

**City and County of Denver**  
**Corrective Action Plan and Summary Schedule of Prior Audit Findings**  
**Year Ended December 31, 2020**

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**2020-001      Finding: City and County of Denver – Capital Assets - Bridges**

**Status:** Corrective action in progress.

**Corrective Action:** The City agrees with the finding. DOTI will create a written procedure that defines how and when to add or remove bridges from its Infor software system, which is currently used for bridge tracking and maintenance. The procedure will include guidance on comparing the Infor listing to 3<sup>rd</sup> party databases.

Infor does not track costs, so DOTI will start conducting semi-annual reconciliations between Infor and a spreadsheet with costs and depreciation calculations per bridge. The spreadsheet is used to support the bridge balances in Workday's general ledger.

DOTI is currently investing in a new software system called AssetWorks that will replace Infor as well as several other legacy capital asset systems. AssetWorks will be integrated with Workday and will include costs, so it will eliminate the need for a manual spreadsheet. DOTI is going to launch AssetWorks in phases over the next two years.

**Person(s) Responsible for Implementing:** Christine Torres, Department of Transportation and Infrastructure

**Implementation Date:** December 31, 2021

**2020-002      Finding: Capital Assets – Completeness and Cutoff**

**Status:** Corrective action in progress

**Corrective Action:** The City agrees with the finding. The Controller's Office will provide additional guidance and training to agencies on ensuring transactions recorded as construction-in-progress are capitalized or expensed properly throughout the year and again at year-end to avoid the noted cutoff issues. In addition, the Controller's Office will analyze significant transactions to help identify areas where transactions were not classified properly or timely. The Controller's Office will also work with the Department of Transportation and Infrastructure to ensure they have a process in place to communicate with their project managers to understand the status of projects so that the proper accounting can occur.

**Person(s) Responsible for Implementing:** Kelli Bennett, Controller's Office

**Implementation Date:** December 31, 2021

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**2020-003      Finding: Financial Information Preparation**

**Status:** Corrective action in progress

**Corrective Action:** The City agrees with the finding. Planning is already underway for the 2021 financial statement preparation, which includes training and cross-training across the broader Accounting and Financial Reporting team to reduce the risk when turnover occurs. The Controller's Office is also in the process of filling the vacancies to ensure there is adequate experience and skills in the area of financial reporting. In addition, the team will focus on ensuring that policies and procedures are clearly documented and reviews are taking place to reduce the errors in the preparation of entries and the financial statements.

**Person(s) Responsible for Implementation:** Kelli Bennett, Controller's Office

**Implementation Date:** December 31, 2021

**2020-004      Finding: Capital Assets**

**Status:** Corrective action in progress.

**Corrective Action:** The City agrees with the finding. The Controller's Office does reconcile capital asset activity in the general ledger on a monthly basis and does look for anomalies in the data to find and detect errors, but additional work is underway to identify and record capital asset transfers in a way that will ensure more accurate reporting in the financial statements and rollforward. The Controller's Office will work with agency staff to train them on this new process for asset transfers. In addition, cross training is ongoing with Controller's Office staff over the Workday asset processes.

**Person(s) Responsible for Implementation:** Kelli Bennett, Controller's Office

**Implementation Date:** December 31, 2021

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**2020-005      Finding: Police Retiree Health Fund Census Data and Participant Population**

**Status:** Corrective action in progress.

**Corrective Action:** We agree with the finding. Beginning in 2019, Technology Services, the Department of Human Resources and the Department of Safety Human Resources department benefit team began a year-long project to utilize the City and County of Denver’s existing HRIS (Workday) to track safety retiree data (police and fire), including demographic and insurance election data. The project went live in early 2020. The data was previously tracked on multiple internal spreadsheets, each serving their own purpose, resulting in incomplete or missing data. The 2019 audit occurred simultaneously with the final stages of the HRIS project, prior to go-live. This meant requested census data had to be collected from spreadsheets and was most likely incomplete. Having the data in Workday will ensure current and future data requests for all retirees are more accurate and timely.

