



2024 Annual Report



TIMOTHY M. O'BRIEN, CPA, DENVER AUDITOR



INSIDE: 2024 Audit Reports + 2024 Follow-up & Impacts + Denver Labor Wages Report
Audit Analytics + Who We Are + What We Do + Professional Achievements + Our Staff

*Para leer el reporte en español, visite
denverauditor.org/reporte-anual-2024/*



Auditor's Letter



This year, Denver's audit and wage accountability functions grew to protect Denverites better than ever before. By issuing meaningful audit recommendations, helping more workers than ever, and advocating for important new legislation, I and my team were proud to get results on behalf of the people we serve.

In 2024, 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.

Our audit work can help city agencies achieve efficiency, effectiveness, accountability, equity, and transparency. And our wage teams help workers and employers build a stronger economy that includes everyone.

In this report, you will find summaries of our audit highlights, our innovative use of audit technology, and impacts identified from our follow-up work. We also provide a detailed look at Denver Labor's successes in deterring wage theft, reducing the harms of poverty, and expanding fair competition through comprehensive wage and hour enforcement. Read more about our exemplary staff, our office's work on behalf of everyone who cares about the city, and how we strive for open communication with all members of our diverse community.

First, let me extend my appreciation to the Mayor's Office, members of the Denver City Council, the independent Audit Committee, and the city's financial and operational managers for supporting our mission throughout the year.

New in 2024, in a win for Denverites calling for more accountability and transparency in their government, the Denver City Council unanimously passed two bills granting subpoena power for Denver Labor wage enforcement and for audit work — and creating a necessary conflict resolution tool. Subpoena power for audits is a win for transparency and accountability because it supports efficient information sharing by city contractors, and timely reporting to the public through audit reports that impartially show how public resources are being used. The Denver Labor bill gives the Auditor's Office the tools it needs to get information from private employers who do not voluntarily cooperate during wage

theft investigations. By having a collaborative tool like this, my office can seek faster resolution and payment on behalf of workers, while limiting the burden for businesses.

We issued four wage enforcement subpoenas in the first year of implementation.

My Audit Services Division took on many community-inspired audits in 2024. We completed the long-anticipated audit of the city's shelter system. If city leaders make changes to how agencies track dollars spent on shelters and how they hold contractors accountable for safety, equity, and spending, then we will all benefit from a more effective support system for people experiencing homelessness.

We also prioritized topics our community said were the most important to them by completing an audit of the city's residential permitting process and resources. We heard from many residents that the steps to get home improvement projects approved was unclear and took too long. City leaders tell us they immediately took action to speed up reviews and update the application website. We continue to monitor analytics that show the number of days it takes to approve a permit and hope to see an improved experience for residents in the future.

Other key audits completed in 2024 included an audit of how the city manages its fleet of more than 2,500 vehicles like snowplows, cars, and landscaping equipment. We reviewed Denver 911's emergency medical response times. We continued our series of airport concessions audits. And we examined how the Denver Museum of Nature & Science protects millions of items in its care.

In Denver Labor, we helped more people than ever in 2024. Across more than 750 cases, a total of 4,505 workers received money that they were owed. We set a record of \$2,070,153.02 in restitution. We pushed for thousands of workers' rights in high-risk industries like gig staffing and strip clubs. And we partnered with the Workplace Justice Lab@Rutgers University to understand the broad impacts of wage theft in our community.

The research showed tens of thousands of workers in the Denver metro area are paid below minimum wage each year — and Denver Labor needs more resources to act and address the harms of this injustice.

Our team of analysts investigate 100% of wage complaints. Through outreach, education, and investigation, they work with both employers and workers to ensure everyone is paid according to the law.

Finally, we were honored once again to accept a national award for this office's recent audit work. This time, we received a Distinguished Knighton Award from the Association of Local Government Auditors for the 2023 "Homeless Encampments" audit.

This was the seventh Knighton Award for my administration. Innovation and strong audit methodology have been my priorities as we work to produce audits that will lead to positive outcomes on behalf of the public we serve.

The results of our innovative audit analytics work provide stronger conclusions based on rigorous and comprehensive assessments of city agencies' digitized information in line with the auditing standards the Denver Charter requires us to follow. Denver's city agencies can use our audit recommendations to make improvements. Findings and recommendations based on strong evidence and analysis are more likely to be implemented and create positive, lasting change for the city.

Our function as an independent agency serves as a tool for good government in the city. 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. Follow us on social media, sign up for our monthly email newsletter, or reach out to us directly by emailing Auditor@DenverGov.org to share your thoughts, concerns, or questions. You may read this Annual Report in Spanish on our website.



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

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



2024 Audit Reports



City Shelters



OBJECTIVE

We wanted to assess the extent to which the Department of Housing Stability maintains an effective system for monitoring shelter provider performance and spending, and to describe recent emergencies, organizational changes, and staffing challenges.

RESULTS

We found the Department of Housing Stability's shelter oversight was inadequate. Two shooting deaths occurred at one shelter where security-related contract requirements were not met. Some shelters' nondiscrimination policies were not sufficient, and shelter guests may not have a clear way of filing complaints. We also found the department was not tracking overall shelter spending or properly monitoring that spending. When it came to following contract requirements and city rules, the department also introduced a cost-reimbursement policy that violated both — yet department leaders

did not agree to remedy this issue. Finally, we found the department was not adequately protecting guests' personally identifiable information stored on a shared drive.

IMPACT

If shelters cannot ensure the safety of guests or give them abilities to report issues, they may experience further harm or trauma. Not tracking shelter spending also means the department cannot assess whether funds were used appropriately or in compliance with city rules. The department agreed to 14 of our 15 recommendations.

Emergency Medical Response Time



OBJECTIVE

We wanted to determine whether Denver's 911 emergency medical response times align with leading practices and whether staffing levels affect response times. We also wanted to determine whether oversight and monitoring are adequate and effective, whether the data used to make decisions is reliable, and whether contract requirements are complied with.

RESULTS

The Department of Public Safety — which includes Denver 911 and Denver Fire — and Denver Health provide emergency medical response services to the city. But from May 2023 through March 2024, the city had not met its emergency medical response time goals due, in part, to not having enough staff to meet 911 call volume. Additionally, the city had not considered relevant factors that could limit agencies' ability to achieve those goals. We also found the city's method of measuring response times did not measure the total time it takes to respond to an incident — from when a 911 call is placed to when patient care is administered. Other factors, like insufficient policies and procedures for analyzing response time data and the Emergency Medical Response System Advisory Committee's lack of structure limits the city's ability to effectively monitor and address response time performance issues.

IMPACT

The agencies have a duty to ensure medical emergency responses are fast and efficient. This requires collaboration to identify problems within the system, support each other's efforts, and build a sound foundation to deliver quality emergency medical services. Public Safety agreed with three of our six recommendations. Public Safety disagreed with leading practices about tracking and reporting the total time it takes to respond to an emergency, which risks misinforming the public.

← *The staff of the Audit Services Division.*

Residential Permitting



OBJECTIVE

We wanted to determine how effectively the Department of Community Planning and Development manages the city's residential permitting process to ensure it meets its mission and goals to ensure safe and sustainable building by completing permit application reviews on time.

RESULTS

We found the Department of Community Planning and Development lacked manager oversight and documented processes, which delayed review times.

Among areas of concern, we found city staff and contractors lacked a formal training process and manager oversight to ensure plan reviews were done accurately and consistently. The department also did not have formal processes to communicate with homeowners, construction contractors, or other agencies' permit review teams. Additionally, the department's residential plan review team did not have reliable data to determine whether it was achieving its goals.

We found the residential plan review team needed more consistent, reliable data to effectively allocate staff resources. While Community Planning and Development had conducted staffing analyses for the

residential plan review team in the past two years, staffing analyses were not done consistently and the data used to determine staffing needs was unreliable.

IMPACT

Without written processes, city staff cannot ensure consistent, accurate, and timely plan reviews, which will continue to result in project delays and increased costs for homeowners. And without consistent analyses with reliable data, Community Planning and Development cannot ensure it has adequate resources to meet the demand for permits. The department agreed to implement 17 of our 20 recommendations to improve staff training, monitor plan reviews, and update programming code for internal and public dashboards. But it did not agree to appoint an official contract administrator or ensure all aspects of their information systems are documented for consistency.

for and whether the city is adequately overseeing the museum building, exhibits, and collections.

RESULTS

The Denver Museum of Nature & Science did not have reliable, complete, or accessible information to adequately account for and manage all items in its collection and it did not adequately safeguard access to its collections. The museum did not have formalized emergency preparedness and continuity-of-operations procedures and it had not completed a comprehensive risk assessment to inform its emergency plan. Its existing plan was missing some key elements to make it effective. Meanwhile, procedures to ensure continued operations during an emergency were outdated and had inaccurate information. We also found agreements between the city and the museum were outdated and the museum's board of trustees could improve its operations and oversight processes.

