



Independent Audit Committee

City & County of Denver

Meeting Minutes
August 20, 2015

Opening

Committee Chairman Auditor Timothy M. O'Brien, C.P.A., called the meeting to order.

Members Present

Robert Bishop, Rudy Payan, Jeff Hart, and Ed Scholz were present. Leslie Mitchell and Jack Blumenthal were excused.

Also Present

Director of Audit Services Kip Memmott, recently-resigned Audit Committee member Maurice Goodgaine and Committee staff Mollie Horne were also in attendance.

Approval of July 16 Minutes

The minutes were approved as written.

Recognition of Service for Maurice Goodgaine

In light of Maurice Goodgaine's recent resignation, Chairman O'Brien recognized Mr. Goodgaine with a certificate of appreciation for his service to the Committee from 2009-2015.

Appointment of Vice Chair

Having vacated the Vice Chair position when he took office as Auditor, Chairman O'Brien named Rudy Payan as his replacement. Members present agreed with the appointment.

Introduction of New Audit Committee Members

Auditor O'Brien took a moment to introduce and welcome Ed Scholz as a new Audit Committee Member. Mr. Scholz was appointed by the Mayor to fill Maurice Goodgaine's vacancy. The Auditor also announced that his own seat on the Committee would be filled by Jack Blumenthal.

Old Business

There was no old business.

Briefing: Family and Medical Leave Act Administration Performance Audit

Audit Supervisor Sonia Montano, Lead Auditor Samantha Carter, and Senior Auditor Drew Jeffries, along with Audit Services Director Kip Memmott, presented the audit findings and recommendations. Executive Director Karen Niparko and Leave of Absence Manager Marilyn Carroll were present on behalf of the Office of Human Resources to respond to the audit. Also present was City Controller Beth Machann.

The Audit Report was discussed, and the Office of Human Resources (OHR) staff were in agreement with the Audit Team's findings and recommendations. In the discussion, the following concerns were raised by Audit Committee members:

- Is the audit team satisfied with the milestone dates and implementation process with regard to the audit recommendations, as agreed upon by OHR?

Audit team response: Yes, the audit team is satisfied, especially given OHR's cooperation and its willingness to recognize areas of weakness and areas that need improvement.

- What is the cost of the new software which OHR plans to implement in compliance with *Recommendation 1.10*? Does OHR expect those budgeted amounts to be approved?

Agency response: OHR has budgeted for new software in 2016. It plans to use Qcera, an existing system already in use by the Office of Human Services. OHR will purchase additional Qcera licenses for its own use; this should keep costs to a minimum.

- How will OHR's Leave Team coordinate efforts with the other agencies to better implement FMLA? What challenges or concerns does OHR have regarding the plan?

Agency response: OHR will begin holding regular meetings with the other agencies administering their own FMLA. It aims to share information and ensure consistent FMLA administration. These meetings will begin in early October, 2015, and will formalize the exchange of information already taking place between OHR and those other agencies.

- How does OHR plan to use performance metrics to better administer FMLA and make City employees aware of their rights and responsibilities regarding FMLA?

Agency response: OHR already utilizes federally mandated performance metrics and plans to implement others to identify more efficient processes. OHR also conducts regular FMLA audits to ensure timely processes. It will expand its education efforts for both employees and supervisors across a number of formal and informal platforms.

- How does OHR plan to clarify City Medical Leave and administer it alongside FMLA? Does it plan to permit 24 consecutive weeks of leave under both policies?

Agency response: OHR will reevaluate the need for City Medical Leave going forward.

- In light of the Supreme Court ruling on same-sex marriage, OHR should clarify and streamline employee leave policies impacting domestic partners.
- Will OHR act as the expert for other city agencies administering their own FMLA? Does it expect to bring efficiencies to FMLA administration? Will there be a change in head count, either by reducing or shifting personnel citywide?

