

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



I'm serving my third 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.

I previously served as the Colorado State Auditor for 11 years. I also serve on the U.S. Comptroller General's Advisory Council on Government Auditing Standards, where I advocate for the high standards our office follows.

This 2024 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.

I believe in accountability and transparency in our work, which is why you receive this annual update summarizing some of the highlights from the past year, plans for the year ahead, and how you can get involved.

For suggestions, questions, or concerns, email [Auditor@DenverGov.org](mailto:Auditor@DenverGov.org) and sign up for our monthly email newsletter at [DenverGov.org/Auditor](https://DenverGov.org/Auditor).



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**DENVER  
AUDITOR'S  
OFFICE**



**2024  
ACTION  
CARD**

**CONNECT WITH US**



We believe in transparency and accountability in local government. We continuously explore new ways to reach members of the community where they are and in ways that matter to them.

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](https://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](mailto:Auditor@DenverGov.org).



**AUDIT  
ACHIEVEMENTS**

Auditor O'Brien was thrilled and honored to have been reelected as the Denver Auditor in 2023. Over the last eight years, he has advocated for all Denverites as an independent, professional government watchdog. Thanks to a wide coalition of support from across the city, he is committed to continuing to serve everyone who cares about Denver in his final term.

Our team was proud to be a national leader in audit excellence again in 2023. The Auditor's report "Residential Trash, Recycling, and Compost Services" won the 2022 Exemplary Knighton Award from the Association of Local Government Auditors, in a unanimous decision for the extra-large shop category. This was the sixth Knighton award for Auditor O'Brien's administration.

"We don't do our work for the awards, but this kind of national recognition and support shows the people we serve that we are doing the best work possible on their behalf," Auditor O'Brien said.

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.

Every dollar matters to our office — whether it's your taxpayer dollars that city agencies use or the dollars returned to workers across the city who were victims of wage theft. Our office had an eventful 2023, and we're ready to cross even more milestones in 2024.

In the upcoming year, Auditor O'Brien has directed his Audit Services teams to make cybersecurity a top priority. In the age of artificial intelligence and more aggressive hackers than ever, we are working year-round to help the city protect personally identifiable information and proprietary information.

We are also prioritizing our audit work at Denver International Airport, our detailed scrutiny of city contracts and third-party agreements, and areas of concern shared by members of the community. New community-driven audits on our plan include the city's 311 services, the Climate Protection Fund, and overtime in the Department of Public Safety.

In 2023, 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.

Additionally, our Denver Labor wage teams are 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.

In 2023, Denver's new Civil Wage Theft Ordinance took effect, giving us even more opportunity to help workers of all income levels. Workers, well-intentioned employers, and Denver Labor would all prefer workers to be paid correctly from their first paycheck. We're here to help with that process.

Our function as an independent agency serves as a tool for good government in the city. This 2024 Action Card will walk you through what we've completed, what we're still working on, and what we plan to do next.

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. Look for our key Action Points to learn more about how you can support our work.

# COMPLETED AUDITS



The Audit Services Division of the Denver Auditor's Office hopes our audit recommendations can act as tools for the new mayoral administration to continue improving each agency we audit. While much of the information in each audit was based on agencies' work under previous leadership, these topics should remain a priority for new city leaders in the year ahead. Here are some of the audits we completed that received the most community engagement in 2023.

## Police Operations and Staffing

Without overall strategic guidance, a formalized community policing strategy, a clear understanding of low retention, and improved recruiting efforts that encourage diversity among officers, the Denver Police Department could continue to struggle with developing the strong partnerships necessary for public trust.

## Homeless Encampments

Denver was likely underestimating how much it spent on responding to homeless encampments, and leaders were not ensuring individuals had equitable access to retrieve their belongings after large-scale cleanups. We made several recommendations for tracking spending, ensuring equitable access, and having appropriate staffing. The new mayoral administration has significantly changed the city's approach to encampment response since the time of this audit.

## Administration of Child Welfare Placement Services

While severely constrained by state and federal rules, Denver was likely falling short in supporting family members and close family friends who take care of children after they were removed from their homes due to suspected abuse or neglect. We made recommendations addressing the effectiveness of Denver Human Services' kinship caregiver certification process and its supportive resources for kinship caregivers.

## Great Hall Construction

Denver International Airport's lax approach to construction oversight continued to put it at risk of overspending, a lack of transparency, and unfair contracting — this time for the multibillion-dollar Great Hall renovation project. Our audit found insufficient oversight from the start of the reimagined project — exposing the airport to continued overspending. Airport managers need to strengthen their management and oversight of the Great Hall project to ensure the best value for the city.

## Affordable Housing

In our third audit of affordable housing in five years, we found the Department of Housing Stability still needed to improve its oversight of affordable housing. We found concerns related to building enough housing, inspecting affordable housing properties, and contractors' compliance with wage laws. If the department is not adequately overseeing affordable housing contracts, development, and conditions, it cannot ensure it is meeting the needs of Denver residents who struggle to afford to live in the city.

