



OFFICE OF  
THE AUDITOR ·  
AUDIT SERVICES  
DIVISION · CITY  
AND COUNTY  
OF DENVER

# 2025 Audit Plan

*Timothy M. O'Brien, CPA, Denver Auditor*

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+ Acceda a nuestro Plan de Auditorías en español en [denvergov.org/Auditor](https://denvergov.org/Auditor)

# Auditor's Letter



**I am pleased to present the Denver Auditor's 2025 Audit Plan for the City and County of Denver. As Denver works through a tight budget and competing priorities in serving our constituents, I hope our findings and recommendations will be used to make city agencies and services more transparent and accountable throughout the year ahead. When given due consideration, audit work is a powerful and insightful tool for using the public's limited resources more efficiently, effectively, and equitably.**

This year's 2025 Audit Plan once again incorporates performance, financial, information technology, cybersecurity, and contract compliance risks, along with audit analytics techniques into our integrated auditing approach. My team of professionals adheres to the highest standards and is recognized as leaders in the nation for local government auditing work. The 2025 Audit Plan delivers value and impact for Denver and will be conducted with the highest professional standards.

We continue to take a community-informed approach to our annual Audit Plan by incorporating concerns we hear throughout the year at meetings, via email, and other feedback. This year, we added a new audit to the plan of the city's "All In Mile High" and "House1000" projects. This audit will look at management and funding under the leadership of the Mayor's Office.

Another new audit this year will look at artificial intelligence in the city. Our research on this shows great potential, but also great risk from emerging technologies. We plan to look at the city's strategy for governance and how agencies can innovate safely. I continue to prioritize cybersecurity and strong technology management in the City and County of Denver because of how quickly technology is evolving, and both the risks and rewards it presents.

After more than a year of agency budget cuts and an expected tight budget for 2025, we also plan to audit the city's budget process. We'll look at transparency, appropriateness, revenue forecasting, and equity. Through this audit — and our other reports identifying efficiencies and best practices throughout the city — we can contribute to the financial health and budgetary accountability of our public dollars.

As with past years, some audits listed in our plan were started this year and will be completed in 2025. These include audits of Denver 311 services, organizational culture, and the Climate Protection Fund. Examining management and use of resources at Denver International Airport remains a high priority for me and my team going into 2025.

Our ongoing audit work is based on a thorough risk-assessment process — informed by the public, city leaders,

current events, and previous audit findings. My teams will also continue to work on construction audits, financial audits, and contract oversight in the year to come.

The independent audit function serves as a tool for good government, transparency, and accountability in the city. My office's professional assessment of city operations acts as a safeguard for taxpayer dollars, and it is a reminder for every city agency to expect proper scrutiny.

Our audit recommendations are intended to help city agencies find ways to improve the work they do. When agencies take our work seriously and make expeditious changes, everyone wins.

As a certified public accountant, I am bound by a code of ethics and professional standards. In determining the 2025 Audit Plan, I bring the obligations of my professional license as well as the voters' trust.

The Audit Plan is a flexible document that may change throughout the year because of unexpected circumstances and emerging risks. In any year, changes could impact the Audit Plan arising from the need for emergency audits, changes or delays in scheduling, or decreased risks because of changes and improvements within city organizations.

I look forward to the year ahead as we continue delivering independent, transparent, and professional oversight, thereby conserving the public's investment in the City and County of Denver. I am committed to providing ongoing information on how public dollars are spent and how government operates on behalf of everyone who cares about the city, including its residents, workers, and decision-makers.

I thank the residents of Denver for their support of a comprehensive Audit Plan. Please feel free to contact me with questions at [auditor@denvergov.org](mailto:auditor@denvergov.org) or 720-913-5000.

Sincerely,

A handwritten signature in black ink, appearing to read "Timothy M. O'Brien". The signature is fluid and cursive.

Denver Auditor Timothy M. O'Brien, CPA



2025

# Planned Audits

## Organizational Culture

### *Citywide*

This audit will compare agency leaders’ desired culture for the City and County of Denver with the actual state of culture within city agencies to help leaders address potential impacts on agency operations.

## Hiring Process

### *Civil Service Commission*

This audit will review the hiring process for civil service employees, which is integral to efficiently and effectively recruiting and hiring new job candidates for Denver’s Police and Fire departments.

