Hundreds of Denver assets could be missing due to inaccurate books, audit finds

Author: Adam McCoy | April 23, 2018 | Updated 2 hours ago

Denver could have misplaced hundreds of assets like equipment due to poor record-keeping, a new audit of the city’s finance office says.

Of 124 assets listed in the city’s books, Denver City Auditor Timothy O’Brien’s office couldn’t find 15 items during an audit. And based on sampling methodology used during the audit, between 678 and 1,395 city assets, which include equipment, buildings and fixtures, could be missing or improperly classified, the auditor’s office said.

“These record-keeping errors are significant and indicate a high probability of other missing or improperly recorded assets, both large and small,” O’Brien said in a statement. “These assets belong to the taxpayers and should be accurately tracked.”

For example, the audit found an antenna car the city sold in 2003 still on the books and a garbage truck no longer in use in the city listed as still in service. The audit also found one instance where the city tallied a portion of the cost of a swimming pool at the La Aloma Recreation Center twice, inflating the value of the city’s assets by $653,000.

“In another example, the audit team was unable to find any record of what happened to five of the items in their sample even after asking for help from the managing agency,” O’Brien’s office said in a statement. “In one case, a $3,5 million asset was listed only as ‘Bond C&C Rail – Excess,’ and officials could not explain the reason for the entry.”

The auditor also found inaccuracies related to locations, descriptions and the timelines of asset recording and discrepancies between the recorded historical costs of the assets and the actual historical costs. In the books, the auditor found a series of outdoor sculptures recorded at the Mckinley Building, though they were actually in various parks throughout Green Valley Ranch.

The audit did not survey all of the city’s possessions. The airport and construction in progress, for example, were not included.

O’Brien’s office surveyed employees during the audit and found 44 percent said they hadn’t received proper asset-management training. The auditor said formal training and coordinating with the city’s Controller’s Office to develop a process for an annual review of assets could better track assets in the future.

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