IMPACT

The Denver Museum of Nature & Science is the steward of millions of valuable cultural artifacts and natural specimens owned by the City and County of Denver and has legal duty to ensure they are well cared for. Not doing so could have legal consequences, damage the museum's reputation, and risk the museum's accreditation status. The museum agreed to all 35 of our recommendations including developing policies and procedures to inventory collections and monitor badge access.

Denver Museum of Nature & Science



OBJECTIVE

We wanted to evaluate the Denver Museum of Nature & Science's inventory practices, physical access controls, emergency response plans, and board governance. We also assessed how well city assets at the museum are protected and accounted

Fleet Management



OBJECTIVES

We wanted to determine whether the Department of Transportation & Infrastructure’s Fleet Management Division is adequately managing and overseeing the city’s fleet. This included evaluating the fleet’s funding structure, assessing performance against established goals, and assessing controls over assets.

RESULTS

The Department of Transportation & Infrastructure’s Fleet Management Division oversees and maintains a fleet of over 2,500 vehicles and pieces of equipment belonging to 43 city agencies. Agencies rely on Fleet Management to service vehicles and ensure they are available for operations.

We found the fleet’s funding structure resulted in the department paying for other agencies’ fuel and maintenance costs. The city’s fleet was also too big and too underused, but Transportation & Infrastructure did not have the authority to rightsize the fleet. The department was also understaffed. Because of this, the city was not meeting its targets for vehicle use, availability, and fleet replacement. We also found that fuel

access was not properly managed or monitored and parts storage could be accessed by unauthorized parties. Inadequate controls created risks of waste and abuse.

IMPACT

City agencies rely on the availability and reliability of its fleet to deliver services. Without the proper structure and oversight, the city risks inefficient use of tax dollars and disruptions to critical services such as waste management, street repairs, and parks maintenance. Fleet Management agreed to implement all 12 of our recommendations, including staffing, security, and re-evaluating its funding structure and authority.

RESULTS

Although the Department of Public Safety substantially complied with state grant requirements, we found gaps still existed in policies and procedures.

Training expense charges needed to align with city policy and the grant contract. Additionally, gift card monitoring required more accurate, consistent, and appropriate record keeping in the city’s financial system. State-owned equipment provided to the program also needed to be appropriately tracked and monitored.

Not complying with state grant contract requirements and city policy can jeopardize future state funding for the Colorado Youth Detention Continuum Program and its goal of reducing the number of children in detention centers before their trial dates.

IMPACT

Inconsistently following city policy and leading practices risks wasting time and resources on inefficient processes and not being transparent with city spending. The Department of Public Safety agreed to implement all 14 recommendations, which included streamlining grant compliance through purchase reviews and updating policies to track and inventory purchase activities.

Colorado Youth Detention Continuum Program Grant Compliance



OBJECTIVES

We wanted to evaluate how the city uses state grant funding for the Colorado Youth Detention Continuum Program and to determine whether the Department of Public Safety complies with grant and contract requirements and adheres to city policy.

Self-funded Health Plan



OBJECTIVE

We wanted to determine whether the Office of Human Resources effectively manages the city's self-funded health plan by ensuring the data of insured employees and dependents is complete and accurate in the city's system of record, sufficiently monitoring third parties' processes, and having complete policies and procedures to ensure effective operations.

RESULTS

We found that the Office of Human Resources was not effectively overseeing the city's self-funded health plan. The office was not complying with city ordinances requiring external audits every five years to ensure employees' dependents were eligible to be covered by the city's health insurance plans.

Human Resources was also not effectively monitoring its third-party contractor to ensure benefits were applied correctly, whether officials were annually reviewing claims administration for gaps or deficiencies, or whether third-party vendors, including United Healthcare, were adequately providing the services they have been hired to provide.

Lastly, we found the office did not have adequate policies and procedures to ensure staff reviewed and approved invoices from United Healthcare, implemented and communicated changes to the benefits plan in a timely manner, and reviewed the levels of access Human Resources staff had to United Healthcare's online portal, which has sensitive city and employee data.

IMPACT

Human Resources cannot accomplish its goal of saving taxpayers and city employee's money through the self-funded health plan. Additionally, without adequate oversight, ineligible dependents of city employees could receive benefits they are not eligible for, and claims might be processed incorrectly — both of which could cause unnecessarily higher premiums for city employees. The Office of Human Resources agreed to implement all seven of our recommendations.

Woody Creek Bakery & Café Concessions Contract



OBJECTIVE

We wanted to evaluate whether Denver International Airport's Concessions Division provides adequate oversight of the Woody Creek Bakery & Café concessions contract, including whether the café is accurately reporting all revenue earned and paying the appropriate rent it owes the airport based on sales.

RESULTS

We found the airport's limited oversight of the Woody Creek Bakery and Café contract did not ensure compliance and accountability for revenue collection. Insufficient contract oversight allowed Woody Creek to operate outside its contract terms without penalty. The airport's oversight practices did not identify or resolve unallowable deductions the café subtracted from its gross revenues and did not address late monthly payments. The airport's lack of accountability risked it treating

Construction Contractor Prequalification Process

cessionaires unfairly and not collecting revenue owed.

Several other risks we identified included no adequate process for the airport to verify the café's deductions, no policy on allowable deductions, and no enforcement of an airport requirement that the café's revenue reports be verified by a certified public accountant. We also found an outdated calculation for electric fees and no charges for water usage, which could have meant Woody Creek was paying an amount not equal to usage.

IMPACT

When the airport does not do its due diligence to verify concessionaires' self-reported revenue, it does not hold them accountable to their contract terms and risks losing out on money it is owed. Without equity in contract enforcement, the airport risks discouraging local businesses from participating in airport concessions and erodes public trust. Denver International Airport's Concessions Division agreed to implement all 13 of our recommendations.



OBJECTIVE

We wanted to evaluate the city's construction prequalification process by assessing whether the city, through its Prequalification Board, follows its own rules for contractor prequalification and by assessing how efficient is the application process and how effective is the Prequalification Board.

RESULTS

The Department of Transportation & Infrastructure and Denver International Airport co-manage the city's prequalification process. We found the Prequalification Board should be more transparent by documenting how it makes its decisions, by communicating how financial levels that contractors are eligible for are determined, and by providing a way for contractors to dispute these decisions. The board's rules allow for subjectivity, which can impact a contractor's ability to bid on contracts.

We also found the board was not receiving accurate and complete information about potential city contractors. Without adequate oversight to ensure information presented is accurate, the board may make incorrect decisions or violate prequalification rules. This may also impact a contractor's ability to bid on city projects. More than half of the board packages we reviewed contained at least one error — and city staff were not verifying key details that could have disqualified or removed contractors from consideration.

IMPACT

If contractors believe the prequalification process is unfair, some may not bid. Fewer bidders may result in lesser quality work. It also exposes the city to reputational damage by not being seen as a fair and equitable business partner. The agencies agreed to implement all recommendations to improve transparency and fairness in the prequalification process.

Employee Separation Process



OBJECTIVES

We wanted to determine how efficiently and effectively the Department of Finance issues separation payouts to former city employees in an accurate and timely manner, and to determine how effective the city's policies are on unreturned city property.

RESULTS

The Department of Finance's Payroll Division did not have established timelines or sufficient data tracking to ensure all separation payouts were issued promptly. The division also could not ensure the city's system of record always had accurate leave balances, there was not sufficient guidance for staff, or a training program to support efforts to process consistent and accurate audits when personnel left city employment. These delays and procedure gaps may have resulted in financial burdens for separated city employees and created the risk of financial loss to the city when computers were not returned.

IMPACT

Without documented processes, the Department of Finance cannot ensure all former city employees are paid promptly and accurately for all unused time they have earned and are owed. Additionally, the city may experience increased financial losses for unreturned computers if it does not improve its inventory tracking and develop a cost-recovery policy. The Department of Finance agreed to implement all 17 of our recommendations.

Information Technology Risk Management



OBJECTIVE

We wanted to assess how well the city's information technology risk management program identifies, assesses, and addresses risk citywide. We also wanted to determine whether the city's Technology Services agency has created necessary guidance for staff to understand their roles and responsibilities and sufficiently manage information technology risk.

RESULTS

Although Technology Services assesses risks for most systems it directly manages, the agency did not have defined ways to work with agencies outside its control to ensure risks were identified, assessed, and responded to.

We found Technology Services did not do periodic, comprehensive, and citywide information technology risk assessments and had not appointed a citywide risk management executive to take the lead. The agency did not have specific information technology risk management policies or procedures, or documented roles and responsibilities, and had no source of record to assess and monitor information technology risks. We also found the agency had no partnerships with independent agencies to share data about potential risks, and its cybersecurity awareness training across city agencies was inconsistent.

IMPACT

Disputes with some agencies about Technology Services' authority over their connected subnetworks limits Technology Services' ability to identify all potential risks. Without a comprehensive, citywide information technology risk management framework, Technology Services officials cannot have the full knowledge they need to deploy available resources in the most effective manner and respond appropriately to technology threats citywide. Technology Services agreed to implement all seven of our recommendations including the development of a citywide training enforcement strategy designed to reduce vulnerabilities to the city's technology infrastructure.