## All In Mile High and House1000 Projects

*Community feedback*

### *Mayor’s Office*

This audit will assess internal controls around the management and funding of All In Mile High and House1000 projects. This may include how funds are allocated to service providers, reviewing the spending strategy, and an accounting for all funds spent.

## Artificial Intelligence

### *Technology Services/ Denver International Airport Business Technologies Division*

This audit will examine the governance and strategy of the city’s use of artificial intelligence. In addition, we will review data governance and data controls as these are foundational for the proper use of artificial intelligence.



## Certifying Disadvantaged Businesses

### *Denver Economic Development & Opportunity*

This audit will review how the city certifies and renews businesses owned by people of color, women, and other disadvantaged populations. This may include reviewing the city's monitoring processes, the competitive contracting process, and how well the city is achieving stated goals.

## Denver 311 Services

*Community feedback*

### *Technology Services*

This audit will assess whether the Denver 311 service adequately directs calls to appropriate agencies, addresses questions, and documents comments from residents and community members.

## Climate Protection Fund

*Community feedback*

### *Office of Climate Action, Sustainability, & Resiliency*

This audit will review how well the agency is achieving its goals for the voter-initiated Climate Protection Fund and how well it is complying with fund use requirements. This may also include analyzing outputs and outcomes for fund spending.

## Discipline Review Process

### *Department of Public Safety*

This audit will assess the effectiveness and timeliness of the discipline review process. This may include reviewing oversight of the process, investigation quality, and staff training and competence, as well as stakeholder satisfaction and benchmarking identifying best practices.

## City Budget Process

### *Department of Finance*

This audit will review the city budget process for transparency, appropriateness, revenue forecasting, and equity when allocating funds. This may include an impact assessment on the city's essential services, projects, programs, and resources.

## Caring for Denver Foundation

*Community feedback*

**Department of Public  
Health and Environment**

This audit will review contracts associated with Caring for Denver Foundation and WellPower activities.

## Security of City Voting Systems

**Clerk and Recorder's  
Office**

This audit will assess how well city voting systems comply with security requirements and how well the Denver Elections Division safeguards election equipment and data from attacks. This may include reviewing policies and procedures for security systems, information technology general controls, and equipment-monitoring processes.

## Outdated Technology Infrastructure

**Citywide**

This audit will assess technology that is approaching or has reached the end of its useful life. This may include assessing the city's proactive strategies and planning and evaluating to what extent city systems are patched and updated in a timely manner.

## Airport Operating Revenue: Landing Fees and Facility Rentals

**Denver International  
Airport**

This audit will verify compliance with terms of agreements related to airline rates, fees, and charges to ensure accuracy of airport revenues and airport disbursed revenue credits given back to airlines.

## Vulnerability Management

**Technology Services/  
Denver International  
Airport Business  
Technologies Division**

This audit will review the vulnerability management strategy, governance, process, and procedures to ensure the city has an effective and efficient vulnerability management program. The audit will also examine the asset management program as a key process to ensure the vulnerability management program is applied to all assets connected to the city's network.

## Cybersecurity

**Citywide** This continued assessment program examines the city's vulnerability to cybersecurity attacks and security breaches using information from previous results and by addressing newly identified potential risk areas.

## Construction Audits

**Citywide** This continued series of audits focuses on various risks in city construction projects and practices such as rules and regulations, project management, and internal controls. We may choose to look at projects at the airport, city capital construction projects, or bond projects.

## Financial Audits

**Citywide** These audits will review city agencies' accounting processes, such as by assessing compliance with standards and internal control requirements. This may include reviewing specific transactions, accounts, and financial reporting practices.

## Contracts and Agreements

**Citywide** As required under the Denver Charter, this continued audit series will review selected city contracts and agreements to evaluate and ensure performance, value, and proper city oversight.

## 2025 Follow-Up Audits

**Citywide** All audits by the Auditor's Office provide recommendations for improvement, to which the audited agency must agree or disagree. For recommendations that the responsible entity agreed to implement, we complete a follow-up audit after the agreed-upon implementation date. Each follow-up audit will assess the status and quality of implementation for each recommendation.