The police retiree health fund is administered externally by Assurance Financial. Assurance is notified of eligible retirees either when a paper form is collected by Safety HR when the employee retires if the retirees is immediately collecting a reimbursement, or from the retiree sending the form to Assurance directly when ready to collect reimbursement. Assurance only maintains data from these two sources, so do not track future retirees. To modernize their data collection, we will do the following:

- Send monthly or quarterly report of actives and new terms to Assurance Financial from Workday
- Future reports from Assurance will need to include age 50 with 10 years of service instead of 55 (prior rule)
- Continue building the a DPRHF database to include prior data not previously stored that can be utilized in the future in addition to the data currently stored in Workday.

Additionally, the plan document seems to contradict who is eligible, especially surviving spouses. In 2021 Safety HR benefits will coordinate with Assurance Financial and the Police board to address both the data issue and the eligibility issue.

**Person(s) Responsible for Implementing:** Heather Britton, Office of Human Resources

**Implementation Date:** December 31, 2021

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**2020-006      Allowable Costs and Allowable Activities**

**CFDA No. 93.778 - Medical Assistance Program (Medicaid Cluster)  
Department of Health and Human Services, Passed-through Colorado Department of Health Care Policy and  
Financing  
Award Number - None Provided, Award Year 2020**

**Status:** Corrective action complete.

**Corrective Action:** We agree with the finding. DDHS will require a secondary review of all CFMS coding applied to employees on the semi-annual employee payroll certification reclass journal, effective with the June 2021 employee payroll certification process.

The secondary review will compare CFMS coding on the journal with the coding determined at certification and validate its accuracy prior to posting the journal to CFMS.

**Person(s) Responsible for Implementing:** Paul Cavender, Fiscal Administrator, DDHS

**Implementation Date:** July 8, 2021

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**2019-001**      **Finding:** *Traffic Signals* – Several issues were noted with the reconciliations, review and recording processes of infrastructure additions, specifically traffic signals recorded and reported by the Department of Transportation and Infrastructure (DOTI or the Department). The department improperly capitalized traffic signals that were owned by the Colorado Department of Transportation. In addition, traffic signals were replaced and the original traffic signal was not removed from the books.

**Status:** Corrective action complete. The traffic signal detail has been uploaded into Workday, which automatically calculates depreciation. In 2020, DOTI decided to consolidate its various asset management systems (Cartograph, Infor, etc.) into a new system called Asset Works, which will be launched in 2022. Since Cartograph is no longer going to be used, DOTI is using a spreadsheet to maintain the traffic signal master list until Asset Works is live. DOTI has conducted a three-way reconciliation between the master spreadsheet, Workday, and the CDOT contract.

**2019-002**      **Finding:** *Capital Assets* – Several issues were noted with the reconciliations, review and recording processes of capital assets. The City capitalized work-in-progress on buildings it would not own after construction, land was included in work-in-progress, and some completed projects were still in work-in-progress, resulting in several adjustments to the general ledger.

**Status:** Corrective action in progress. The Controller's Office has continued to utilize Workday reports that allow us to identify and question certain transactions and balances as well as reconcile Work In Progress on a monthly basis. Additionally, the Controller's Office will work with agencies to ensure they are reviewing and capitalizing or expensing project transactions ongoing to reduce the issues with the cutoff for fiscal year reporting.

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**2019-003**      **Finding:** *Accounting for Grants* -Errors identified in the audit included one grant with an incorrect beginning balance, ten grants with incorrect accounts receivable or unearned revenue balances, resulting in some adjusting entries in the general ledger.

**Status:** Corrective action complete. The Controller's Office has continued to work closely with agencies throughout the year to help ensure grant balances are correct, including assisting with research to make sure corrections are made when incorrect activity is identified. As a part of the grant training that occurs annually and other communications by the Controller's Office, we stress the importance of tracking grant activity continuously using tools such as the grant rollforward report and the use of trial balances.

