



Independent Audit Committee

City & County of Denver

Meeting Minutes

Thursday, April 20, 2017, 9:00 a.m.

Opening

Chairman Timothy M. O'Brien, CPA, Auditor, called the meeting to order.

Members Present

Vice-chairman Rudy Payan, Jack Blumenthal, and Leslie Mitchell were present. Florine Nath, Edward Scholz, and Charles Scheibe were excused.

Also Present

Committee staff Mollie Horne was also in attendance.

Approval of March 16, 2017 Minutes

The minutes were approved as written.

Audit Report Briefing: Department of Parks and Recreation Parks Permitting Program

Audit Supervisor LaKeshia Allen Horner, Lead Auditor Anna Hansen, Senior Auditor Drew Jeffries, Senior Auditor Nicole McClusky, and Audit Intern Alexandra Green presented the audit findings and recommendations. Allegra "Happy" Haynes, Deputy Mayor, Executive Director of Department of Parks and Recreation; Fred Weiss, Director of Finance and Administration; and Kris Wilson, Permit Administrator, were present on behalf of the Department of Parks and Recreation to respond to the audit report.

Department of Parks and Recreation agreed with all six of the Audit Team's findings and recommendations. The recommendations and the Department of Parks and Recreation (DPR) responses from the audit report are summarized below. For the full text of DPR's written response to the recommendations, please see the report itself by visiting www.denvergov.org/auditor. Click on the Audit Services tab, then Audit Reports. This report is published under the 2017 Audit Reports header and is titled "[Parks Permitting Program](#)." The video recording of the audit report discussion can be found at www.denvergov.org/auditor. Click

on the [Audit Committee](#) tab, then the “[Watch Audit Committee meetings](#)” button at the top of the page. The most recent video will be listed first.

Recommendation 1.1

Program Goal—The Executive Director of the Department of Parks and Recreation should revise the Parks Permitting program goal to make it outcome-oriented, and consistent with the Department’s mission, reflect a commitment to customer satisfaction and quality service delivery.

Auditee Response: Agree, Implementation Date – September 30, 2017

Recommendation 1.2

Performance Measures—The Executive Director of the Department of Parks and Recreation should develop a suite of balanced performance measures that will allow DPR to monitor data trends and assess programmatic performance against targets linked to organizational goals and objectives.

Auditee Response: Agree, Implementation Date – September 30, 2017

Recommendation 1.3

Customer Satisfaction—The Executive Director of the Department of Parks and Recreation should strengthen its evaluation of customer satisfaction by systematically collecting and analyzing information about the quality of all Parks Permitting program services and facilities from the user perspective and regularly use this information to improve program operations and the customer experience

Auditee Response: Agree, Implementation Date – December 31, 2017

Recommendation 1.4

Cost Recovery—The Executive Director of the Department of Parks and Recreation should create and adhere to a policy that defines periodic timeframes for conducting cost recovery analysis to determine whether fees collected are meeting the cost recovery goals established in the Resource Allocation and Priorities Plan.

Auditee Response: Agree, Implementation Date – December 31, 2018

Recommendation 1.5

Policies and Procedures—The Executive Director of the Department of Parks and Recreation should ensure the timely completion and implementation of the comprehensive athletic policy to provide accurate and transparent information about the permitting process for these facilities and amenities available to the public.

Auditee Response: Agree, Implementation Date –December 31, 2017

Recommendation 1.6

Policies and Procedures (Alignment with Applicable Laws)—The Executive Director of the Department of Parks and Recreation should evaluate current and future Parks Permitting policies and procedures to ensure the timely alignment of program policies and procedures with the Denver Revised Municipal Code and other applicable laws

Auditee Response: Agree, Implementation Date – July 31, 2017

Audit Report Briefing: Department of Finance Investment Evaluation

Audit Manager Dawn Wiseman, in collaboration with Senior Consultant Dale Connors and Consultant Sarah Chabot of Ellwood Associates, presented the audit findings and recommendations. Department of Finance Chief Investment Officer Gregory King, Senior Investment Portfolio Analyst Mario Dominguez, and Director of Cash and Investments Caroline Hendrickson were present on behalf of the Department of Finance to respond to the audit report.

The Department of Finance agreed with all three of the Audit Team’s findings and recommendations. The recommendations and Department of Finance responses from the audit report are summarized below. For the full text of the Department of Finance’s written response to the recommendations, please see the report itself by visiting www.denvergov.org/auditor. Click on the Audit Services tab, then Audit Reports. This report is published under the 2017 Audit Reports header and is titled “[Department of Finance Investment Evaluation](#).” The video recording of the audit report discussion can be found at www.denvergov.org/auditor. Click on the [Audit Committee](#) tab, then the “[Watch Audit Committee meetings](#)” button at the top of the page. The most recent video will be listed first.

