

News from Denver Auditor Timothy M. O'Brien, CPA



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Let me begin by wishing everyone a very Merry Christmas, Happy Hanukkah, and Joyous Kwanzaa. However you celebrate — I wish you safe travels and may you and your families also enjoy a prosperous New Year.

Looking back at 2021, I would particularly like to thank the community for all the support we've received this year. Our work has connected with you in a way that has been deeply gratifying not only for myself, but for our team of dedicated staff who are committed to making sure Denver can be the best city it can be.

Part of your feedback has directly led to some of the quality we have planned for next year, which you can read about in our [Audit Plan for 2022](#), available on our website.

Wishing you health, love, and joy this holiday season.

Timothy M. O'Brien

Auditor Timothy O'Brien, CPA



Denver's Minimum Wage Increases to \$15.87 per Hour

On Jan. 1, 2022, Denver's minimum wage will increase to \$15.87 per hour. The higher minimum wage will help support workers at a crucial time and Denver employers will have an edge in the competitive job market. Higher pay means more stable staffing and better recruiting compared to other places in the metro.

The citywide minimum wage applies to all work performed within the boundaries of the City and County of Denver. Employees and workers can check the address where their work was performed in our regional address finder map at [denverlabornews.org](#). Some of our most frequent cases of unpaid wages come from the city's borders because some employees might mistakenly believe they should be paying the state minimum wage. The minimum wage rate applies to where the work was performed, even if the business's main office is outside the city.

There are exceptions to the minimum wage increase including the tip credit for the food and beverage industry and the youth employment program. The tip credit is \$3.82 per hour. However, employers must be able to show their employees received at least \$3.62 per hour in real tips to claim the full tip credit. The tip credit does not apply to other industries, even if their workers sometimes receive tips.

If you don't think you're being paid correctly, contact us. Minimum wage complaints may be anonymous, however, the more information we have, the quicker we may be able to complete an investigation. We make every effort to keep the complainant's information confidential. Denver Labor will not ask for or accept information related to a party's citizenship or immigration status, and employers may not take adverse action against a worker for their involvement in an investigation.

[Read more here](#)



Minimum Wage Active Enforcement

Starting Jan. 1, 2022, city ordinance allows Denver Labor to conduct minimum wage investigations without receiving a complaint. We must have a reasonable belief that an employer violated the law and the ordinance sets criteria we must follow for us to act. For example, is there a pattern or practice in a particular industry that might lead to employees not being paid correctly, or did we receive credible information from an outside agency?

In our first two years of enforcement, we have already collected data to help our analysts focus on patterns and high-risk areas. We receive the most complaints about unpaid wages near the start of the year because of accidental errors by some employers. We also see higher rates of noncompliance along Denver's borders where there may be confusion about whether a business should pay the citywide or state minimum wage rate.

We've identified industries where we find recurring problems — hotels, marijuana, subcontracting restaurants, taxis, pedicab, and restaurants. We have also found that national companies tend to have a high likelihood of violation because payroll offices may not be local and might not be aware of local requirements.

It's our intention that active enforcement will better support businesses because it will help catch errors earlier and get workers paid correctly more quickly. In 2022, our team of analysts will visit high-risk locations to step up education and identify errors earlier.

[Read more here.](#)



Resources for Businesses

We have English and Spanish resources at [DenverWages.org](#) and [BalletosEnDenver.org](#) that include tools to help you determine which jurisdiction you fall under, and how to track tips, and calculate overpayments.

Our wage tools include:

- Regional map finder.
- Penalties site poster for employers.
- Tip tracker tool.
- Minimum wage calculator.
- Underpayment calculator spreadsheet for employers.
- English and Spanish complaint forms.

Denver's wage ordinances require employers to display the required minimum wage posters with the updated rate in English and Spanish at the workplace.

[You can find these posters and our other resources here.](#)



Wages Wednesday

If you still have questions about Denver's minimum wage for 2022, we encourage you to watch our live Wages Wednesday trainings in January. In 15 minutes, you will learn the basics about the ordinance and understand how the wage change will impact workers' payrolls citywide, including those in the food and beverage industry. Save the dates and connect with our team of experts each Wednesday at noon, on [Denver Labor Facebook page](#).

Calendar

Minimum Wage in 2022: Learn the Basics

Wednesday, January 5 at noon.

El salario mínimo en 2022: aprenda lo básico

Miércoles, 12 de enero, a las 12 p.m.

Minimum Wage for the Food and Beverage Industry

Wednesday, January 19 at noon.

El salario mínimo en la industria de comidas y bebidas

Miércoles, 26 de enero, a las 12 p.m.

What topics about wage enforcement would you like us to cover in 2022? Please send your suggestions to [auditor@denvercity.org](#). Your input and feedback matter and will help us improve and create more meaningful content.

Audit Services NEWS



FOLLOW-UP REPORT

Board of Ethics and Clerk and Recorder's Office

Ethics

December 2021

FOLLOW-UP REPORT

Denver Employee Retirement Plan Actuarial Evaluation

December 2021

Both the Airport and Ethics Board Make Improvements

We released three follow-up reports in December, showing some significant improvements since the time of our audits.

At Denver International Airport, we found it is doing a better job than it was two years ago of tracking and collecting the money it is owed. In 2019, we examined how the airport managed its accounts receivable, which represents money owed to the airport by customers for goods or services that have been delivered but not yet paid for. We found the airport wasn't properly charging interest on late payments, resulting in an average loss of more than \$1 million each year. Airport management also failed to write off uncollectible debts and didn't have the correct documentation for millions owed in doubtful accounts.

However, during our follow-up, we found the airport implemented 13 of the recommendations we made in 2019 and partially implemented two others. The airport has improved efficiencies, enhanced collection efforts, hired temporary staff, and reconciled some accounts. However, some problems remain since airport officials disagreed with the remaining three recommendations.

Meanwhile, Denver's Board of Ethics is in a stronger position to support ethical actions by all city employees after our follow-up found that out of 18 recommendations from the original audit, the Board of Ethics and the Clerk and Recorder's Office fully implemented 10 and partially implemented three recommendations.

Thanks to the collaboration between the Board of Ethics and members of the City Council, the city's Code of Ethics was updated in April 2021. The code now allows the board to accept anonymous complaints and provides criteria to ensure complaints are credible before beginning an investigation. The board may now also formally request follow-up from city managers about what action they took if necessary to an ethics violator.

Four remaining recommendations have yet to be implemented. However, even though the Board of Ethics disagreed with one recommendation at the time of our original audit, they took some action anyway.

Our third follow-up report looked at the Denver Employee Retirement Plan valuations. We found managers of the plan successfully clarified several assumptions as we recommended.

Read more about our follow-up reports below:

- [Airport Improves Tracking of Money It Should Receive](#)
- [City Strengthens Process to Foster Ethical Environment](#)

City NEWS

COVID-19: Public Health Order Update

Starting on November 24, face coverings are required indoors for everyone who is at least five years old in all public indoor spaces. Although masks are not required while seated at a food service establishment or actively eating or drinking, facilities must require face coverings for all indoor spaces or verify proof of full vaccination before entry. Learn more about Denver's current requirements to stop the spread of the COVID-19 and prevent Denver's hospital system from collapsing [here](#).

STAY IN TOUCH

While we all do our part during this challenging time, the work of our office continues every day. You can stay in touch with us and what we are doing through the following:

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