

# FOLLOW-UP REPORT

## Office of the Clerk and Recorder **Records Management**

APRIL 2022



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

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AUDIT SERVICES DIVISION, CITY AND COUNTY OF DENVER

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*Cover photo illustration by Denver Auditor's Office staff.*

# City and County of Denver



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## AUDITOR'S LETTER

*April 7, 2022*

In keeping with generally accepted government auditing standards and Auditor's Office policy, as authorized by city ordinance, the Audit Services Division has a responsibility to monitor and follow up on audit recommendations to ensure city agencies address audit findings through appropriate corrective action and to aid us in planning future audits.

In our follow-up effort for the "Records Management" audit report issued in May 2021, we determined the Office of the Clerk and Recorder fully implemented only six recommendations — less than half of the 17 recommendations we made in the original audit report. The office partially implemented four recommendations but did not implement seven. Therefore, the risks associated with the audit team's initial findings have not been fully mitigated. As a result, the Audit Services Division may revisit these risk areas in future audits to ensure the city takes appropriate corrective action.

We have communicated separately with the Clerk and Recorder's Office about the status of additional recommendations related to personally identifiable information, which we reported confidentially because of their sensitive nature.

The Highlights page in this report provides background and summary information about the original audit and the completed follow-up effort. Following the Highlights page is a detailed implementation status update for each recommendation.

I would like to express our sincere appreciation to the personnel in the Office of the Clerk and Recorder who assisted us throughout the audit and the follow-up process. For any questions, please feel free to contact me at 720-913-5000.

Denver Auditor's Office

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

Timothy M. O'Brien, CPA  
Auditor



# Records Management

APRIL 2022

## Objective

To determine the extent to which the Office of the Clerk and Recorder’s operations are governed by effective and efficient controls and processes.

## Background

The Office of the Clerk and Recorder is headed by Denver’s elected clerk and recorder. The office includes both an Elections Division and a Recording Division, which has five departments including the City Clerk Department.

That department is responsible for preserving and distributing records as well as making that information available online to the public and other city agencies. The department also records documents on behalf of the public, including real estate documents and marriage and civil union licenses. These records become part of the public record and are available online.

# ORIGINAL REPORT HIGHLIGHTS

The clerk and recorder requested this audit shortly after being elected in 2019. We reviewed operations related specifically to records management and the city clerk function. We did not assess the Elections Division or the Public Trustee Department.

### The Office of the Clerk and Recorder Did Not Develop a Strategic Plan, Impacting Its Ability to Effectively and Efficiently Manage Records

- The office did not have a formalized plan to prioritize the digitization of records, did not address what documents are considered historical or what risks threaten stored records, and did not destroy records in accordance with the city’s records retention schedule.
- The office did not identify how to organize staff to effectively and efficiently perform work and prevent unnecessary disruptions. The office did not conduct a workforce analysis and did not have sufficient succession planning to ensure work continued when staff left.
- The office operated without sufficient policies and procedures, which impacts the efficiency and effectiveness of its operations.

### The Office of the Clerk and Recorder Did Not Take Sufficient Measures to Protect Individuals’ Personally Identifiable Information

- The office did not proactively redact certain personally identifiable information when recording documents and there were inconsistent redaction practices among staff.
- The office did not adequately disclose to individuals and organizations that information being recorded will become part of the public record and therefore would be accessible online.



6

FULLY IMPLEMENTED



4

PARTIALLY IMPLEMENTED



7

NOT IMPLEMENTED

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April 7, 2022

# Action Since Audit Report

## Records Management

17 recommendations proposed in May 2021



FULLY  
IMPLEMENTED

6



PARTIALLY  
IMPLEMENTED

4



NOT  
IMPLEMENTED

7

While the Office of the Clerk and Recorder implemented six recommendations made in the “Records Management” audit report, 11 others have yet to be fully implemented or acted upon.

The office established policies and procedures for contract monitoring and to clarify contract oversight. The office documented a measurable and action-oriented strategic plan for records management, and the office regularly monitors progress toward meeting goals and objectives specified in the plan. Additionally, the office developed policies and procedures to notify anyone who records a document that their document will be posted online and publicly accessible.