# Plan Description

**The vision of the Audit Services Division of the Denver Auditor’s Office is to deliver value and impact for Denver by performing audits that follow the highest professional standards. Our mission is to deliver independent, transparent, and professional oversight – safeguarding and improving the public’s investment in the City and County of Denver. Our work is performed on behalf of everyone who cares about the city – including its residents, workers, and decision-makers.**

We produce impactful, objective, and quality audits that strengthen evolving city operations and services, and we foster an internal culture of innovation, continuous improvement, and inclusion and engagement.

The independent audit function is key to transparency and accountability in Denver’s government. Denver’s elected Auditor serves as a check and balance in the strong-mayor system. The Auditor and the Auditor’s Office provide an important and valued function for Denver, a responsibility that requires a high level of expertise and professionalism.

The 2025 Audit Plan reflects Auditor O’Brien’s steadfast commitment to an overall positive impact of the Denver Auditor’s Office on behalf of Denver’s residents, businesses, and visitors.

## AUDITING UNDER THE DENVER CHARTER

The Denver Charter says the Auditor shall conduct:

- *Financial and performance audits of the City and County of Denver in accordance with generally accepted government auditing standards;*
- *Audits of individual financial transactions, contracts, and franchises; and*
- *Audits of financial and accounting systems and procedures, including records systems, revenue identification, and accounting and payment practices, for compliance with generally accepted accounting principles, best financial management practices, and any applicable laws and regulations governing the financial practices of the City and County of Denver.*

# Plan Description *continued*

The 2025 Audit Plan ensures broad audit coverage throughout the city while also addressing specific performance, financial, contractual, information technology, and regulatory risks. According to the charter, the ultimate decision to perform any audit shall be at the sole discretion of the Auditor. Our approach to scheduling audits is flexible and subject to change throughout the year based on newly identified risks.

## INTEGRATED AUDITING

Integrated audits incorporate elements of performance, financial, and information technology auditing. This produces a more effective outcome through a holistic audit approach with a focus on improving governance, compliance, performance, and operations.

Integrated auditing incorporates diverse approaches, including:

- **PERFORMANCE AUDITING** | We identify opportunities to improve the efficiency and effectiveness of city activities. Our performance audits also assess the viability or strength of the internal control environment of the city's agencies and programs. We conduct policy analyses and program evaluations and may assess the city's ability to mitigate risk. We may also select performance audits that align with the city's major strategic initiatives.
- **FINANCIAL AUDITING** | The 2025 Audit Plan continues our focus on the overall financial management and fiscal activities of the city. These audits will assess the financial internal control environment, compliance with city policies, financial governance, accounting and reporting practices, and high-risk financial transactions.
- **INFORMATION TECHNOLOGY AUDITING** | Our audits will continue to address identified information technology risks by focusing on the effectiveness of the city's cybersecurity defenses, data protection, data privacy, and management of critical systems and applications.
- **CONTRACT COMPLIANCE AUDITING** | The 2025 Audit Plan reflects a continued emphasis on auditing city contracts for compliance with contract terms and fulfillment of the scope of work.

## AUDIT ANALYTICS AND CONTINUOUS AUDITING

As part of Auditor O'Brien's original vision for the Auditor's Office, the Audit Analytics Program expands the office's risk assessment and auditing capabilities and continues leading-edge audit practices to provide greater value and impact. Using data science tools, auditors sort through large numbers of transactions and entire data sets to identify the highest risks.

- **AUDIT ANALYTICS** | The Auditor's Office uses quantitative and qualitative risk-finding analytics of audit-related data and applies survey and sampling methodologies to support audit teams working with many different topics and sources of information. Audit analytics can be used to ensure data is accurate, consistent, and complete; to identify, analyze, and create visual representations of anomalies and patterns; to build statistical models; and to synthesize analytical results in audit reports.

**CONTINUOUS AUDITING** | Continuous auditing is an audit analytics method that allows auditors to directly connect with city data systems, use an entire data population rather than samples, and automate ongoing analyses of that data. These ongoing analyses of data systems are used to identify high-risk areas and test controls in the city's financial and operational systems in a timely fashion. The information gained from continuous auditing helps inform audits and the annual risk assessment. It also helps audit teams improve efficiencies in planning and fieldwork by identifying trends and exceptions earlier than through traditional audit methods.



# Plan Description

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## ANTI-FRAUD FOCUS

The city's management is responsible for establishing internal controls to detect and prevent fraud for each city entity. Although fraud detection is not a primary responsibility of the Auditor's Office, our audits consider the possibility that fraud, waste, or abuse may be occurring.