2024 Follow-Up and Impacts

Follow-Up Report Highlights

Audit Services follows up on all recommendations an audited agency agreed to implement, to assess whether the agency sufficiently addressed our findings and mitigated the risks we identified. We communicate our follow-up activities through formal reports describing whether and how each recommendation was implemented or was not implemented, and the risks that remain from not implementing a recommendation it agreed to. Although we track recommendations agencies disagree with, we typically do not follow-up on them because we assume the agency took no action. However, if we find they took action to reduce risk, we will update the implementation status. The city's implementation of our recommendations is one way we measure the impact of our audit work.

RECOMMENDATIONS DASHBOARD

The status of every recommendation we have made since Jan. 1, 2020 is recorded and is available in an online dashboard on our website. The dashboard is regularly updated when new audits and follow-up reports are published.

List of 2024 follow-up reports

Follow-Up Report	Month Issued (Original Report)	Recommendations Implemented			
		Fully	Partially	Not	Disagree
Construction Manager/General Contractor Delivery Method	January 2024 (September 2021)	3	2	8	-
Denver Golf Operations	February 2024 (September 2021)	3	1	5	4
Cybersecurity: Network Operations Center	March 2024 (December 2021)	N/A	N/A	N/A	N/A
Cybersecurity: Password Hygiene	March 2024 (September 2021)	N/A	N/A	N/A	N/A
Phishing	March 2024 (April 2021)	4	-	3	-
Mental Health in Denver's Jail System	March 2024 (June 2022)	14	10	9	-
Denver Water City Service	April 2024 (June 2022)	5	-	-	-
Etai's Café Concessions Contract	June 2024 (November 2022)	4	1	2	1
Residential Trash, Recycling, and Compost Services	August 2024 (November 2022)	3	1	5	-
Co-Responder Expansion Grant and Contract Compliance	September 2024 (September 2022)	10	5	9	1
Denver College Affordability Fund Program	November 2024 (July 2023)	0	2	6	-
Airport Information Technology Vendor Management	November 2024 (September 2023)	5	4	-	-
Citywide Information Technology Purchases	December 2024 (May 2023)	2	3	1	-

Recommendation implementation

■ *Implemented*
■ *Partially implemented*
■ *Not implemented*
■ *Disagreed to implement*

NUMBER

PERCENTAGE

In 2024 **53** **29** **48** **6** **136** TOTAL

39% **21.3%** **35.3%** **4.4%**

2022-2024 **153** **88** **118** **15** **374** TOTAL

41% **23.5%** **31.5%** **4%**

Audit Impacts

In 2024, 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 embrace the spirit of improvement throughout the year.

When city managers take our findings seriously, we all benefit. We completed 13 follow-ups in 2024 of reports issued since 2021, including follow-ups on two cybersecurity audit workpapers with confidential recommendations. Out of the 136 recommendations we made across all reports, agencies fully implemented only 53, or a 39% full implementation rate. This is 4% less than in 2023, but about the same as in 2022.

The Audit Services Division aims for our audit recommendations to act as tools to help city officials continue improving each agency we audit.

Implementation of audit recommendations can have measurable and meaningful impacts in the city. For example, since our 2022 “Denver Water City Services” audit, the departments of Transportation & Infrastructure and General Services implemented all our recommendations, addressing the risks we identified around improving their processes for reviewing rates and costs to better protect the city from overpaying for services.

Similarly, the Denver Sheriff Department made notable progress in improving mental health services in Denver’s jail system. By fully or partially implementing 24 of our 33 recommendations, the department

identified the full-time staffing needs of its Mental Health Services Division; developed procedures for staff to better ensure data-entry errors are mitigated; improved data and information monitoring to ensure performance measures and program objectives are being met and mental health programs are offered equitably; and implemented a process to track general and mental health requests and complaints in a consistent and complete manner to identify trends, address issues, and adjust processes.

Some agencies failed to follow through on implementing all recommendations, and risks remain. The Department of Transportation & Infrastructure’s Solid Waste Management Division, for example, had mixed results in its progress this year.

The division implemented three, partially implemented one, and failed to implement five of its nine recommendations to improve residential trash, recycling, and compost services across the city. It does now have a fleet replacement schedule to replace aging trucks, and it has determined its staffing needs. It has also defined roles and responsibilities in job descriptions and has documented agreements with contractors for education and outreach related to its volume-based pricing program.

But after more than 18 months into that volume-based pricing program, the division still lacks a strategic plan, and does not have complete and finalized policies and procedures to support

periodic reporting of operations and other activities such as controls around finances and levels of service. In addition, a new routing system is still not implemented. Therefore, managers cannot design more efficient routes, guidance and training on the data it collects to respond to residents’ needs is still insufficient, and the division still lacks the information it needs to assess whether the fees it collects for residents’ trash pickup will be effective at achieving the city’s goal of increasing Denver’s waste diversion rate.

Similarly, the Office of Children’s Affairs failed to fully implement any of our recommendations intended to improve and strengthen the taxpayer-funded college scholarship program for low-income families. The Office did recoup \$33,000 it had paid out to ineligible students, but it did not fix the underlying problems that led to the error. This means there is a likelihood of it happening again. Reimbursing ineligible students leaves less funding for students who are truly eligible. This could also harm the city’s reputation and undermine the public’s trust in the program.

When our recommendations are fully implemented, the effects can improve how the city uses its limited resources — leading to better services for the public and better equity and accessibility in city programs.

We conduct audits on behalf of the people of Denver. Their support and the support of city agencies help us make meaningful recommendations that result in real change and improvement.



Audit Analytics



Leading the Way

The Denver Auditor’s Office is a clear leader in innovative audit technology and techniques. The Auditor’s Office excels in several areas — including having dedicated audit analytics resources, applying analytics and continuous auditing for general risk assessment and annual planning, and reporting analytical results in various ways.

“Audit analytics” means using automation and new technologies to assess entire datasets and thousands of pieces of information in less time and in more reliable ways than through traditional techniques like random sampling. Using audit analytics improves auditors’ confidence in their conclusions.

Audit analytics differs from simply using audit software to automate more traditional audit tasks. Audit analytics:

- Applies advanced statistics and data science tools.
- Applies expertise to examine large datasets that describe an organization’s transactions and functions.
- Helps identify inefficiencies, fraud, or data-quality problems.
- Helps identify the causes and effects of issues.

Our analytical techniques are often ahead of the curve of the methods described in recent academic and professional literature.

In 2024, our team used audit analytics and continuous audit programs to look at employee expense reimbursements, technology purchases citywide, the use of purchase cards and travel cards, purchase orders, and contributed to specific audits and projects. Audits that received data analysis, sampling, or technical support from the Audit Analytics team this year included city shelters, fleet management, the city employee separation process, the Denver Museum of Nature & Science, grant compliance at the Colorado Youth Detention Continuum Program, the construction contractor prequalification process, the city’s self-funded health plan, and residential permitting.

Auditor O’Brien launched the office’s audit analytics and continuous auditing program in 2017. The Audit Analytics team collaborates with our other audit staff to regularly work with large datasets and statistics, while safeguarding secure data.

Audit analytics is increasingly important and expected in both internal and external audit functions at private and public audit firms. As organizations move toward fully digitized financial and business processes, auditors must follow.

There are many computer languages and software programs that auditors can use to analyze data or write scripts — commands that perform a series of tests — to automate the analysis of data. We are primarily using the computer language Python to process data.

Using these tools, Auditor O’Brien’s office can connect to additional data sources, automate advanced analyses, and visualize results. Auditors have confidence in the results of these techniques because these tools help clean up datasets, confirm the integrity of those datasets, and assess entire populations instead of relying only on sampling.



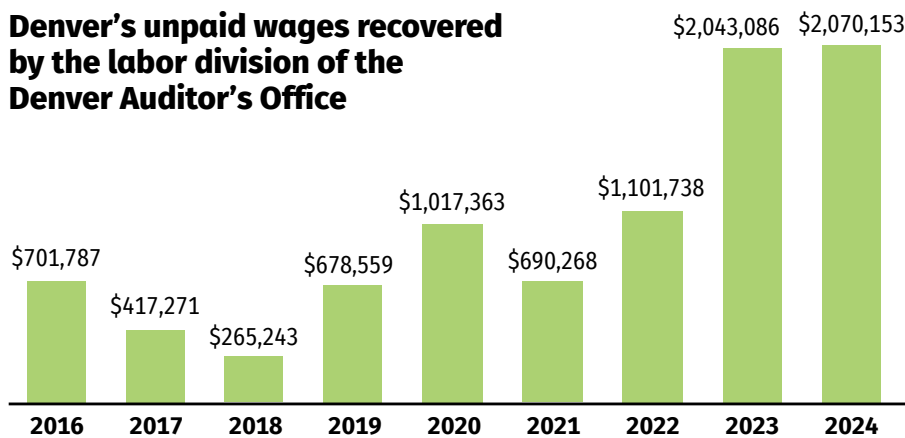
Denver Labor Wages Report



What we do

Every worker has the right to be paid the wages they have earned and are entitled to. These could include — for example — the minimum wage, overtime, paid sick time, money for all time a person spends working, and the wages a person is promised.