However, the office did not take action to address other potential risks we identified in our original audit. Specifically:

- The office did not document criteria to guide its evaluation of historical documents.
- The office did not update the retention schedule to align with existing practices or to ensure all inventory is accounted for.
- The office did not document criteria for historical documents to ensure valuable documents are kept and preserved beyond the established retention period.
- The office does not have a quality assurance process for digitizing and retaining older documents, recording and marriage processes, and City Clerk processes.
- Management has not defined how often it should review policies and procedures.
- The office did not complete a workforce analysis.
- Office management did not update policies and procedures for redaction to proactively redact certain personally identifiable information before making it available online.
- The office did not retroactively review records accessible online to redact certain personally identifiable information.

By not fully addressing all the recommendations, the Office of the Clerk and Recorder may be exposed to future risk.

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# FINDING 1 | The Office of the Clerk and Recorder Has Not Developed a Strategic Plan, Impacting Its Ability to Effectively and Efficiently Manage Records

## Recommendation 1.1

**DEVELOP AND DOCUMENT A STRATEGIC PLAN** – The Office of the Clerk and Recorder should use best practices, such as those from the Government Finance Officers Association, to develop and document a strategic plan that focuses on officewide and specific goals for records management. The plan should include, at a minimum, goals related to records storage, digitization, and retention. The plan should also allow for progress to be measurable and objective based.



**FULLY  
IMPLEMENTED**

### AGENCY ACTION

**Original target date for completion: Aug. 5, 2021**

The Office of the Clerk and Recorder created a strategic plan focused on records management, which it adopted on April 14, 2021. We reviewed the plan and determined it outlines goals for records management designed to increase accessibility, ensure consistency for digitization and indexing practices, and prioritizes the long-term safety and security of records.

The plan also establishes a timeline and strategies the office will implement to meet these goals. We address these items in our discussion of Recommendations [1.2](#) and [1.3](#). As a result, we consider this recommendation fully implemented.

## Recommendation 1.2

**DEVELOP AND DOCUMENT AN ACTION PLAN** – The Office of the Clerk and Recorder should develop an action plan to describe how strategies will be implemented, including activities to be performed, associated costs, designation of responsibilities, priority levels, and time frames.



**FULLY  
IMPLEMENTED**

### AGENCY ACTION

**Original target date for completion: Aug. 5, 2021**

The office's strategic plan includes a project plan and timeline that details steps to achieve records management goals. For example, it sets a timeline and outlines a process for indexing and digitizing certain records. The plan also discusses resource needs, such as staffing and equipment costs, that

will be required to complete objectives.

The plan's timeline for these projects, originally set to start in April 2021, was delayed until December 2021 due to interruptions caused by the COVID-19 pandemic. Management updated the timeline accordingly. As a result, we consider this recommendation fully implemented.

**Recommendation 1.3**



**FULLY  
IMPLEMENTED**

**DEVELOP MEASURABLE OBJECTIVES TO MONITOR PROGRESS** – The Office of the Clerk and Recorder should develop measurable objectives to monitor progress on achieving goals outlined in the strategic plan. Progress towards meeting goals should be monitored and the Office of the Clerk and Recorder should make adjustments to the plan as needed.

**AGENCY ACTION**

**Original target date for completion: Aug. 5, 2021**

The office's strategic plan includes a project plan and timeline for management to use to measure and monitor progress toward meeting goals. As discussed in [Recommendation 1.2](#), implementation of the projects was delayed until December 2021 and the timeline was adjusted accordingly. Management meets regularly with staff to monitor progress. We consider this recommendation fully implemented.

**Recommendation 1.4**



**FULLY  
IMPLEMENTED**

**ASSESS AND UPDATE STRATEGIC PLAN** – The Office of the Clerk and Recorder should periodically assess and update the strategic plan based on internal and external factors such as demographic and economic factors.

**AGENCY ACTION**

**Original target date for completion: Aug. 5, 2021**

Management approved the strategic plan in April 2021. Based on our review of the plan and the subsequent update management made to the timeline, we determined that the office has taken steps to update the plan based on factors that may influence its ability to meet stated goals. Therefore, we consider this recommendation fully implemented.