## AUDIT FOLLOW-UP PROGRAM

We follow up on every audit we publish to assess whether city personnel implemented the agreed-upon audit recommendations for improvement and impact.

The Auditor's Office regularly issues follow-up audit reports to the Audit Committee and the City and County of Denver's operational management. These reports show the status of audit findings and our recommendations for improved business practices.

Our office measures the audit recommendation acceptance rate, and recommendation implementation rate, as indicators of the degree to which the city is using information our audit reports provide to mitigate identified risks and to enhance efficiency, effectiveness, and economy of operations.

## FOCUS ON FLEXIBILITY, TRANSPARENCY, AND RESPONSIVENESS

Although the Auditor's Office operates independently from other city entities, Auditor O'Brien and Auditor's Office leaders meet regularly throughout the year with City Council members, the mayor, other elected officials, city agency leaders, neighborhood and community groups, and civic leaders to solicit input regarding risks. Our objective is to improve services and stewardship of city resources.

# Audit Selection Process

## DETERMINING WHAT TO AUDIT

**Developing the annual Audit Plan is an ongoing process — conducted by assembling ideas from a variety of internal and external sources, examining a broad range of city activities and data, and then assessing risk factors in tandem with additional considerations. This approach results in a diverse list of agencies, programs, activities, services, systems, grants, and contracts that auditors examine to determine whether these are operating efficiently, effectively, and in accordance with both the law and any defined requirements. Some agencies could be audited more frequently than others depending on the level of assessed risks and outcomes of previous audits.**

In developing a list of potential audits and other types of analyses, ideas come from a variety of sources:

- **ASSESSMENTS** of operations and controls in previous internal and external audit reports, including independent audits of the city's Annual Comprehensive Financial Report, single audits, and audit management letters.
- **INPUT** from community members, elected officials, Audit Committee members, external auditors, and agency managers and staff.
- **CONSIDERATION** of current local events, financial conditions, major capital projects, and public policy issues.
- **CONSIDERATION** of risks identified in other local governments' audits that could also emerge in Denver.

A robust audit plan assesses a broad range of city activities and entities including:

- **ORGANIZATIONAL UNITS** within a city agency, such as a division or a department.
- **INDIVIDUAL** city programs and offices.
- **TRANSACTION CYCLES OR PROCESSES** that affect more than one city function or agency, such as contract procurement, purchasing, cash handling, fines, taxes, and assessments or key technology processes.
- **INDIVIDUAL FINANCIAL STATEMENT ACCOUNTS OR TRANSACTIONAL ACTIVITIES**, such as construction projects in progress, tax-funded programs, special revenue funds, and grant programs.
- **CITY FUNCTIONS** that operate like for-profit entities, such as Denver International Airport and other entities associated with enterprise funds.

# Audit Selection Process

*continued*

- **CONTRACTS AND AGREEMENTS** between the city and third parties, including cultural facilities and non-profit organizations.

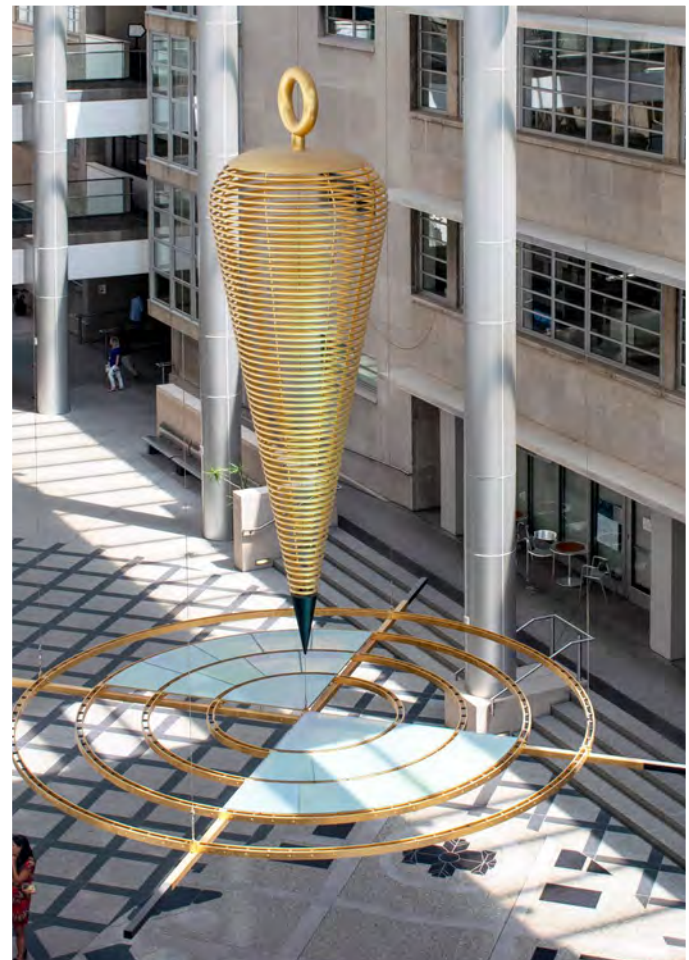
We identify and prioritize potential audits and other assessments using a risk-based approach by examining a variety of factors that may expose the city to fraud, misappropriation of funds, liability, or reputational harm. Accordingly, risk factors are assessed by reviewing:

