



Denver Auditor's Office

2023 ACTION CARD



Our audit priorities are your priorities. Homeless encampments, the Great Hall construction project at Denver's airport, affordable housing, and residential permitting all remain on our plan in the year ahead. After feedback from the community, we also plan to work on audits about on-call contracting, certification for disadvantaged businesses, and paramedic response times.

In 2022, our recommendations and findings helped city agencies make Denver an even greater place for people to live, work, and spend time. We appreciate the city leaders who take our work seriously and embrace the spirit of improvement throughout the year.

Audit Services can help them achieve efficiency, effectiveness, accountability, equity, and transparency. This 2023 Action Card will walk you through what we've completed, what we're still working on, and what we plan to do next.

Additionally, our Denver Labor wage enforcement team is breaking records by returning earned money to workers

according to the law. Our first step is education — for employers and workers. Thanks to our comprehensive program, we're helping more businesses successfully support their employees.

Our function as an independent agency serves as a tool for good government in the city. As a result, in 2022 the National Intergovernmental Audit Forum recognized Auditor O'Brien for his contributions to leadership in government. Winners of the David M. Walker Excellence in Government Performance and Accounting Award must demonstrate leadership to improve government performance and accountability — something Auditor O'Brien is proud to do on your behalf every day.

Your input matters to us — and to other city leaders. By continuing to support our work and elevate the issues we cover, you help ensure Denver's leaders take meaningful action. Read our key Action Points to learn more about how you can support our work.



COMPLETED AUDITS

Airport Concessions Management

Denver International Airport allowed some concessionaires to bypass the competitive selection process. The complex incentive program was costing the airport significant amounts of money without any proven benefit. Additionally, some contracts expired years ago while the businesses continued to operate their airport locations.

Fair Elections Fund

Months ahead of the first payouts from the new Fair Elections Fund, the Clerk and Recorder's Office was still working to ensure accuracy in how it would manage the program. The office needed a policy to verify that campaign contributions made to participating candidates come from valid sources. And the office needed a way to confirm candidates are accepting only small-dollar contributions. Managers were making progress by the time we completed our fieldwork in early February.

ACTION POINT Share your experiences with us. When we hear from more and more people about the same concerns, we know that's something we should take a closer look at. Understanding your experiences in the community helps us target our risk assessment process and focus on the most impactful issues.

Email your audit comments to
auditor@denvergov.org.

Mental Health Services in Denver's Jail System

The Denver Sheriff Department needed to take a more strategic approach to mental health services in its jails to better support the goal of helping people avoid cycling back through the system. We found the mental health programs were decentralized and lacked a strategy to ensure consistency in the programs and planning for when individuals leave jail.

City Equity Program and Practices

Our audit team looked at whether the Mayor's Office of Social Equity and Innovation effectively designed, implemented, and evaluated its initiatives to fulfill its goal of increasing social equity and minimizing institutional, structural, and systemic racism within City and County of Denver government. We found the office needed a detailed strategic plan and clearer authority when working with other city agencies.

Co-Responder Expansion Grant and Contract Compliance

The Denver Police Department and the Department of Public Safety were not sufficiently managing the money they received from the Caring for Denver Foundation for a co-responder program. We found the city owed \$438,000 to the Caring for Denver Foundation.

Residential Trash, Recycling, and Compost Services

The Solid Waste Management Division's trucks were aging, it was understaffed, and it did not have enough plans, policies, and resources to support its workload. Therefore, we found it was ill-prepared to expand to a "pay as you throw" pricing model in 2023. The division risks providing worse service to Denver residents, and the city also risks failing to achieve goals meant to address climate change.



UPCOMING AUDITS

City Council Operations

Planned since 2020

This audit will review the Denver City Council's operations and resources. It was added to the Audit Plan in 2020 for the year ahead. However, the Auditor's Office was forced to pause work at the end of 2021 due to resistance from council leadership. We hope for resolution and cooperation in the future, in accordance with required audit standards.

Homeless Encampments

Started in 2022, continues in 2023

This audit will evaluate Denver's oversight of encampments of people experiencing homelessness. This may include program costs, encampment cleanup processes and costs, and community impact.

Denver Police Department Operations

Started in 2022, continues in 2023

This audit will assess the efficiency and effectiveness of the Denver Police Department's management and operations. This may include reviewing officers' compliance with department requirements, programs and initiatives impacting public safety, and the security of systems.

Great Hall Construction

Started in 2022, continues in 2023

This audit will review Denver International Airport's construction management practices related to the ongoing Great Hall construction project.