**Recommendation 1.5**



**NOT  
IMPLEMENTED**

**ESTABLISH AND DOCUMENT CRITERIA FOR HISTORICAL DOCUMENTS** – The Office of the Clerk and Recorder should use best practices to establish and document criteria for historical documents to ensure valuable documents are kept and preserved beyond the established retention period.

**AGENCY ACTION**

**Original target date for completion: Aug. 5, 2021**

Office staff created an internal policy and procedure for determining which documents should be preserved. The policy says, “The City Clerk and City Records administrator will provide guidance and oversight for the policy’s implementation and information relevant to preservation of historical documents.”

However, management said this guidance is communicated verbally and is not documented. The policy includes a template – “Historical Criteria for Records” – used to document information about a record, which the city clerk team later uses in the appraisal process. Office staff created the template by consulting the city records manager, an archivist with Denver Water, and other similar organizations.

In reviewing the policy and its template, as well as through conversations with staff, we found criteria and guidance to determine that historical value is not documented. While the template includes questions for staff to answer for each record, the policy and template do not include instructions for what staff should do based on their responses (i.e., keep or destroy a record).

Although creating the policy is an integral step and shows that office staff tried to address this recommendation, this does not meet all the elements of the recommendation and associated risks are not fully eliminated. By not documenting criteria and guidance, the office could lose historical knowledge and may potentially lose valuable records.

Because risks associated with this recommendation remain, we consider this recommendation not implemented.

**Recommendation 1.6**

**DEVELOP AN APPRAISAL PROCESS** – The Office of the Clerk and Recorder should develop an appraisal process for evaluating the historical value of documents based on established criteria. The process should be documented in a procedure.



**PARTIALLY  
IMPLEMENTED**

**AGENCY ACTION**

**Original target date for completion: Aug. 5, 2021**

The office documented a procedure that describes the appraisal process for evaluating the historical value of records. According to the procedure, an appraisal must be conducted to determine whether a record has any legal, administrative, or historical value before Clerk and Recorder staff can destroy it.

The appraisal process begins with the city clerk team evaluating each record. The reviewer provides notes regarding the condition, content, significance, and origin of each record. Then, the city clerk team decides whether a record should be kept or destroyed based on professional judgment and consulting with the City Attorney's Office. The city clerk team will then update each record accordingly.

Although the procedure describes the appraisal process, it is not based on established criteria. As mentioned in the discussion of [Recommendation 1.5](#), criteria to determine historical value is not documented and we cannot verify that it has been established. For this reason, we consider Recommendation 1.6 only partially implemented.

**Recommendation 1.7**



**NOT  
IMPLEMENTED**

**REVIEW AND REVISE RETENTION PERIOD FOR CONTRACTS** – The Office of the Clerk and Recorder should work with the City Attorney's Office to review and revise the retention period for contracts to align with the definition of historical documents and existing retention practices.

**AGENCY ACTION**

**Original target date for completion: Aug. 5, 2021**

Clerk and Recorder staff made minimal changes to the retention schedule, and the changes do not meet the elements of Recommendation 1.7.

In conversations with office staff, we learned they identified a group outside the City Attorney's Office to update existing retention practices. The group is within the city's Information Governance Committee. Office staff attend committee meetings, but discussions specific to revising the retention periods of contracts have not happened.

Because the office did not provide documentation to support progress made toward implementing this recommendation, such as suggested revisions or discussions of revisions, we consider this recommendation not implemented.

**Recommendation 1.8**



**NOT  
IMPLEMENTED**

**REVIEW AND REVISE THE RETENTION SCHEDULE** – The Office of the Clerk and Recorder should review and revise Schedule 15 of the city’s general records retention schedule to ensure all inventory is accounted for and to clarify and consolidate categories of records.

**AGENCY ACTION**

**Original target date for completion: Aug. 5, 2021**

As mentioned in the discussion for [Recommendation 1.7](#), the office made minimal changes to the retention schedule and discussions with the correct entity about making revisions have not happened.

We found the changes management made to the retention schedule do not support progress toward implementing this recommendation. Although the office considers this recommendation “in progress,” it did not provide evidence to support the amount of progress needed for us to consider this recommendation partially implemented. Therefore, we consider this recommendation not implemented.