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



Denver's wage protections cover every worker of every income level in the City and County of Denver. However, Auditor O'Brien commissioned new research showing tens of thousands of workers in the Denver metro area are paid below a legal wage each year. The study released by the Workplace Justice Lab@Rutgers University suggests that between 2007 and 2022, underpaid workers lost at least \$136 million a year, or nearly \$3,000 per worker. But this number only includes minimum wage violations and not the broader range of wage theft violations.

WAGE THEFT CASES WITH RESTITUTION

59

TOTAL RESTITUTION RECEIVED

\$1,019,547.84



The staff of the Denver Labor Division.

Civil wage theft happens whenever somebody is not paid the wages they are owed, as promised and required by law. It is also one of the most common crimes in the country. To address this recurrent problem, the Denver City Council passed the Civil Wage Theft Ordinance in 2023.

Since then, Denver Labor has been tasked with enforcing this new law, which protects workers from:

- **Minimum wage violations** – paying workers less than the required city’s minimum wage rate.
- **Overtime violations** – failing to pay nonexempt workers less than time and a half for hours worked beyond 40 hours per week, 12 hours in a day, or 12 hours in a shift.
- **Off-the-clock violations** – asking workers to work off the clock before or after their shifts.

Wage rates timeline

In dollars per hour

	2023	2024	2025	2026
	JAN. 1	JAN. 1	JAN. 1	JAN. 1
Denver Citywide Minimum Wage	\$17.29	\$18.29	\$18.81	\$18.81 plus Consumer Price Index
Prevailing Wage	A series of wages based on job classification. Independently set by a prevailing wage administrator.			

- **Meal break violations** – denying workers the legal meal breaks.
- **Paid sick leave violations** – denying workers the right to take paid sick leave, accrued at one hour of paid sick leave for every 30 hours worked, up to a maximum of 48 hours per year.
- **Illegal deductions** – removing the cost of equipment, training, or other work-related expenses from workers’ paychecks.
- **Worker misclassification violations** – misclassifying workers as independent contractors to pay a wage lower than the minimum, avoid paying overtime, and avoid providing paid sick leave.



Wage theft and minimum wage

While wage theft can affect anyone, it is not a crime that affects all people the same. Instead, certain kinds of people are especially vulnerable. Research from Rutgers University confirmed our understanding that women, noncitizens, and people of color are more likely to experience minimum wage theft. Specifically, the report says:

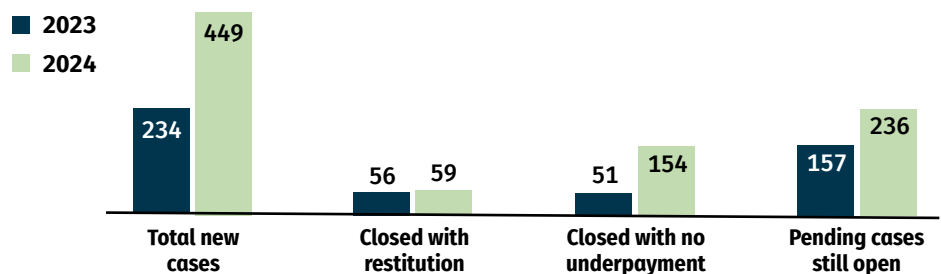
- Women are 50-60% more likely than men to experience a minimum wage violation.
- Black, Asian American, and Pacific Islander workers are more than twice as likely than White workers to be paid below the minimum wage.
- Latino and Hispanic workers are 70% more likely than White workers to experience a violation.
- Noncitizens are roughly 80% more likely than citizens to be paid below minimum wage.
- Younger and older workers are also at higher risk of experiencing minimum wage theft.
- Part-time workers and those without a high school diploma are both more than three times as likely to be paid below minimum wage.

The research also shows minimum wage violation rates are highest in private households, food services and drinking places, personal and laundry services, accommodation roles, retail trade, and administrative support — all industries Denver Labor has prioritized and investigated.

Common mistakes we identified included businesses claiming the tip credit when they should not, businesses thinking they are outside Denver’s boundary when they’re not, and businesses paying a wage based on the employer’s office location instead of where the work was done.

In 2024, new Denver Labor determinations also identified the gig staffing industry as high-risk for underpayments and wage theft. Gig work usually involves flexible or temporary work assignments performed by workers classified as independent contractors. However, even part-time

Minimum wage and wage theft case results



Note: Closed and pending cases may not add up to the number of total new cases due to cases continued from the previous year.

Top industries of closed minimum wage or wage theft cases:

- 44 Restaurants and Bars
- 34 Construction
- 21 Health Care and Social Assistance (including homecare)
- 17 Professional, Scientific, and Technical Services
- 14 Retail
- 14 Personal Care Services (including salons)
- 8 Transportation Services
- 8 Traveler Accommodations
- 8 Building Maintenance (including janitorial, landscaping, and security)



or short-term workers are protected by Denver and Colorado law if they are actually employees.

In January, Denver Labor found that two staffing companies, Instawork and Gigpro, misclassified their workers as independent contractors. As a result, hundreds of workers were paid less than minimum wage and did not receive overtime pay, and thousands were denied the right to paid sick leave.

In total, these new wage theft determinations revealed more than 1,200 minimum wage violations, more than 700 overtime violations, and more than 13,500 paid sick leave violations. The wage theft determinations required the two companies involved to pay almost \$280,000 in restitution to workers and more than \$800,000 in fines.

By August 2024, Denver Labor determined Instawork, and its alter ego Advantage Workforce Services, continued committing wage theft, with more than 20,000 violations of employees' basic wage and hour rights under the city's minimum wage and civil wage theft ordinances. It owed a total of \$2,354,636.28 in restitution, penalties, and fines.

Sources of wage theft and minimum wage investigations

Sources	2021	2022	2023	2024
Employees	22	21	141	201
Third Parties	5	8	21	27
Anonymous	3	3	8	9
Active Enforcement	0	49	64	44
TOTAL	30	81	234	281

Penalties

Year	Collected	Sent to Collections	Pending (assessed but not collected or sent to collections)
2021 Penalties	\$4,980 from one employer		\$179,170 from two employers
2022 Penalties	\$8,777 from four employers	\$143,500 from two employers	\$3,000 from three employers
2023 Penalties	\$4,602 from three employers	\$3,000 from three employers	\$23,630.58 from 12 employers
2024 Penalties	\$55,216 from eight employers	\$249,170 from 17 employers	\$4,245,551 from 37 employers

Denver Labor’s goal is to protect Denver’s employers and workers and ensure everyone is paid according to the law. When employees are misclassified as independent contractors, they are denied critical workplace protections and frequently have their wages stolen. Furthermore, when companies illegally misclassify and underpay their employees, they are undercutting fair competition and harming good employers throughout Denver.

In 2024, the Denver Labor team kept growing to address civil wage theft complaints across the city. Denver Labor is committed to continuing its work of strategic and active enforcement, in coordination with education efforts throughout the community.

\$120,867.91

Largest dollar amount recovered in a single wage theft investigation

2,396

Total number of workers who received restitution under wage theft or minimum wage ordinances

709

Largest number of employees helped because of a single wage theft or minimum wage investigation

2

Repeat minimum wage or wage theft offenders

Minimum wage or wage theft restitution by industry

Industry (NAICS code)	Number of cases	Total restitution
Restaurants and Other Eating Places (7225)	12	\$192,207.53
Personal Care Services (8121), including salons	5	\$177,388.31
Other Support Services (5619), including gig apps	3	\$150,865.12
Building Finishing Contractors (2383)	1	\$57,165.20
Management, Scientific, and Technical Consulting Services (5416)	2	\$45,008.62
Accounting, tax preparation, bookkeeping, and payroll services (5412)	1	\$36,000.00
Other Miscellaneous Retailers (4599)	1	\$32,987.51
Other Schools and Instruction (6116)	1	\$32,549.84
Traveler Accommodation (7211)	3	\$27,807.85
Other Personal Services (8129)	1	\$20,371.83
Civic and Social Organizations (8134)	1	\$20,000.00
Offices of Other Health Practitioners (6213)	3	\$13,934.29
Community Food and Housing, and Emergency and Other Relief Services (6242)	1	\$10,380.31
Offices of physicians (6211)	1	\$8,847.88
Home Health Care Services (6216)	2	\$7,361.10
Legal Services (5411)	1	\$6,445.86
Business Support Services (5614)	1	\$4,972.25
Colleges, Universities, and Professional Schools (6113)	1	\$3,472.48
Medical and Diagnostic Laboratories (6215)	1	\$3,139.29
Investigation and Security Services (5616)	3	\$3,130.29
Specialty Trade Contractors (2380)	1	\$3,000.00
Support Activities for Air Transportation (4881)	1	\$2,242.20
Social Advocacy Organizations (8133)	1	\$1,780.56
Florists (4531)	1	\$961.37
Automotive Parts, Accessories, and Tire Stores (4413)	1	\$894.78
Employment Services (5613)	1	\$640.50
Other Professional, Scientific, and Technical Services (5419)	1	\$31.70
TOTAL	52	\$863,586.67



PREVAILING WAGE CASES

694

Total cases with restitution

\$1,050,605.18

Total prevailing wage restitution

\$117,005.35

Largest amount recovered in a single investigation

2,107

Workers receiving restitution under the Prevailing Wage Ordinance

64

Most workers impacted by a single investigation

Prevailing Wage

Denver Labor has enforced prevailing wage requirements in Denver since the 1950s. However, in 2016, Auditor O’Brien modernized the city’s Prevailing Wage Ordinance, changing the way Denver does business on constructions projects. Since then, our team of investigators has worked with both contractors and workers on all Denver construction projects. They audit 100% of payrolls submitted by city contractors, ensuring compliance and payment according to the law. Our growing prevailing wage teams in downtown Denver and Denver International Airport bring all parties together to make Denver a good, efficient place to work.