Recommendation 1.1

Investment Policy – Ellwood recommends integrating portfolio specific guidelines into the Investment Policy and adding benchmarks for all managed pools of investments within the benchmarking section.

Auditee Response: Agree, Implementation Date – July 31, 2017

Recommendation 1.2

Investment Procedures – Ellwood recommends maintaining an updated Procedures manual, periodically reviewing Chandler Asset Management services, and considering staffing levels given the size of the investments.

Auditee Response: Agree, Implementation Date – April 30, 2017

Recommendation 1.3

Investment Portfolios – Ellwood recommends adjusting weighted composite and benchmark calculations from using ending weights to beginning weights, modifying the way corporate industry weights are evaluated, adding additional documentation on benchmarks for Consolidated and Airport Reserve Portfolios and cash flow procedures for the FAA Escrow

Grant Fund, and monitoring the Workers Compensation and Cableland Home Foundation to a stated benchmark

Auditee Response: Agree, Implementation Date – December 31, 2017

Audit Report Briefing: Technology Services and the Department of Finance – GenTax System

Audit Supervisor Shannon Kuhn, Lead Auditor Jared Miller, Lead Auditor Nick Jimroglou, and Senior Auditor Karin Doughty presented the audit findings and recommendations. Chris Todd, Chief Technology Officer; Chad Mitchell, Director of Application Planning and Analysis; and Judy Bonato, Tax Compliance Operations Manager were present on behalf of Technology Services and the Department of Finance Treasury Division.

Technology Services and the Department of Finance agreed with all six of the Audit Team’s findings and recommendations. The recommendations and agency responses from the audit report are summarized below. For the full text of the agencies’ written responses to the recommendations, please see the report itself by visiting www.denvergov.org/auditor. Click on the Audit Services tab, then Audit Reports. This report is published under the 2017 Audit Reports header and is titled “[Technology Services and Finance GenTax System](#).” The video recording of the audit report discussion can be found at www.denvergov.org/auditor. Click on the [Audit Committee](#) tab, then the “[Watch Audit Committee meetings](#)” button at the top of the page. The most recent video will be listed first.

Recommendation 1.1

Review and Clean-up User Accounts— The Chief Information Officer should ensure that Technology Services performs a review and clean-up of user accounts with access to CommVault. Additionally, Technology Services should create a process for ongoing periodic access reviews for the CommVault system.

Auditee Response: Agree, Implementation Date – October 1, 2017

Recommendation 1.2

Develop a Documented Service Account Policy— The Chief Information Officer should work with FAST Enterprises to develop a documented service account policy that specifies a detailed description of each service account, what it interfaces with, who the owner is, and password length and change requirements. Additionally, Technology Services should work with FAST Enterprises to change the initial service account passwords.

Auditee Response: Agree, Implementation Date – October 1, 2017

Recommendation 1.3

Update System Architecture Drawings— The Chief Information Officer should work with FAST Enterprises to ensure system architecture drawings are complete and accurate and kept up to date.

Auditee Response: Agree, Implementation Date – October 1, 2017

Recommendation 1.4

Develop a Policy for Adding, Modifying, and Removing User Accounts— The City Treasurer should develop, document, and disseminate an access control policy that includes a process for adding, modifying, and removing user accounts for the GenTax application.

Auditee Response: Agree, Implementation Date – April 30, 2017

Recommendation 1.5

Develop an Access Review Policy— The City Treasurer should establish develop, document, and disseminate a policy for periodic access reviews.

Auditee Response: Agree, Implementation Date – April 30, 2017

Recommendation 1.6

Improve Contract Monitoring— The Chief Information Officer should ensure that Technology Services monitors the GenTax contract for insurance compliance and ensures that the City receives updated insurance certificates annually or based upon the insurance term provided.

Auditee Response: Agree, Implementation Date – October 1, 2017

General Business

Auditor O'Brien introduced two of the Office's new Audit Managers, Dawn Wiseman, CRMA and Katja E.V. Freeman, MA, MELP. He also acknowledged the pending arrival of a third Audit Manager, Kevin Sear, CISA, CPA, CFE, CIA, CGMA, who will join the agency later this month.

The next Audit Committee meeting will be held on Thursday, May 18, 2017 at 9:00 a.m. in the Parr-Widener Community Room (#389) on the 3rd floor of the City & County Building at 1437 Bannock Street.

With no other business, the Committee adjourned at 10:52 a.m.

Prepared by Edyie Thompson, Audit Committee staff