**Recommendation 1.9**



**NOT  
IMPLEMENTED**

**COMPLETE WORKFORCE ANALYSIS** – The Office of the Clerk and Recorder should complete a workforce analysis and document a strategy to meet its goals, including plans for job and organizational design, internal development, training, recruitment, and succession planning.

**AGENCY ACTION**

**Original target date for completion: Aug. 5, 2021**

Management has not completed a workforce analysis. The office provided us with a document that includes a plan for completing a workforce analysis, but this document does not include results or goals the office has identified from its analysis.

Specifically, the plan includes details and data points about the office’s workforce and offers guidance on how the office might use this information to analyze its workforce. Management intends to use this plan to carry out

the analysis in 2022. Risks associated with this recommendation remain, and we consider Recommendation 1.9 not implemented.

**Recommendation 1.10**

**CREATE AND DOCUMENT REVIEW PROCESSES** – The Office of the Clerk and Recorder should create and document review processes to provide quality assurance for the following procedures: digitizing and retaining copies of older documents, recording and marriage processes, and city clerk processes. Management should periodically review the procedures for continued relevance and effectiveness in achieving the office’s objectives or addressing related risks.



**NOT  
IMPLEMENTED**

**AGENCY ACTION**

**Original target date for completion: Aug. 5, 2021**

Office staff documented a policy and procedure that outlines the process for scanning records, but it does not provide information on review processes to provide quality assurance for digitizing and retention of older documents, recording and marriage processes, and city clerk processes. Office staff confirmed there is no process to ensure quality assurance for these activities.

Additionally, although the policy and procedure has been reviewed twice since March 2019, there is not a defined frequency for review. Management plans to include a definition on how often to review this policy and procedure as part of a larger set of policies and procedures that is currently being updated.

The office recently hired a new city clerk and recordings manager, who it anticipates will help adopt oversight and quality assurance practices in the future. At this point, the risks associated with this recommendation remain, and we consider Recommendation 1.10 not implemented.

**Recommendation 1.11**

**OBTAIN AND REVIEW SERVICE PROVIDER REPORTS** – The Office of the Clerk and Recorder should obtain and review service provider reports from contracted vendors on a yearly basis. The office should develop a policy and procedure to ensure this task is completed every year. The office should identify the staff who should perform this duty.



**PARTIALLY  
IMPLEMENTED**

**AGENCY ACTION**

**Original target date for completion: Aug. 5, 2021**

The office created a contract administration policy and procedure with an attached memorandum that provides templates staff should use to review service provider reports. One of the templates assigns the related responsibilities to the contract administrator. However, the policy and procedure does not outline the frequency for review as required by the recommendation. Because of this, we consider Recommendation 1.11 partially implemented.

**Recommendation 1.12**



**FULLY  
IMPLEMENTED**

**ESTABLISH CONTRACT OVERSIGHT** – The Office of the Clerk and Recorder should establish policies and procedures focused on ensuring contract compliance while clarifying and formalizing roles within the office for contract oversight.

**AGENCY ACTION**

**Original target date for completion: Aug. 5, 2021**

The policy and procedure mentioned in the discussion of [Recommendation 1.11](#) is the same document that supports implementation of Recommendation 1.12. We found that the policy and procedure provides comprehensive detail regarding contract monitoring and compliance by addressing:

- Contract monitoring.
- Developing a contract monitoring plan.
- Establishing and maintaining a contract administration file.
- Leading a contract kickoff meeting.
- Conducting vendor performance tasks and enhanced contract monitoring tasks.

Furthermore, the policy and procedure clarifies and formalizes contract oversight roles by assigning them to the contract administrator and creates a list of all associated responsibilities. Because the office satisfied all elements of the recommendation, we consider this recommendation fully implemented.

**Recommendation 1.13**



**PARTIALLY  
IMPLEMENTED**

**CREATE CUSTOMER SERVICE POLICIES AND PROCEDURES** – The Office of the Clerk and Recorder should draft customer service-related policies and procedures for identifying, collecting, documenting, and analyzing data associated with both positive and negative reviews. Additionally, the office should define specific roles and responsibilities related to customer service.

