

FOLLOW-UP REPORT

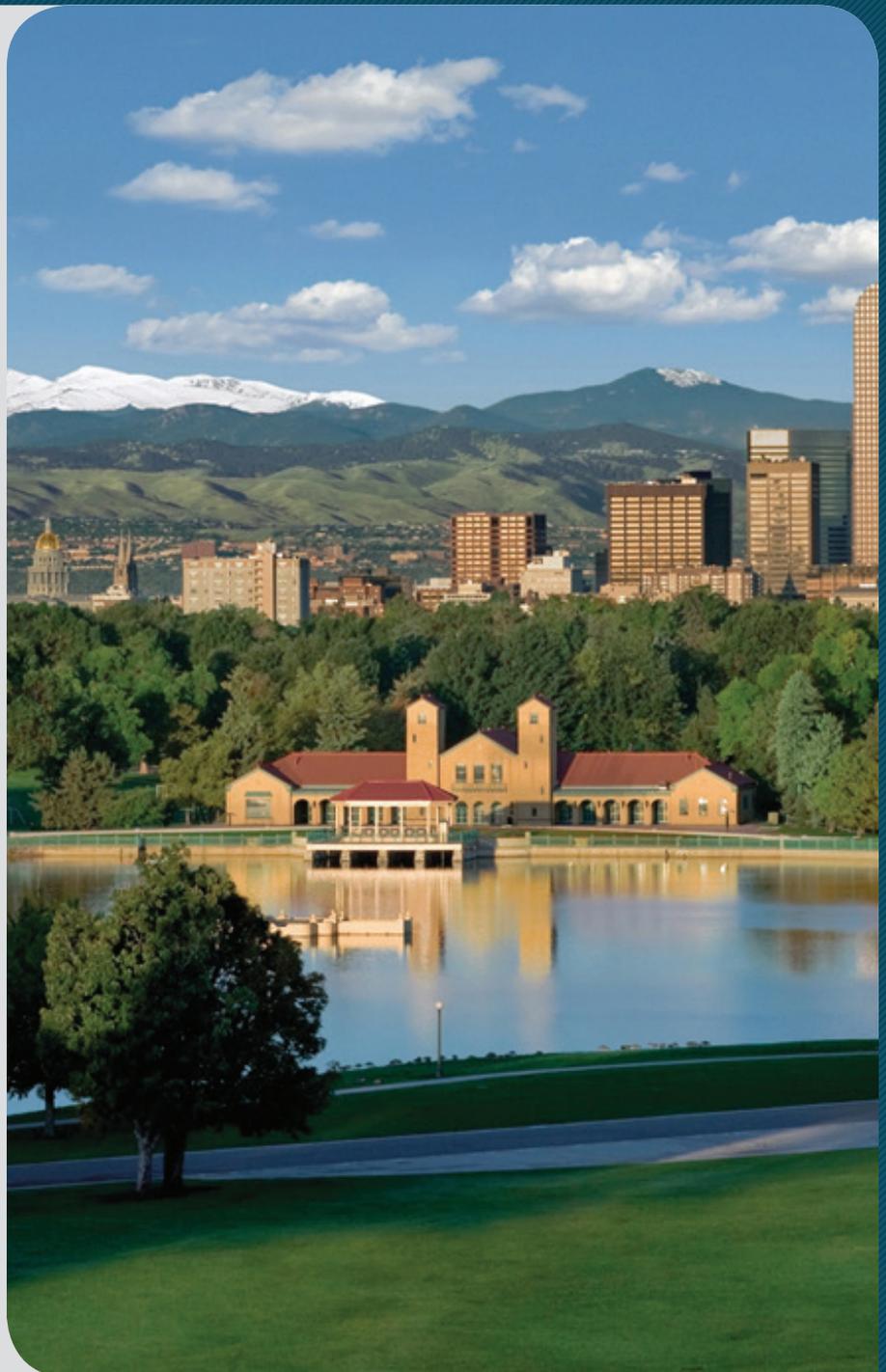
Denver's Road Home Audit

December 2016

Office of the Auditor
Audit Services Division
City and County of Denver



Timothy M. O'Brien, CPA
Denver Auditor



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Brad Harwell, Lead Auditor

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Office of the Auditor

201 West Colfax Avenue, #705
Denver CO, 80202
(720) 913-5000 ♦ Fax (720) 913-5247

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Timothy M. O'Brien, CPA
Auditor

City and County of Denver

201 West Colfax Avenue, #705 • Denver, Colorado 80202

720-913-5000 • Fax 720-913-5253 • www.denvergov.org/auditor

December 30, 2016

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

Re: Audit Follow-Up Report

Dear Mr. Mares:

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

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

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

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

Denver Auditor's Office

A handwritten signature in black ink, appearing to read "Timothy M. O'Brien".

Timothy M. O'Brien, CPA
Auditor



Denver's Road Home Performance Audit

December 2016

Status

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

Background

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

Purpose

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

REPORT HIGHLIGHTS

Highlights from Original Audit

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

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

Findings at Follow-up

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

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

Recommendations: Status of Implementation

Recommendation	Auditee Action	Status
Finding: Denver’s Road Home Has Failed to Utilize Key Resources to Reduce Homelessness in Denver		
1.1	Financial Resources—The Executive Director of Denver’s Road Home should conduct and document an analysis to determine the level of private and public financial resources necessary to accomplish its goals and mission regarding The Way Home plan and develop and document a strategy to obtain the necessary financial resources.	Agree/Not Implemented
1.2	Data Analysis—The Executive Director of Denver’s Road Home should document a framework regarding data collection and analysis which includes, at minimum, the following elements: documenting guidelines for standardized reporting from service providers, developing a plan for how outcome metrics are used to inform funding decisions, as well as standards for clear and transparent public reporting of Denver’s Road Home progress towards meeting program goals. This framework should be incorporated into The Way Home plan and codified in Denver’s Road Home’s policy and procedures.	Agree/Not Implemented
1.3	Commission Mission—The Executive Director of Denver’s Road Home should work with the Mayor and current members of the Commission to End Homelessness to develop an updated mission and focus for the Commission, which could include involvement in developing and reviewing financial strategies as well as operational and performance metrics for Denver’s Road Home.	Implemented
1.4	Commission By-laws—The Executive Director of Denver’s Road Home should work with the Mayor to develop and approve by-laws for the Commission to End Homelessness that specify the format and frequency of meetings, attendance expectations, and the appropriate mix of members to ensure that all relevant stakeholders are represented.	Implemented

Conclusion

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

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