ARE YOU OWED MONEY?

Auditor O’Brien wants to make sure workers receive the wages they are owed according to the law. If you were underpaid at work, Denver Labor might have a restitution check waiting for you. Check for your name on our website.

[DenverGov.org/DenverLabor](https://denvergov.org/DenverLabor)

Contractors and subcontractors doing work at, or in connection with, the operation of any public building, or doing public work on behalf of the City and County of Denver, must pay their workers the prevailing wage, which is no less than the approved hourly wage and fringe benefits for the classification of work being performed.

Prevailing wage is required on contracts of \$2,000 or more for construction, improvement, repair, maintenance, demolition, or janitorial work. Through

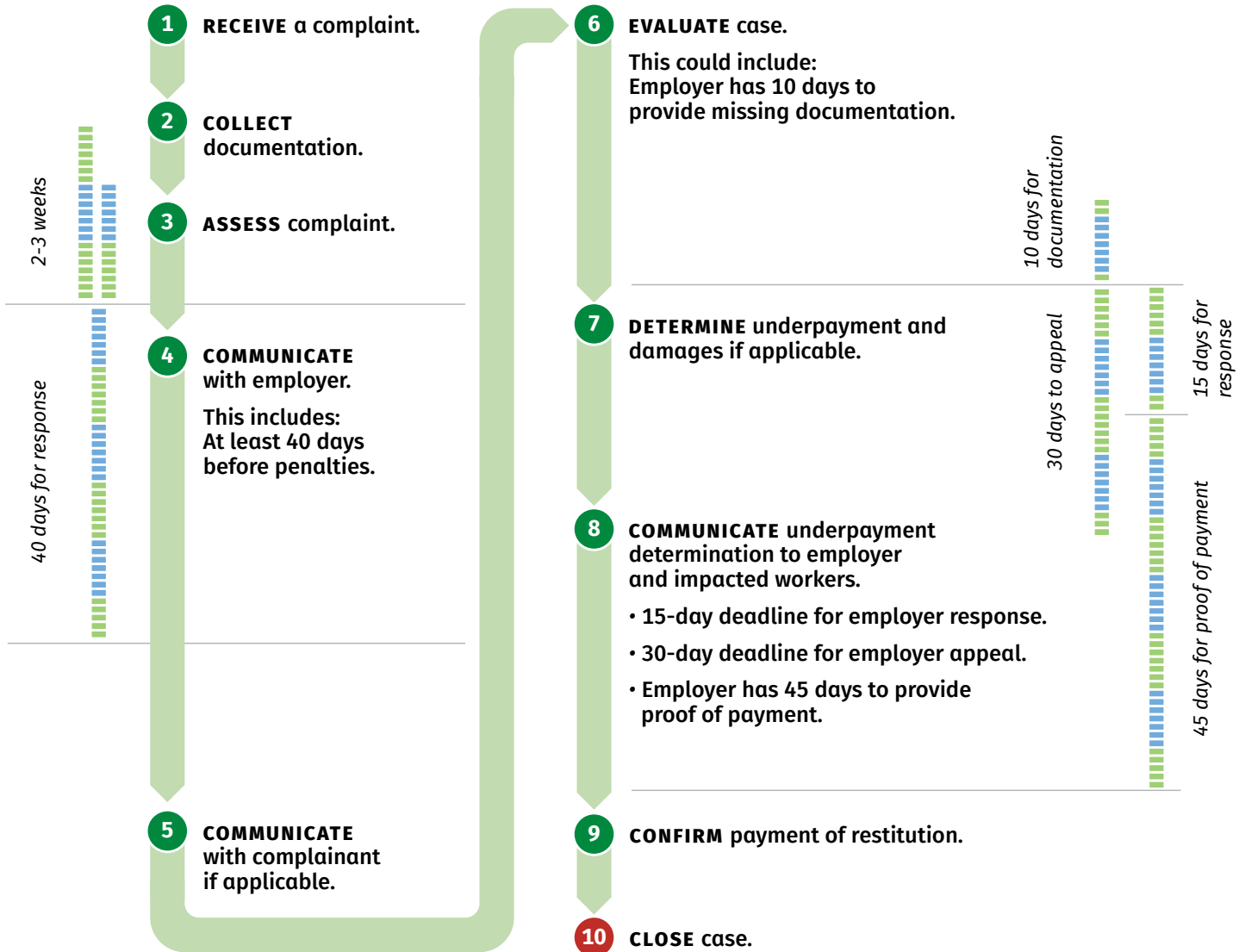
education, outreach, and investigation, our prevailing wage team works with both employers and workers. Our team of investigators helps support businesses to stay in compliance with the law, and we strive to put city funds into the hands of contractors and workers as quickly and efficiently as possible.

City contractors are expected to regularly report their payroll information to show compliance with prevailing wage. With wage reporting software, easy-to-use tutorial videos, and public question-and-answer sessions, Denver Labor helps streamline the process and guides employers through the reporting process. We work collaboratively with employers and accommodate training and event requests in English and Spanish to ensure construction workers in city projects are classified and paid according to the law.

Steps of a Wage Investigation

DAY WEEK

TIMELINE



Working with businesses and the community

Denver Labor adopts an education-first approach to ensure employers understand their legal obligations and rights. 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.

We work throughout the year to offer trainings, engage directly with employers, and offer key materials, forms, and information in multiple languages to help with this process. Auditor O'Brien

and our investigators appear across the City and County of Denver and Denver International Airport to educate and inform business owners and workers about Denver's wage laws. We aim to make our work accessible to everyone and build trust to deter wage theft.

Employers are required by ordinance to share a bilingual work site poster with their workers. This could include posting the notice in a physically convenient location at the work site, providing it directly to each worker, or sharing it electronically. The poster includes the current minimum wage and information about wage theft. It is available for download on our website, and hard copies are available upon request.

Our website offers 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 credit tracker for the food and beverage industry to help calculate wages based on tips received, a minimum wage calculator, and an underpayment calculator for employers. We also provide informational brochures for workers and businesses to help them understand wage rights and obligations in the city.

As part of our ongoing outreach, we continue our live “Wages Wednesday” series on Facebook — in both English and Spanish. Staff briefly address the work we do and provide a transparent look at our processes. We are regularly in the community doing presentations, raising awareness, and building relationships with nonprofits, registered neighborhood organizations, unions, labor, and business groups.

We know underpayments are most commonly the result of honest mistakes, not intentional wrongdoing. As a result, we strive to prioritize education. When we find businesses owe significant restitution, we work cooperatively to find solutions to help managers pay their workers while keeping their businesses going.

When Denver Labor conducts wage theft investigations, our team:

- Receives a complaint or begin a proactive enforcement investigation.
- Assesses the complaint to ensure it meets initial investigation requirements.
- Contacts the employer to request worker, payroll, and compliance documentation.
- Evaluates the complaint to consider all information provided by any complainant and the employer.
- Determines underpayment, fines, and damages and inform both parties of any restitution that might be required.
- Resolves the complaint.

Once the employer provides evidence of a completed restitution payment, the case is closed. If no restitution was required, the case will be closed. When there is not sufficient evidence, the case may be referred to another agency for investigation or to an outside firm for collection of restitution.

Employers are required to keep payroll documentation for three years for all past and current workers. The documentation should include the number of hours worked, the hourly wage paid to each worker, any deductions made from worker wages including taxes, and the net amount of wages each worker received.

Our office takes an active enforcement approach to launch investigations. This could include onsite visits to speak with at-risk workers.

Criteria that could lead to proactive enforcement include:

- Prior violations by a business owner.
- A pattern of noncompliance within an industry.
- Credible information from a state or federal agency.
- Data indicating an employer is likely violating the minimum wage law.