**AGENCY ACTION**

**Original target date for completion: Aug. 5, 2021**

The office documented a policy and procedure for customer service satisfaction data. It identifies three data software systems that staff use to identify, collect, and document satisfaction data. However, the policy and procedure still lacks a description of the analysis process and a definition of roles and responsibilities.

Management confirmed that criteria for satisfaction data is not included in the policy and procedure and that they plan to add it as soon as it is developed. We consider this recommendation partially implemented.

## FINDING 2 | The Office of the Clerk and Recorder Is Not Taking Sufficient Measures to Protect Individuals' Personally Identifiable Information

### Recommendation 2.1



**PARTIALLY  
IMPLEMENTED**

**FOLLOW EXECUTIVE ORDER NO. 143** – The Office of the Clerk and Recorder should follow the city's Executive Order 143 related to data and information privacy to protect the personally identifiable information of individuals.

#### AGENCY ACTION

**Original target date for completion: Aug. 5, 2021**

The office has agreed to follow Executive Order No. 143 related to data and information privacy. Management has taken steps to align the office's privacy practices with the order but did not supply documentation to support full implementation.

For example, management participates in Information Governance Committee meetings and has communicated with city officials to obtain guidance and support for information privacy. Management intends to update its policies and procedures to address information privacy risks identified in our audit; however, management has not created or updated internal documents.

The office has restricted online access to certain records that are more likely to contain personally identifiable information. However, until the office updates its processes, policies, and procedures to align with information and guidance obtained to align with the order, we consider this recommendation partially implemented.

### Recommendation 2.2

#### **DEVELOP AND DOCUMENT POLICIES AND PROCEDURES FOR REDACTION**

– The Office of the Clerk and Recorder should work with the Information and Governance Committee to develop and document a policy and procedure that is in alignment with Executive Order No. 143, and is also more stringent than state law, in order to proactively redact certain personally identifiable information on all document types before the document becomes publicly available in the city's online records database.



**NOT  
IMPLEMENTED**

#### **AGENCY ACTION**

**Original target date for completion: Aug. 5, 2021**

Management has not updated its policies and procedures to align with Executive Order No. 143 to proactively redact certain personally identifiable information on all document types. The office is working with the Information Governance Committee and other resources to clarify and obtain guidance that it plans to use to update its redaction policies and procedures.

While the office has taken steps to implement this recommendation by working with the committee, management has still not revised policies and procedures. Without updated policies and procedures, the office cannot ensure that redaction practices are consistently followed.

Individuals could be exposed to identity theft, for example, if personally identifiable information is not redacted before being posted publicly online. Therefore, we consider this recommendation not implemented.

#### **Recommendation 2.3**

**REDACT PERSONALLY IDENTIFIABLE INFORMATION** – The Office of the Clerk and Recorder should retroactively redact certain personally identifiable information from its online records database. The office should document the steps they took to retroactively redact this information.



**NOT  
IMPLEMENTED**

#### **AGENCY ACTION**

**Original target date for completion: Aug. 5, 2021**

As discussed in [Recommendation 2.1](#), the office has restricted online access to certain records that are more likely to contain personally identifiable information.

In November 2021, the office obtained funding and contracted with a vendor to review and retroactively redact certain personally identifiable information from millions of documents in its online records database. The vendor will review various types of documents during its review.

Without full implementation of this recommendation, recorded documents already publicly available online may contain personally identifiable information, potentially exposing individuals to identity theft.

Because this project is ongoing and millions of online records have not been reviewed to ensure proper redactions were made, we consider this recommendation not implemented.

**Recommendation 2.4**

**DEVELOP AND DOCUMENT POLICIES AND PROCEDURES FOR PUBLIC**

**DISCLOSURE** – The Office of the Clerk and Recorder should develop policies and procedures to inform anyone who records a document that their document will become part of the public record and will be posted publicly in the city’s online records database, which can be viewed by anyone on the internet.



**FULLY  
IMPLEMENTED**

**AGENCY ACTION**

**Original target date for completion: Aug. 5, 2021**

Office staff developed policies and procedures to inform people who record documents that recorded documents become part of the public record and will be posted publicly in the city’s online records database. This notice is posted in multiple places throughout the customer service area in the office and on the Clerk and Recorder’s website. We consider this recommendation fully implemented.

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