

Audit at a glance

Climate Protection Fund

MAY 2025

ABOUT

We conducted this audit in response to community feedback and risks related to new programs funded by the tax.

We wanted to see how efficient and effective the office's processes are for monitoring and budgeting the Climate Protection Fund and for communicating its performance to the public

KEY FACTS

- Denver residents voted for a 0.25% sales tax in November 2020 to fund efforts to tackle climate change.
- These tax dollars go into the Climate Protection Fund.
- The Office of Climate Action, Sustainability, and Resiliency manages the fund and is bound by the city's ordinance that determines the types of projects the money can be spent on.



In the report

FINDING: Low staffing levels and informal processes make program monitoring less effective

- The Office of Climate Action, Sustainability, and Resiliency did not have enough staff to monitor its programs. Multiple staff and office managers said requests for more staff have been consistently denied, which has led to the office not being able to spend all its Climate Protection Fund money each year on additional programs. The office must request and receive approval for positions from the Position Review Committee, which oversees the decision-making process for filling vacant positions.

FINDING: Project managers do not consistently monitor contracts to ensure all costs are supported and allowable

- Project managers did not monitor contracts consistently and lacked sufficiently detailed policies and procedures to guide contract monitoring. Project managers within the office are responsible for monitoring the performance-related aspects of the contract, such as project deliverables and tracking overall progress. In our review of selected contracts, we found unallowable and unsupported costs were being approved. These issues were caused, in part, by staffing shortages, staff being unaware of office policies, and a lack of formal processes for contract monitoring.

FINDING: Allowable use teams do not have a comprehensive performance monitoring process

- With the exception of the methods it uses to measure greenhouse gas emissions — the office lacks a comprehensive and formal process to monitor and track the performance of its programs.

WHY THIS MATTERS

Without sufficient staffing levels and formal processes in place, the Office of Climate Action, Sustainability, and Resiliency cannot ensure that available Climate Protection Fund money is fully spent and that the fund is meeting the intent of Denver voters to mitigate climate impacts.

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- Allowable use teams individually monitor and track performance without documented and standardized guidance. Specifically, the Climate Action Office’s performance monitoring and evaluation process lacks:
 - Documented policies and procedures to guide the monitoring and evaluation process.
 - A plan that details the monitoring process, data collection methods, and frequency of assessments.
 - Established goals, objectives, and key performance indicators for monitoring objectives.
 - A model for all programs to evaluate and analyze inputs, outputs, and outcomes in both the short and long-term.

FINDING: Projects funded for other Denver agencies did not always align with the ordinance’s allowable uses and the office’s mission and goals

- The office funded projects and programs that did not fully align with the ordinance’s allowable uses, its mission and goals, and internal policies.
- Climate Action, Sustainability, and Resiliency and the Budget and Management Office have different definitions for supplanting, or

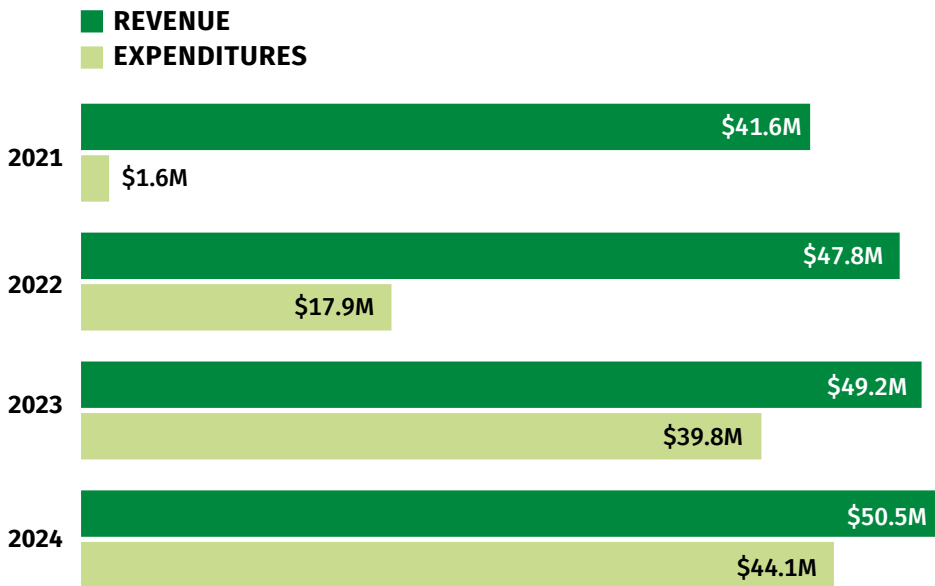
substituting, when it comes to what projects it can fund for other city agencies. Also, we could not independently verify other agencies’ expenses.

- The office contributed \$6 million toward the Colfax Rapid Transit Program, paid \$4.6 million to help electrify the city’s vehicle fleet, and funded four positions at the Office of Community Planning and Development, two of which were not tasked with any functions related to climate change. The office has not been reimbursed for funding spent on these two positions as of February 2025.
- The office needs more formal rules and processes for funding other Denver city agencies’ projects through the Climate Protection Fund, especially around when the Climate Protection Fund can replace money for projects previously funded by the city’s General Fund.

FINDING: The Climate Protection Fund’s budget process is not sufficiently researched and supported by data

- The Climate Protection Fund’s budgeting process was based on estimates when the office was first created because there was not enough data to go on. But the office has not reviewed the process since then, meaning it may not be the most effective way for the office to achieve its goals.

Climate Protection Fund revenue and expenditures by year



TOTAL
2021 through 2024



Source: Created by Auditor’s Office staff using information from Workday.

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