Agency response: Yes, efficiencies are being achieved. OHR reached out to help Denver Human Services (DHS) and the Department of Safety, both of which administer their own FMLA. Consequently, one individual has been transferred from DHS to the Leave Team, contributing to OHR's goal of centralizing the administration of FMLA.

Briefing: Police Administration – TeleStaff System Performance Audit

Audit Supervisor Marcus Garrett and Data Analyst Kelsey Yamasaki, along with Audit Services Director Kip Memmott, presented the audit findings and recommendations. Denver Police Department Chief of Staff Matt Murray was present on behalf of the Denver Police Department (DPD) to respond to the audit.

The Audit Report was discussed, and the Denver Police Department was in agreement with the Audit Team's findings and recommendations. In the discussion, the following concerns were raised by Audit Committee members:

Initial agency comment: With regard to *Recommendation 1.3*, DPD was unable to reach its target date of implementation because it is currently transferring the data from one server to another, and it is frozen. However, the department fully anticipates being able to begin the recommended report within two weeks once access to the data is available.

- How did DPD decide on restrictions currently in place, limiting officers' hours to 16 hours per day and 64 hours per week? Are there any plans to alter these hourly restrictions?

Agency response: Those hours were agreed upon after another audit a number of years ago. DPD is always open to reexamining those hourly limits, although this audit report confirms the success of current overtime restrictions and doesn't indicate any problems.

- Are DPD's number of off-duty hours comparable to those of other cities?

Agency response: Chief Murray was unsure of this, but he did note that Denver is unique within the Rocky Mountain region because it hosts sports events, large-scale protests, and other functions which require police to work a large amount of overtime.

- DPD currently prohibits officers from doing off-duty work related to the marijuana industry. Who made this decision? The City Attorney?

Agency response: That was a decision made by the chief of police. DPD does not work at establishments which might bring discredit on the officer or Department.

- Is the methodology used by the audit team considered best practice? Is it reliable for analyzing DPD's statistics and drawing conclusions for the purpose of the report?

Audit team response: The audit team utilized a standard statistical analysis methodology to identify data correlations.

- The audit team explored the *quantity* of policy violations, uses of force or discharging a weapon, and complaints. But did it explore the *quality* of those incidents and whether there was a correlation between excessive overtime and egregious officer behavior?

Audit team response: The report analyzed data department-wide. It also analyzed individual officers. It did not, however, investigate individual cases. Analysis of specific cases should be done individually on a case-by-case basis.

Agency response: DPD is launching an initiative with the City Attorney's office to look at every lawsuit and explore what may have led to those incidents.

Briefing: Denver International Airport Information Technologies Project Life Cycle Process Performance Audit

IT Audit Supervisor Shannon Kuhn, Lead IT Auditor Nicholas Jimroglou, and Senior IT Auditor Karin Doughty, along with Audit Services Director Kip Memmott, presented the audit findings and recommendations. DIA Senior Vice President of Technologies Robert Kastelitz and DIA Chief Financial Officer Gisela Shanahan were present on behalf of DIA Technologies to respond to the audit.

The Audit Report was discussed, and DIA Technologies was in agreement with the Audit Team's findings and recommendations. In the discussion, the following concerns were raised by Audit Committee members:

- Will DIA Technologies conduct staff training and development beyond weekly meetings?

Agency response: Staff training and development is a budgetary priority for the agency. It will reiterate the training already in place to improve proactive risk mitigation measures.

- Might the agency benefit from using a checklist of sorts during project close-out?

Agency response: DIA Technologies does plan to create a checklist. Additionally, for project closeout and Lessons Learned to be a success, all documents need to be uploaded

into a central repository, not left on H: drives or personal computers, as has sometimes been the case in the past.

New Business

The September meeting date and location has been changed. The Audit Committee will meet on Tuesday, September 29 at 8:00 a.m. in the Auditor's Office on the 7th floor of the Webb Municipal Building. During this meeting, the Committee plans to review a Request for Proposals (RFP) for the independent external audit of the City.

With no other business the Committee adjourned at 9:26 a.m.

Prepared by Mollie Horne, Audit Committee staff