Employers may reduce their minimum wage obligation up to \$3.02 per hour if they are in the food and beverage industry and their workers receive that amount in actual tips. To claim the full tip credit, employers must keep documentation of the tips received.

Employers of unemancipated minors performing work as part of a certified youth employment program can pay those minors 15% less than the minimum wage.

As part of our enforcement efforts, our office uses “up-the-chain accountability,” which means that any employer who ultimately benefits from a worker’s labor may be required to pay their wages. For example, if a hotel hires a cleaning company, and the cleaning company doesn’t pay its workers what they are owed, Denver Labor can collect unpaid wages from the hotel. Our team will always first try first to obtain restitution from workers’ direct employer.

We encourage any employer who is unsure about how to stay compliant with the law to let us know. Call or email our team — our analysts are happy to help.

Restitution Stories

Below are some success restitution cases that illustrate how Denver Labor worked with both employers and workers this year to recover unpaid wages in accordance with the city’s wage theft, minimum wage, and prevailing wage ordinances:

Denver Labor recovers \$120,867.91 for nail salon workers

Denver Labor opened an active enforcement investigation for a nail salon named One Connection Nails, a business in a high-risk industry for underpaid workers. Upon receiving payroll records, our team found the company was paying strictly commissions and tips, and they weren’t keeping track of the hours worked by their employees. Our investigators educated the business on adequate record keeping and how to comply with Denver’s minimum wage. As a result of the investigation, our office recovered \$120,867.91 for 16 employees.

Underpaid workers recover \$34,182 in prevailing wage solar panel project

A city contractor was paying its workers below the prevailing wages for ironwork on a solar panel project. The business had new payroll staff members, and a Denver Labor analyst assigned to the project trained them to use LCPTracker, the city’s certified payroll system. We worked with them to calculate the total underpayment. The case closed with the contractor quickly returning \$34,182.18 to 21 workers.

Swimming school returns \$32,549 to workers after wage investigation

Our investigators received a wage complaint alleging a swimming school failed to pay Denver's minimum wage for regular work and online training hours. The local business was very cooperative with our investigation and quickly issued restitution to their workers. The case closed with our team helping 64 workers recover a total of \$32,549.84.

Restaurant worker receives \$21,083 in wage restitution despite missing records

Denver Labor opened an investigation after receiving a complaint stating an employee at a Mexican restaurant was paid below the local minimum wage. Our office requested payroll records for all workers at the restaurant, but Kahlo's Restaurant did not respond to our notice of investigations or provide payroll records for their staff. The complainant kept good records of the hours worked, tips, and paystubs, and Denver Labor used the worker's information to determine the underpayment amount. The case closed with Denver Labor recovering \$21,083.20 for one employee. We could not confirm if other workers were victims of wage theft due to the employer's refusal to produce records.

Restaurant workers recover \$84,765 after tipped credit miscalculation

Denver Labor received a web form complaint because a local restaurant was not paying the correct minimum wage for tipped employees. Our office educated the employer on how to calculate the tip credit for each qualified position since the Citywide Minimum Wage Ordinance came into effect. The employer worked with our office to correct the violation. Our team recovered a restitution of \$81,763.46 for 18 employees.

Higher-level contractor returns \$61,2835 to workers after applying the "up-the-chain accountability" approach

The "up-the-chain accountability" approach allows Denver Labor to seek restitution from any employer who ultimately benefits from a worker's labor. In this case, our office received multiple web complaints of workers who did not receive pay for overtime while completing work for a construction company on the skyline project located on 26th and Alcott Street. Our wage theft team contacted a higher-level contractor and educated them about the Civil Wage Theft Ordinance and the "up-the-chain accountability" approach. The higher-level contractor understood their responsibilities based on the ordinance and returned \$61,283.25 for 33 underpaid employees.

Commission-only workers receive \$57,165 after minimum wage violations

Our team received an online complaint form submission because a local flooring company failed to pay Denver's minimum wage to commission-only employees, that is, workers who did not receive a base pay. After issuing our determination, the business was cooperative with our investigation and proactively returned unpaid wages to meet Denver's minimum wage requirements on or before their due date. Our labor compliance analysts recovered \$57,165.20 in restitution for three workers.

Prevailing wage workers at the airport recover \$51,2802

The prevailing wage team at the Denver International Airport found that workers performing electrical work at concourse expansion projects didn't receive full fringe benefit amounts. After we found that the contractor was not complying with this requirement, our team worked cooperatively with the company to

obtain accurate documentation, approve fringes retroactively, and calculate restitution for the underpaid workers. More than 30 workers recovered a total of \$51,280.22.

A luxury hotel and resort company returns \$20,546 to tipped workers

Denver Labor opened an active enforcement investigation for a luxury hotel in Denver. Our office requested payroll records for all their employees working in the City and County of Denver. Upon receiving payroll records, we determined that the hotel was applying the tip credit to their non-food and beverage workers, including valet workers, door attendants, and bell attendants.

We educated the hotel on how to comply with the ordinance and the tip credit requirements. As a result of our investigation, 46 workers received \$20,546 in wage restitution and the employer started paying at least the local minimum wage in 2024.

City contractor at the airport returns \$19,945 to workers

Denver Labor investigators at the Denver International Airport found that five workers operating hydraulic backhoes on a gate rehabilitation project were not receiving the full fringe portion listed in the prevailing wage rates for their classification.

The contractor fully cooperated with our analysts and paid what they owed to workers as cash in lieu of fringe benefits. The case ended with the employees receiving \$19,945.44 in restitution.

Read more successful restitution stories on our website at [DenverGov.org/Restitution](https://denvergov.org/Restitution).



Who We Are



Office of the Auditor

The mission of the Auditor's Office is to deliver independent, transparent, and professional oversight to safeguard and improve the public's investment in Denver. Our work is performed on behalf of everyone who cares about the city — including its residents, workers, and decision-makers.

Denver's Auditor is unique because Auditor Timothy M. O'Brien, CPA, was elected and is independent from all other citywide elected officials and city operational leaders. He works independently from the Mayor's Office and the City Council to maintain objectivity and to offer frank, truthful reports for the betterment of Denver. Auditor O'Brien was reelected to his third term in 2023.

The Denver Charter provides for the Auditor to conduct:

- *Financial and performance audits of the City and County of Denver and its departments and agencies in accordance with Generally Accepted Government Auditing Standards;*
- *Audits of individual financial transactions, contracts and franchises of the City and County; and*
- *Audits of the financial accounting systems and procedures administered by the Manager of Finance and other departments and agencies of the City and County, including records systems, revenue identification and accounting, and payment practices.*

The Denver Charter requires the Auditor to follow the Generally Accepted Government Auditing Standards published by the U.S. Comptroller General, as well as financial management best practices and any applicable laws and regulations governing the financial practices of Denver.

Under the Auditor's direction, the Audit Services Division performs risk-based performance, financial, information technology, and contract compliance audits that deliver value and impact for Denver and conform to the highest professional standards. 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.

Denver's charter further requires Auditor O'Brien to countersign all city contracts to ensure no liability is incurred, no money is disbursed, and no city property is disposed of in a manner contrary to law as it relates to audit access.

Denver Labor, a division of the Auditor's Office, promotes lawful employment and wage compliance, while actively enforcing wage and hour rights. providing exceptional labor, wage, and hourly enforcement. We educate workers, businesses, and the community. And we enforce Denver's wage and hour laws fairly and thoroughly, using the most effective tools and strategies available. We

deter wage theft, reduce the harms of poverty, and expand economic justice through comprehensive wage and hour enforcement and education.

In 2024 both Denver Labor and the Audit Services Division received subpoena power through the unanimous passing of two separate bills by Denver City Council. An administrative subpoena is a formal written order from a government agency requiring someone to produce specific records or evidence.

The Auditor is chairman of the independent Audit Committee, whose primary task is to annually commission an independent external audit of Denver's financial statements. In addition, results of audits produced by Audit Services are presented to the Audit Committee. To ensure the committee's independence, the mayor, members of the Denver City Council, and Auditor O'Brien each appoint two members to staggered four-year terms.

Auditor O'Brien is licensed in Colorado as a certified public accountant, or CPA. He also has a master's in business administration from the University of Colorado. He is a chartered financial analyst and chartered global management accountant. He has more than 40 years of auditing and accounting experience — including 11 years serving as the Colorado state auditor — which he uses to ensure Denver taxpayers' dollars are used efficiently and effectively.



What We Do



Audit Services Division

Audit Services produces independent financial and performance audits and other types of assessments of city agencies, programs, finances, technology, grants, and contracts. The resulting recommendations from these efforts help strengthen governance, improve performance, enhance efficiency, increase revenues, reduce costs and risks, and improve the quality and equity of services for Denver.

In September 2024, the Audit Services Division received subpoena power through the unanimous passing of a bill by Denver City Council. The Auditor can now seek approval for subpoenas from the Audit Committee for audit work. An administrative subpoena is a formal written order from a government agency requiring someone to produce specific records or evidence and is a necessary conflict resolution tool in audits.