## City Council Operations

The Denver City Council lacked important controls associated with managing information technology assets, ensuring cybersecurity training, regulating council office spending, and ensuring consistency in the council member transition process. We made recommendations to help this independent agency reduce the risk of cyberattacks, increase accountability in its spending, and support smoother transitions for future City Council members.

# UPCOMING AUDITS



This year's 2024 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. Here are some highlights of our plans for 2024.

## Climate Protection Fund Office of Climate Action, Sustainability, and 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.

### 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. Several audits on our 2024 Audit Plan come directly from community input. 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.

## 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.

## City Shelters

### Department of Housing Stability

This audit will assess the efficiency and effectiveness of the city's system for sheltering people experiencing homelessness.

## Employment Practices

### Department of Public Safety

This audit will review how the Department of Public Safety approves, allocates, and makes use of secondary employment and overtime for its employees.

## Denver 311 Services 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.

## Hiring Practices 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.

# Denver Labor

In 2023, the Denver City Council passed the new Civil Wage Theft Ordinance, which gave our office the authority to help protect workers of every pay level across the city. As a result of the new law and additional enforcement work by our skilled team of analysts, we nearly doubled our previous record of restitution returned to workers.

Denver Labor closed its reporting year with more than \$2 million recovered for workers — an all-time high that helped more than 3,500 people pay their bills, support their families, and contribute in our communities.

"Every case is important to our team, big or small, because every worker matters to our community," Auditor O'Brien said. "My Denver Labor team is a national example of how to do this work the right way — by engaging both workers and businesses in pursuit of shared positive outcomes."

The citywide minimum wage rate will increase from \$17.29 per hour to \$18.29 per hour on Jan. 1, 2024. Employers can still claim up to \$3.02 in tip credits per hour for qualified food and beverage workers, provided employers can show documentation of at least that amount in actual tips received.

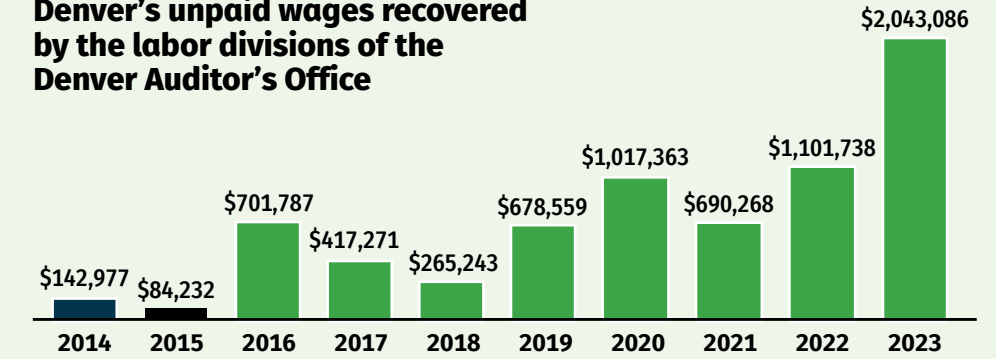
## Working with businesses and the community

Educating and engaging with the business community is the first step in successful enforcement. Workers, well-intentioned employers, and Denver Labor would all prefer workers to be paid correctly from their first paycheck.

### ACTION POINT

Complaints can be anonymous, and we encourage community groups to advocate for their members and partner with us to begin investigations. Visit our website for resources to help both workers and businesses 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, a minimum wage calculator, and a mandatory work site poster for all businesses. Visit [DenverGov.org/DenverLabor](https://denvergov.org/denverlabor) for more.

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



"Wage theft is not just a problem for workers; it's theft from the whole community," Denver Labor Executive Director Matthew Fritz-Mauer said. "People need the money they've earned to pay for rent, school, day care, food, and more. When workers have their wages stolen, families and communities suffer."

High-risk industries for wage theft include construction, restaurants and bars, beauty and salon services, valet services, home care, national chains, and businesses along Denver's borders.

## Successful restitution cases

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.

Denver's Civil Wage Theft Ordinance

adopts an "up-the-chain accountability" approach. This means that any employer who ultimately benefits from a worker's labor may be required to pay their wages. In one successful case, Denver Labor's prevailing wage team notified our civil wage theft team of a city subcontractor that did not pay its workers. The primary contractor promptly paid \$5,722.82 in restitution to seven employees.

Some cases impact many workers, while some cases impact only a few. No case is too small for our team to investigate. For example, Denver Labor received a wage complaint after Starbucks required its workers at two locations in Denver to perform work duties off the clock. After an investigation, our civil wage theft team determined three workers were owed \$184.24 for the work performed.

On the other hand, simple errors in payroll can have a big impact for a lot of people. For example, in another case in 2023, we received a wage complaint because a company was not paying remote employees who live and work in the City and County of Denver the correct minimum wage. As a result of our work, our team recovered \$334,211.23 for 161 employees.

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.