- Significant changes that have occurred in the city.
- Time since the last audit of an area.
- Size of the agency, program, activity, or contract.
- Size of the budget.
- Compliance and regulations.
- Pending or recent legislation.
- Complexity of transactions.
- Fiscal sustainability.
- Critical information technology systems, including hardware and software.
- Management accountability.
- Quality of internal control systems.
- Age of programs, operations, or contracts.
- Public health and safety.
- Critical infrastructure.
- Short- and long-term strategic risks.
- Equity.
- Related litigation.
- Relevant case law.
- Emerging risk areas.

We periodically evaluate and modify risk factors as necessary.

After we finalize the Audit Plan, new information may come to light during the year. Unanticipated events may occur, and initiatives, priorities, and risks within the city may change. The flexible nature of the Audit Plan as a living document provides the discretion to change course when it is in the best interest of the city.

The Auditor's Office extends its gratitude and appreciation to the Mayor's Office, Denver City Council, Audit Committee, agency leaders, and members of the public for providing input on the 2025 Audit Plan and for supporting the general mission of our office throughout the year.



# Auditor's Authority



**The Denver Auditor's Office Audit Services Division provides independent oversight of how tax dollars and other funding resources are spent on the city's many services, initiatives, and programs. Article V of the Denver Charter establishes this independence and provides for the Auditor's general authority and duties. The charter also establishes the Audit Committee, through which we report our audit findings.**

## OUR HISTORY

Originally, the Auditor served as the general accountant for the city, maintaining the city's financial records and paying city expenses, including payroll. In November 2006, Denver voters approved an amendment to the city charter, completely changing the duties of the Auditor that had been in place since 1904. Based on this charter revision, accounting and payroll functions moved in June 2007 to the Controller's Office under the chief financial officer. This revision, plus other ordinances, authorized the Auditor to conduct audits of any entity that uses city or county dollars, property, or other resources. Today, Denver's elected Auditor oversees one of the most structurally independent government audit functions in the country.

Several key components serve as the cornerstone for Denver's auditing framework. These elements provide the Auditor with the independence that results in the office's ability to conduct meaningful audits.

- **ELECTED AUDITOR** | The City and County of Denver has an elected Auditor who is independent from all other elected officials and operational management.
- **AUDIT COMMITTEE** | The Denver Charter establishes an independent Audit Committee, chaired by the Auditor, with six other members appointed by the mayor, members of the City Council, and the Auditor.

- **COMPREHENSIVE ACCESS** | The Denver Charter and city ordinance authorize the Auditor to have access to all officers, employees, records, and property maintained by the City and County of Denver and to all external entities, records, and personnel related to their business interactions with the city. When an external partner refuses access as required by contract after repeated requests, the Auditor may work with the independent Audit Committee to issue a subpoena.
- **AUDIT RESPONSE REQUIREMENTS** | City ordinance requires that audited agencies formally respond to all audit findings and recommendations, establishing the Auditor's ability to work in conjunction with these agencies while maintaining independence.
- **ADHERENCE TO PROFESSIONAL AUDIT STANDARDS** | The Auditor's Office conducts all audits in accordance with Generally Accepted Government Auditing Standards published by the U. S. Comptroller General. These standards contain requirements and guidance on important topics such as ethics, objectivity, and independence.