Types of audits:

- **Performance audits** review the efficiency and effectiveness of agencies' work, as well as the overall use of Denver tax dollars.
- **Financial audits** look closely at an agency's records and processes — including specific grant programs' oversight and compliance — to identify errors in reporting and payments and other risks to the city and its reputation. Contract compliance

audits determine whether third-party vendors and city agencies are following the terms of a contract.

- **Information technology audits and cybersecurity assessments** review the controls and operations of the city's network, software applications, technology equipment, and cybersecurity processes to make sure they are working correctly.

Among the key audits we completed in 2024 was a look at Denver's management of city shelters. Denver operates a variety of shelters through third-party contracts and is responsible for ensuring the safety of those served. This audit found that by not tracking shelter spending, the Department of Housing Stability is not able to assess whether funds were used appropriately or in compliance with city rules. Better oversight of security measures is needed, as two people were shot and killed at a shelter that did not have security personnel present. Shelter guests deserve the ability to report

issues. To protect this vulnerable population from harm or trauma, policies and procedures for guest grievances and nondiscrimination should be implemented and sensitive information stored securely. Housing Stability agreed with all but one of our recommendations.

We reviewed an important public safety topic with the audit of emergency medical response times. We found the Department of Public Safety (Denver 911 and Denver Fire) and Denver Health did not meet response time goals, such as not answering calls within 15 seconds 90% of the time. The city did not take into consideration relevant factors potentially limiting the agencies' response times. Public Safety agreed with three of our six recommendations. They disagreed with the recommendation to follow leading practices about tracking and reporting response times.

We also looked at residential permitting. The Department of Community Planning and Development could not ensure it had adequate resources to meet the demand for permits. Without adequate manager oversight, city staff cannot ensure plan reviews are done consistently, accurately, and in a timely manner.



From left to right: Audit Director Dawn Wiseman, Denver Auditor Timothy M. O'Brien, Deputy Auditor Valerie Walling, Senior Audit Managers Patrick Schafer and Sonia Montano.

Appropriate management requires a formal training process and reliable data. We made 20 recommendations to the department around training; guidance; improving data quality; and communicating with, and acting on feedback from, the public.

In another key audit, we called attention to Fleet Management. Denver risks inefficient use of tax dollars and disruptions in critical public services due to risks related to the Department of Transportation and Infrastructure's Fleet Management Division funding structure, fleet maintenance and replacement processes, and monitoring of parts storage and fuel access. Our recommendations to Fleet Management included they adopt an internal service model for fleet funding, document processes for evaluating vehicle usage, and implement a comprehensive fueling policy addressing user access.

For every audit, we perform a follow-up assessment after the last implementation date given by agencies in response to our recommendations. The follow-up reports confirm whether agreed-upon recommendations were implemented. We discover whether our findings of important risks are effectively addressed and are providing constructive impact.

Our continuous auditing and data analytics programs help identify high-risk areas of the city by repeatedly performing updated analyses of transactional data from different city databases. Using automation, we sort through thousands of data entries, rather than rely on a random sample. This informs our risk assessments for current or future audits and can help us focus on areas of higher concern. The resulting reports provide us with timely feedback of anomalies or outliers in the city's processes and transactions.

Our annual Audit Plan — which includes many different types of engagements intended to address key risks to the city — is compiled based on risk assessments of city agencies, finances, and operations; input from community members; information from city leaders; current events; regulatory changes; and other factors.

You can read all our 2024 audit reports and the 2025 Audit Plan on [DenverGov.org/Auditor](https://denvergov.org/Auditor).

Prevailing Wage Administration

The Denver Auditor's Office has enforced prevailing wage rates on city projects since the 1950s, but in 2023, the Denver City Council transferred the authority to determine the prevailing wage rates that contractors and subcontractors pay to workers from the Career Service Board to the Auditor.

That same year, Auditor O'Brien assigned a new prevailing wage administrator, a position that is independent from Denver Labor and reports directly to the Auditor. Luis Osorio Jiménez is the first member of our team to hold the position.

Denver's Prevailing Wage Ordinance requires employers to pay specific wage rates depending on the type and location of work for city contracts and public projects. The prevailing wage administrator takes over the wage-setting work for construction, improvement, repair, maintenance, demolition, and janitorial work. Some positions in these classifications had not seen pay increases in years. The prevailing wage administration position in the Denver Auditor's Office is intended to help make the process of setting and reviewing prevailing wage rates stronger and more efficient. The administrator uses a flexible approach to set prevailing wage rates and issue clarifications and interpretations of the prevailing wage. He periodically publishes prevailing wages, considering labor changes, surveys, and collective bargaining agreements applicable to the City and County of Denver.

In 2024, Luis Osorio Jiménez met with stake-holders, labor organizations, and city contractors to receive feedback from all parties impacted by his position. He also issued an updated clarification letter with new disclaimers to prevent legal misunderstandings among contractors. His goal is for businesses to have clarity about what positions are needed based on the type of construction work and for workers to be paid at competitive rates for the market.

By streamlining the inspection and clarification process in the Auditor's Office, we can better help the people of Denver live, work, and raise a family.

Community outreach

We continuously explore new ways to reach members of the community where they are and in ways that matter to them. We clearly communicate the value and impact of our audit work and inform people about wage ordinances that affect them. We seek to increase community awareness and support for our office's work by communicating impact and value with clarity, accessibility, and inclusion.

We work with community groups, registered neighborhood organizations, businesses, non-profits, and others to spread the word. You can reach us at community events and trainings throughout the year. You may also sign up for our monthly newsletter, which is available in English and Spanish. You may also find our social media channels or visit our website, [DenverGov.org/Auditor](https://denvergov.org/Auditor).

Our community outreach efforts ensure the important work of the



From left to right: Communications Specialist Rocio Arnaz; Director of Communications Tayler Overschmidt; and Communications Specialists Stelios Pavlou, Sara del Valle Ruiz, Jeff Neumann, and Manda Troutman.

Auditor's Office is widely known and understood. We post unique content on different platforms about community events, important city updates, audit information, labor and wage developments, and other key communications.

We continue to emphasize equitable access to our work by offering material in multiple languages, conducting live trainings in English and Spanish, using plain language in our audit reports, and focusing on accessibility tools for our website and reports.

The Auditor also continues to emphasize visual media and outreach through an ongoing initiative to bring information about auditing and wage enforcement to YouTube, Denver8 TV, as well as our monthly "Ask the Auditor" episodes and live "Wages Wednesday" training sessions on Facebook.

Through digital, radio, television, newspaper, and community signage projects, we have reached hundreds of thousands of people this past year with information about wage theft and audit results. Our bilingual outreach has engaged neighborhoods across the city and highlighted some of the most high-risk industries for wage theft and problems city operations need to address.

The Auditor always wants to hear from residents. Everyone is invited to contact our office by phone, email, on social media, or at community meetings.

CONTACT US IN ENGLISH OR SPANISH

Email: Auditor@DenverGov.org | Email: WageComplaints@DenverGov.org



PRIORITIES THIS YEAR

- Language and disability access.
- Community events, live trainings, and meetings.
- Authentic and engaging social media updates.
- Plain language and visual content.
- Collaboration with the community.
- Diversity of outreach and platforms.
- Consistent and meaningful engagement and reach on social media.
- “Ask the Auditor” episodes on YouTube and Denver8 TV.
- Digital and traditional awareness marketing.
- Monthly email newsletter in English and Spanish.



Contract Administration

The City and County of Denver enters into thousands of contracts every year. The Denver Charter mandates Auditor O’Brien review and sign every city contract to ensure any liability incurred, money disbursed, or property disposed of is done so according to the law as it relates to audit access.

Auditor O’Brien believes progress in the city should not be held up by processes and paperwork. As a result, he works to get contracts signed quickly while still ensuring a thorough review.

Denver contracts can range from low-dollar agreements to multimillion-dollar technology purchases or construction projects. The Auditor’s Office continues to perform contract compliance, financial and specialty audits, evaluations, and assessments to monitor the city’s oversight of contracts. Auditor O’Brien believes the city has a responsibility to keep a close watch on contracts to ensure third parties uphold their agreements and spend taxpayer dollars as promised.

Audit Committee

Auditor O’Brien is the Chairman of the independent Audit Committee, which meets monthly. The other six members of the committee are appointed to staggered four-year terms. The members serving during 2024 and their appointing authorities are listed below. Members are appointed based on their education or experience in accounting, auditing, financial management, or related fields.

The primary responsibility of the Audit Committee is to commission an annual independent external audit

of the city’s finances and review the results of the annual external audits. In addition to audits of the Denver Annual Comprehensive Financial Report and the single audit report of major grant programs, external audit firms audit Denver International Airport and the Wastewater Management Enterprise Fund, which are city enterprises. An external firm also audits the Deferred Compensation Plan Trust Fund.

The Audit Committee also receives the results of audits, assessments, and examinations performed or

commissioned by Audit Services, a division of the Auditor’s Office.