Paramedic Response Times *New in 2023*

The audit will assess the response times of Denver Health's ambulances. This may include reviewing Denver Health's operating agreement with the city, response time data, and industry standards.

On-Call and Professional Services Contracts

New in 2023

This audit will review how the city procures and renews contracts with on-call and professional services vendors.

Division of Small Business and Opportunity

New in 2023

This audit will review how the city certifies businesses owned by people of color, women, and other disadvantaged populations as part of the equity goals in the competitive contracting process.

Employee Separation Process *New in 2023*

This audit will review the city's separation process for when employees leave their jobs with the city. This may include reviewing how accurately and quickly the city pays out paid time off, sick time, and vacation time to former employees.

PROUDLY SERVING THE COMMUNITY

On every audit, Audit Services works to provide in-depth analysis of city systems, programs, and processes, using the highest standards. We work to achieve our annual Audit Plan goals using comprehensive risk assessments, with an emphasis on equity, efficiency, and effectiveness.

In 2022, we were proud to once again pass our Denver Charter-required peer review. This review by auditors from other local governments ensures our work holds up and aligns with the Generally Accepted Government Auditing Standards. Peer reviewers look at our reports, evidence, independence, training, and policies to confirm that our work is top notch. Because of this, you can rest assured that our audit reports are trustworthy and of the highest professional quality.

This year, we were also proud to accept another national Knighton Distinguished Award, making our audit of Denver's airport parking shuttle system one of the best local government audits in the country. This is the fifth Knighton award for Auditor O'Brien's administration. While we perform our work on behalf of everyone who cares about Denver — not just to win awards — national recognition from our peers validates our methods, professionalism, and results.



Denver Labor

In 2022, we officially put **more than \$1 million back into the hands of workers** who earned the city's minimum wage or prevailing wage, but who were initially paid less than the law requires. Denver Labor Executive Director Jeff Garcia and our team of analysts have returned more money to workers than ever before, thanks to hard work and cooperative businesses who raised wages permanently after our investigations.

Starting in 2022, city law allowed our office to proactively start minimum wage investigations, so we were able to look at payrolls in industries and locations where data showed there might be higher risk. These areas included businesses along Denver's borders, national brand companies, restaurants, home care services, salons, and valet parking.

Common mistakes we identified included businesses claiming the tip credit when they should not, businesses thinking they are outside Denver's boundary when they're not, and businesses paying a wage based on the employer's office location instead of where the work was done.

"Most of the time when we identify underpayments, it's because of an honest mistake and the business moves quickly to pay restitution to workers and raise wages permanently," Executive Director Garcia said. "That's why we prioritize education and encourage employers to contact our team of analysts if they are unsure of how to comply with the law."

The minimum wage in 2022 was \$15.87 per hour, and **the minimum wage in 2023 will increase to \$17.29 per hour**, with few exceptions. Employers in the food and beverage industry may claim up to \$3.02 per hour in tip credits if they have actual documentation that their employees received at least that in actual tips.

Denver Labor's goal is to protect Denver's employers and employees and ensure everyone is paid according to the law. Our team of analysts investigate 100% of wage complaints and we audit 100% of certified city prevailing wage payrolls.

In just one example of an investigation this year, we received a minimum wage complaint through our website because a national beauty service retailer was paying employees less than the required minimum wage and was claiming a tip credit. Our minimum wage team educated the employer about the tip credit, which is allowed only for the food and beverage industry. The company corrected the wages for all its employees and our office **recovered nearly \$25,000 for 33 people**.

In another case, we identified valet parking as a high-risk industry for underpayments and conducted a proactive compliance audit. Payroll records showed the company was taking a tip credit for the tips received by its employees. We **recovered nearly \$39,000 in restitution for 49 employees**.

Complaints can be anonymous, and we encourage community groups to advocate for their members and partner with us to begin investigations. In one restitution case, the **African Community Center**



ACTION POINT Visit our website for resources to help both workers and businesses as you navigate the city's wage ordinances. Tools include an address finder to see whether your place of work qualifies for the citywide minimum wage, a tips tracker for the food and beverage industry, and a minimum wage calculator. Visit denvergov.org/minimumwage for more.