**2019-004**      **Finding:** *Police Retiree Health Fund Census Data and Participant Population* - the City had significant difficulty in providing complete and accurate information relating to the required census data for the plan participants. The final information used by the actuary to complete the GASB 75 calculation was subsequent to the measurement data and the census data as of the measurement date (December 31, 2018) was largely unavailable, even from the Plan itself. Through lengthy discussions with the actuary and other procedures, we were able to determine that the liability was materially correct, but it took considerable time and effort to reach this conclusion

**Status:** Corrective action in progress. The Office of Human Resources department is continuing to work towards ensuring that complete and accurate census data is available when requested. Responsible parties within the department have been identified to gain an understanding of where the requested information is maintained, whether it be within or outside of the City.

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2019-005      CFDA No. 93.558 – TANF Cluster

2018-005      Department of Health and Human Services, Award Number – None Provided, Award Year 2019  
 2017-005

2016-005      Passed-through Colorado Department of Human Services  
 2015-004

**2015-005      Finding:** *TANF Cluster – Eligibility and Reporting* – The state’s benefit management system may be determining eligibility and allocating benefits on incomplete or outdated data. DDHS relies on internal employees and external contractors to monitor and track individual plans requirements and milestones. While the individual plan is maintained within the state system, DDHS must maintain manual tracking logs for milestones and follow up requests as the state system does not have that functionality. The audit found overpayments of \$9,583 and a lack of documentation to support some payments.  
**2014-007**  
**2014-008**

**Status:** Corrective action complete. Denver Human Services (DHS) Eligibility continued to use and monitor case reviews within Work Management System (WMS) to help identify potential areas for additional training. The service delivery model for TANF Workforce case management services continued to be based on evaluation of client need and will engage a variety of internal and external case management providers. All funded services require quality assurance processes to include case reviews that are aimed at reducing the findings from this audit. On February 20, 2020 CBMS automated the initial assessment. This automation included the creation of a new Client Profile page that captures the federally required initial assessment data from the initial interview conducted by eligibility. Once the case is authorized, this data is finalized, and an automated case comment is generated for each applicable individual on the case.

2019-006      CFDA No. 93.558 – TANF Cluster

2018-005      Department of Health and Human Services, Award Number – None Provided, Award Year 2019  
 2017-005      Passed-through Colorado Department of Human Services

**Finding:** *Special Tests and Provisions - Sanctions* - DDHS did not properly assess noncompliance on cases in accordance with Code of Colorado Regulations (CCR) section 3.608.4. Controls over sanctions were not sufficiently operating during the year primarily due to system limitations within the state system which requires DDHS to maintain manual tracking logs for milestones and follow up requests. DDHS was working to implement an adequate tracking mechanism to monitor individual plan requirements in order to determine when client sanctions should be enforced.

**Status:** Corrective action complete. Denver Human Services (DHS) finalized a pilot project in April 2020 to conduct monthly case reviews on all DHS workforce staff, in addition to the monthly mandatory sample identified and assigned by the Colorado Department of Human Services (CDHS). In February 2020, CBMS automated the initial assessment process. This automation includes the creation of a new Client Profile page that captures the federally required initial assessment data from the initial interview conducted by eligibility. Upon case approval an automated case comment is generated for each applicable individual on the case.

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**2018-006      CFDA No. 93.914 - HIV Emergency Relief Project Grants  
Department of Health and Human Services, Award Number - 2 H89HA00027-25-00, Award Year 2018  
Department of Health and Human Services, Award Number - 2 H89HA00027-24-00, Award Year 2017**

**Finding:** *Level of Effort - Maintenance of Effort* - The City is reliant upon Denver Health and Hospital Authority and other municipalities within the Transitional Grant Area (TGA) for compliance with this requirement. It was not possible to determine if the funding level of expenditures for HIV-related services to individuals with HIV disease were at a level equal to its level of such expenditures for the preceding fiscal year. Formal policies and procedures for determining and monitoring the required level of effort were not in place

**Status:** Corrective action complete. The Denver Department of Public Health and Environment has a procedure in place for determining and monitoring the funding level to ensure compliance with the funding level requirements.