hour workshop on audit sampling and a four-hour workshop on data analytics.
at the 2019 ALGA Conference. He also presented at the American Society for Public Administration Conference about new research on audit criteria. He shared his knowledge of data analytics and continuous auditing with the Colorado Springs affiliate of the Institute of Internal Auditors.

Lead Data Analytics Auditor Robert Persichitte also helped share our innovative techniques for data analytics at the ALGA Conference, as well as in presentations for the Institute of Internal Auditors and the Colorado Society of Certified Public Accountants.

Our auditors’ expertise and knowledge are valuable to auditors across Colorado and the United States, and we are happy to share our experience with our peers and support the progress of government auditing. Our data analytics and continuous auditing techniques are some of the most advanced in the country and we are proud to continue to develop more efficient ways to monitor city risks.

**Denver Labor Accomplishments**

Auditor O’Brien, Denver Labor Executive Director Jeffrey Garcia, and the labor team had a year of growth and significant impact in 2019, culminating in the creation of our new office: Denver Labor. The Prevailing Wage Division continues to build relationships in the construction community to encourage contractors to pay employees according to the law. The team worked on more than 700 projects worth $4.7 billion across the city. In July, the city’s new contractor minimum wage began, and our office created a new Minimum Wage Division and a complaint-based system for investigation. This new project was a precursor for the upcoming continued expansion of our office’s wage enforcement work through the citywide minimum wage. The new citywide minimum wage is expected to impact more than 50,000 workers across the city.

**Outstanding Staff**

Many talented, well-educated, and hard-working people comprise our staff. This year, our team worked to improve their work, themselves, our office, and our industry.

Deputy Auditor Valerie Walling served as a member of the Jefferson County Audit Committee and she was also named to the Institute of Internal Auditors’ Denver board.

Our Safety Committee helped keep members of our office safe and healthy this year with the leadership and support of committee members: Edyie Thompson, Kharis Eppstein, Noah McKechnie, LaKeshia Allen Horner, Dorrell Finke, Brian Cheli, Rafael Gongón, Daniel Summers, Vilma Balnyte, Nicholas Jimroglou, and Alexandra Dickerson.

Our New Employee Onboarding Committee worked hard this year to start updating our process for welcoming new employees and teaching them how the office works. Committee members included: Tammy Phillips, Edyie Thompson, Emily Owens Gerber, Dawn Wiseman, Sonia Montano, Anna Hansen, Vilma Balnyte, Tayler Overschmidt, Valerie Walling, and Kharis Eppstein.

Our Events Committee brought the office together for some fun relationship-building competitions and potlucks, including our green chili-themed cooking contest, our picnic lunch at Civic Center Park, and the annual holiday party. Thanks to committee members Rafael Gongón, Cyndi Lubrano, Anna Hansen, Cody Schulte, Kharis Eppstein, Arielle Denis, Brandon Stolba, Shaun Wysong and Susan Keller for your fun ideas and organization!
To continue to provide quality work and meaningful services to the people of Denver, the Auditor’s Office is committed to attracting, supporting, and retaining an educated and well-qualified staff of auditors, analysts, and other professionals to carry out our mission. Members of our skilled staff hold a number of advanced degrees — including public policy doctorate, law, and master’s degrees in public administration, accounting, political science, business administration, and international relations.

Many also have professional and academic certifications and designations—such as certified public accountant (CPA), audit analytics and data science academic certificates, certified internal auditor (CIA), certified government auditing professional (CGAP), certified fraud examiner (CFE), certification in risk management assurance (CRMA), certified information systems auditor (CISA), chartered financial analyst (CFA) and chartered global management accountant (CGMA).
AUDIT SERVICES DIVISION CONTINUED

William Morales, Senior Data Analytics Auditor
Sam Musler, Audit Services Intern
Megan O’Brien, MPP, Senior Auditor
Emily Owens Gerber, MPA, Audit Supervisor
Robert Persichitte, CPA, CFE, Lead Data Analytics Auditor
June Samadi, MPH, Staff Auditor
Laura Santos, Audit Services Intern
Patrick Schofer, CPA, CIA, CFE, MBA, Audit Supervisor
Cody Schulte, CPA, CIA, Audit Supervisor
Kevin Sear, CPA, CIA, CISA, CFE, CGMA, Audit Director
Daniel Summers, MPA, Staff Auditor
Edie Thompson, CAP-OM, Executive Assistant II
Chris Wilson, MPA, Associate Auditor
Dawn Wiseman, CRMA, Audit Director
Shaun Wysong, MA, Lead Auditor
Taylor Younger, Staff Auditor

DENVER LABOR

Matthew Borquez, Prevailing Wage Analyst
Carol Carter, Contract Compliance Technician
Arielle Denis, Esq., Prevailing Wage Analyst
Ava Giron, Contract Compliance Technician
Rafael Gongón, JD, Prevailing Wage Manager
Susan Keller, Prevailing Wage Analyst
Abby Kreckman, Lead Prevailing Wage Analyst
Rudy Lopez, MS, Prevailing Wage Analyst
Kandice McKeon, OSHA 510, Lead Prevailing Wage Analyst
Luis Osorio, JD, Lead Prevailing Wage Analyst
Valerie Ramirez, Lead Prevailing Wage Analyst
Chris Rubio, Prevailing Wage Technician
Brandon Stolba, Prevailing Wage Analyst
Veronica Totten, Prevailing Wage Analyst
Chris Wat, Prevailing Wage Analyst

COMMUNICATIONS

Kristen Clark, Reporting Specialist
Tim Hoover, Reporting Specialist
Jeff Neumann, Graphics and Visual Information Specialist
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