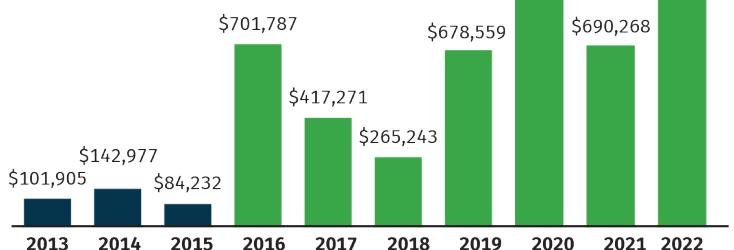
of Denver reached out because an Afghan refugee they had helped find employment was being paid less than the minimum wage. When we notified the local contractor about the underpayment, the company returned the unpaid wages to the worker in less than a week and also raised the worker's hourly wage above the minimum wage. The citywide minimum wage applies to work performed within the City and County of Denver, regardless of an individual's immigration status or country of origin.

In one of our largest prevailing wage cases of the year, we **recovered more than \$207,000 for employees on trash removal services and disposal site contracts**. The prevailing wage team found the contractor was claiming fringe benefits incorrectly. These types of benefits could include health insurance, paid time off, or a 401(k). We worked cooperatively with the contractor to calculate the restitution for 35 employees.

Contractors and subcontractors doing work at or in connection with the operation of any public building or public work on behalf of the City and County of Denver must pay their workers the prevailing wage. Through outreach, education, and investigation, our prevailing wage team works with both employers and employees. We helped keep business moving and city funds going out the door to contractors and workers as quickly and efficiently as possible.

If you or someone you know might have been underpaid at work, we might have a check waiting for you. Check out our ["Are You Owed Money"](#) page to see if you, a family member, or a friend's name is on the list.

Denver's unpaid wages recovered by the labor divisions of the Denver Auditor's Office



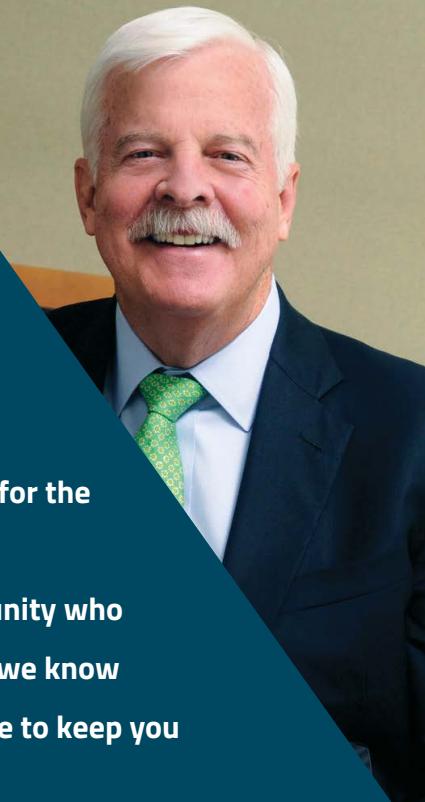
I'M DENVER AUDITOR TIMOTHY M. O'BRIEN, CPA.

I am currently serving my second term as your independent Auditor. My office serves as a check and balance to Denver's "strong mayor" government and enforces wage laws. I'm a licensed CPA and have more than 40 years of auditing and accounting experience, including producing more than 750 performance and financial audits. I previously served as the Colorado State Auditor for 11 years.

In 2022, I proudly accepted an appointment to the U.S. Comptroller General's Advisory Council on Government Auditing Standards, where I am able to advocate for the high standards our office follows.

This 2023 Action Card provides an overview of our work for anyone in the community who cares about what's happening in Denver. Constituents sometimes ask me: How do we know you're doing what you said you would? This Action Card is one of many tools we use to keep you updated and hold ourselves accountable.

For suggestions, questions, or concerns, email auditor@denvergov.org and sign up for our monthly email newsletter at denvergov.org/auditor.



CONNECT WITH US

We believe in transparency and accountability in local government. In our office, we are continuously exploring new ways to reach members of the community where they are and in ways that matter to them.

You can find us anytime on our website, Nextdoor, Twitter, Facebook, LinkedIn, and Instagram.

We strive to make our work accessible to everyone. Read a Spanish version of this action card on our website, and find other wage and audit resources in Spanish and other languages at denvergov.org/auditor.

We work with community groups, registered neighborhood organizations, businesses, and other organizations to spread the word about what we do throughout the year. If you'd like to hear from us, please invite us to an upcoming meeting or let us know about your future community event.

Watch our "Wages Wednesday" live tutorials on Facebook in English and Spanish to ask questions about Denver Labor, and don't miss our "Ask the Auditor" series every month on Denver8 TV.



ACTION POINT

Sign up for our monthly email newsletter to get updates about recent audits, Denver Labor news, and upcoming trainings and events. Send your questions and comments to auditor@denvergov.org.



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