In 2024, the Denver City Council voted unanimously to pass a bill granting subpoena power for audit work, creating a necessary conflict resolution tool. The Auditor’s Office works with the independent Audit Committee to issue subpoenas to third-party organizations when necessary to complete audit objectives. No subpoenas related to audits have been issued this year.



Jack Blumenthal
Vice-chairperson
(appointed by Auditor O’Brien)



Frank Row
(appointed by Auditor O’Brien)



Leslie Mitchell
(appointed by the City Council)



Florine Nath
(appointed by the City Council)



Charles Scheibe
(appointed by the mayor)



Edward Scholz
(appointed by the mayor)



Professional Achievements



Professional Accomplishments

Our teams use the highest standards on every audit assignment and wage investigation. Each Audit Services team works to provide in-depth analysis of city systems, programs, finances, and processes. We work to achieve the goals of our annual Audit Plan using comprehensive risk assessments, with an emphasis on social equity, efficiency, and effectiveness. Our Denver Labor wage analysts work with employers and workers to find cooperative solutions using creative problem-solving and detailed examinations of payrolls. Both divisions of the office are leaders in the nation for their work.

Auditor O'Brien is a certified public accountant with more than 40 years of auditing experience. He recognizes the importance of professional development, of continuous learning throughout a career, and of serving the community in the office and beyond. Over the last nine years, he has advocated for all Denverites as an independent, professional government watchdog. He is committed to continuing to serve everyone who cares about Denver in his final term.

In 2024, Auditor O'Brien continued to serve on the U.S. Comptroller General's Advisory Council on Government Auditing Standards where he shares his expertise and helps shape future auditing standards for auditors across the country. The advisory council gives input for updates to the standards,

also known as the "Yellow Book." Denver's Auditor is required by city charter to follow these standards. The Generally Accepted Government Auditing Standards include "requirements for audit reports, professional qualifications for auditors, and audit organization quality control. Auditors of federal, state, and local government programs use these standards to perform their audits and produce their reports."

Auditor's Office team members met high standards again this year through continued professional learning and achievements, industry conferences, staff presentations, involvement in professional organizations, and community contributions.

Auditing Accomplishments

Audit Services, under the leadership of Auditor O'Brien and Deputy Auditor Valerie Walling, completed impactful, substantive work on behalf of the people of Denver. Our office integrated the auditing specialties and experience of all our auditors, along with Audit Director Dawn Wiseman, to ensure the quality and impact of our work. We completed performance, financial, information technology, analytics, and compliance audit work.

Our teams diligently provide in-depth analysis of city systems, programs, contracts, finances, and processes, depending on the objective of each audit. We work to achieve our annual Audit Plan goals using comprehensive risk assessments, with an emphasis on equity, efficiency, and effectiveness.

In 2024, we proudly accepted another Distinguished Knighton Award from the Association of Local Government Auditors, making our audit of Denver's homeless encampments one of the best local government audits in the United States and Canada. This is the seventh Knighton Award for Auditor O'Brien's administration. While we perform our work on behalf of everyone who cares about Denver — and not just to win awards — national recognition from our peers validates our methods, professionalism, and results.

The prestigious Knighton Awards recognize the best work from government auditing offices each year. Top award winners must demonstrate that their work has a potential for significant impact; has persuasive, logical, and firmly supported conclusions; has recommendations to make programs more efficient and effective; and that uses clear and concise communication. Winners of the award must also show they use appropriate research methods and tools and are responsive to the needs and concerns of decision-makers and the public.

The audit team that worked on this award-winning report comprised Audit Manager Kharis Eppstein, Audit Manager Shaun Wysong, Lead Auditor Isabelle Puppa, Senior Auditor Dan O’Conor, Senior Auditor Danielle Edwards, and Associate Auditor Christopher Torrance. The audit analytics team supported the audit’s data methodology — including work from Audit Analytics Manager Chris Wilson, Data Analytics Specialist Nicholas Herson, and Audit Analytics Senior Heather Burger. Dawn Wiseman was the audit director for the project.

Our office had three members who volunteered to serve on a governing committee and participate in leadership roles with the Association of Local Government Auditors. Audit Director Dawn Wiseman was chairperson of the Professional Issues Committee for the first half of 2024 and now serves as a committee member. Senior Auditor Sherard Medrano was the chairperson for the second half of 2024, and Audit Manager Kharis Eppstein also served as a member of this same committee.

Daniel Summers, Heather Burger, Chris Wilson, and Kayley Smiley gave a four-hour Python/Excel workshop and presented on analytics from the “Residential Permitting” audit at the Association of Local Government Auditors’ annual conference.

Senior Audit Manager Sonia Montano serves at the federal level on the Comptroller General’s Advisory Council on Standards for Internal Control. She is helping to revise and update the Government Accountability Office’s standards for internal control — further extending our office’s prominence as leaders in these areas across the country.

Members of our audit division also participated in professional conferences to further their education and expertise. Members of audit teams also presented at conferences, including Audit Manager Kharis Eppstein, Lead Auditor Tyson Fausson, and Audit Manager Christopher Wilson who presented the results of our “Affordable Housing” and “Homeless Encampments” audits at the Mountain and Plains Intergovernmental Audit Forum (MPIAF).

Audit Managers Kharis Eppstein and Shaun Wysong published an article on “Auditing the Equity of Sidewalks” in the ALGA Quarterly journal. Our expertise and knowledge are valuable to auditors across Colorado, the United States, and internationally, and we are happy to share our insights with our peers and support the progress of government auditing. Our audit analytics and continuous auditing techniques remain some of the most advanced in the country, and we are proud to continue to develop efficient ways to monitor city risks.

Outstanding Staff

Our staff includes many talented, well-educated, and hard-working people. Our team continues to strive to improve their work, themselves, our office, and our industry.

Deputy Auditor Valerie Walling is Vice Chair of the Jefferson County Audit Committee and serves as a board member for the Denver chapter of the Institute of Internal Auditors.

Hannah Thaw, Senior Auditor, volunteered for Academic Relations at the Institute of Internal Auditors’ Denver Chapter.

Hamilton Nuñez, Brandon Stolba, and Jay Digiorgio, members of the Denver Labor prevailing wage team, attended the LCPTracker Spark training sessions. The training covered important topics, including the final updates to the Davis-Bacon Act, prevailing wage and apprenticeship requirements under the IRA, and an overview of Nevada’s state prevailing wage requirements. Denver Labor team members Rudy Lopez, Kandice McKeon, Matthew Borquez, Krystal Baroni, Tyler Borchers, Joel Cota-Howlet, John Digiorgio, Natalie Fraunfelter, Jasmine Madlock, Hamilton Nuñez, Lizeth Nuñez, Brandon Stolba, Chris Wat, José Cota-Howlet, and Allannah Reed received OSHA #510 Certification. This certification covers federal policies, procedures, and standards, as well as construction safety and health principles.

Our Emergency Response Team helped keep members of our office safe and healthy this year with the leadership and support of emergency response coordinators Kharis Eppstein and Tyson Fausson and committee members Edyie Thompson, Rafael Gongón, Nicholas Jimroglou, Isabelle Puppa, and Daniel Summers.

Our New Employee Onboarding Committee also continued to welcome new staff. Committee members included Edyie Thompson, Amy Overzet, Emily Owens Gerber, Kharis Eppstein, Cyndi Lubrano, Valerie Walling, Michael Brannen, Kristin McCormack, Nicholas Jimroglou, Dawn Wiseman, and Ranea Taylor.



Our Staff



To continue providing quality work and meaningful services to the people of Denver, the Auditor's Office is committed to attracting, supporting, and retaining an educated and well-qualified staff of auditors, analysts, and other specialized professionals to carry out our mission.

Members of our skilled staff hold a variety of advanced degrees — including doctorates, law degrees, and master's degrees in accounting, business administration, humanities, international relations, management, public administration, public health, public policy, regional and urban planning, and science.

Many also have professional and academic certifications and designations — such as certified public accountant (CPA), audit analytics and data science academic certificates, certified internal auditor (CIA), certified government auditing professional (CGAP), certified fraud examiner (CFE), certification in risk management assurance (CRMA), certified information systems auditor (CISA), chartered financial analyst (CFA), certified data privacy solutions engineer (CDPSE), certified information security manager (CISM), chartered global management accountant (CGMA), and certified administrative professional with a specialty in organizational management (CAP-OM). Others are Occupational Safety and Health Administration certified (OSHA #510).

Office of the Auditor

Timothy M. O'Brien, CPA, Auditor

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Ranea Taylor, SPHR, SHRM-SCP, MBA, Human Resources Director

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Caroline Nelson, Associate Auditor

Daniel O'Conor, CPA, Senior Auditor

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Matthew Borquez,
Lead Labor Compliance Analyst
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From left to right: Deputy Auditor Valerie Walling, Business Manager Cyndi Lubrano, Denver Auditor Timothy M. O'Brien, Executive Director of Denver Labor Matthew Fritz-Mauer, and Director of Communications Tayler Overschmidt.



Questions and comments can be directed to:

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