



Independent Audit Committee

City & County of Denver

Meeting Minutes

Thursday, July 19, 2018, 9:00 a.m.

Opening

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

Members Present

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

Also Present

Deputy Auditor Valerie Walling and Committee staff Mollie Horne were also in attendance.

Approval of June 21, 2018 Meeting Minutes

The minutes were approved as written.

Audit Report Briefing: Denver Botanic Gardens

Audit Supervisor Emily Owens, Lead Auditor Kharis Eppstein, Lead Auditor Catherine Lyles, Senior IT Auditor Brian Cheli, and Staff Auditor Shannon Dale presented the audit findings and recommendations.

Brian Vogt, CEO; John Calderhead, CFO; Suzi Latona, Director of Operations; and Dick Clark, Board Chair were present to respond to the audit report on behalf of Denver Botanic Gardens.

For the full text of the report, including the agency responses, please visit denverauditor.org/auditservices/audit-reports. Scroll down to "Audit Report Archives." This report is published under the "2018 Audit" tab and is titled "[Denver Botanic Gardens](#)." View the video recording of the report discussion by navigating to denverauditor.org/auditservices/audit-committee and scrolling down to "How to Watch." The most recent video will be listed first.

Denver Botanic Gardens agreed with all 25 of the Audit Team's recommendations. The recommendations and the agency responses from the audit report are summarized below.

Recommendation 1.1

Develop a Risk Management Plan for Special Events—The Gardens should develop risk management plans for key programs that are critical to its operations such as the special events program. This plan should (1) comprehensively identify program risks, (2) assess risks for likelihood, impact, and interaction, and (3) develop response strategies and policies and procedures appropriate to its risk tolerance.

Auditee Response: Agree

Recommendation 1.2

Fully Develop and Align Safety and Security Program—The Gardens should fully develop its safety and security program to ensure that it aligns with operational risks. At a minimum, this process should include (1) assessing the emergency procedures in place for York Street and Chatfield and ensuring they follow recommended Occupational Safety and Health Administration guidelines, including training, (2) reviewing the adequacy of the current number of permanent security staff at both locations and their qualifications and take action as needed, (3) developing safety and security policies and procedures for public events at York Street and Chatfield that include criteria for when to develop a safety and security plan and cash management plan, and (4) establishing a monitoring and evaluation function to ensure consistent application of safety and security policies and procedures.

Auditee Response: Agree

Recommendation 1.3

Clarify Terms in Commitments to the Neighborhood Advisory Committee—The Gardens should work with the Neighborhood Advisory Committee to revise the large event agreement, or formally document clarification on the agreement. These revisions should specify which events are subject to the agreement, include a reporting mechanism that will enable the Neighborhood Advisory Committee to measure compliance, and provide guidance for how the Gardens should measure sound and event size.

Auditee Response: Agree

Recommendation 1.4

Consult with the City to Ensure Consistent Methodology for Sound Monitoring—The Gardens should consult with the City’s Department of Environmental Health’s Community Noise Program to ensure its method for measuring sound is consistent with City practices and appropriately accounts for event setup such as the number of speakers and speaker angle, elevation, and location. The Gardens should consider periodically reassessing its method for measuring sound and consider including this consultation and resulting methodology in its reports to the Neighborhood Advisory Committee to promote transparency and demonstrate compliance with the City’s noise ordinances.

Auditee Response: Agree

Recommendation 1.5

Develop Documentation Procedures for Volunteer Management—The Gardens should develop and implement procedures that outline how volunteer services personnel should document compliance with volunteer requirements within its systems of record. The procedures should include measures to ensure accuracy of information in Volgistics as well as a process for periodic review of the accuracy of the data.

Auditee Response: Agree

Recommendation 1.6

Strengthen Background Check Policies—The Gardens should strengthen its current background check policy to ensure it includes the process for reviewing and approving volunteer background check results and requires retention of documentation, outside of Choice Screening, to demonstrate background checks were completed as required by policy.

Auditee Response: Agree

Recommendation 1.7

Develop Risk Management Plan for Volunteer Management—The Gardens should develop a risk management plan for programs critical to its operations, such as the management of ongoing and special event volunteers. This plan should (1) comprehensively identify program risks, (2) assess risks for likelihood, impact, and interaction, and (3) develop response strategies and policies and procedures appropriate to its risk tolerance.

Auditee Response: Agree

Recommendation 1.8

Evaluate the Importance of Current Volunteer Policies—The Gardens should evaluate the importance of requiring an active membership and a volunteer fee for ongoing volunteers. If the Gardens determines these are critical elements, it should develop policies and procedures to ensure the requirements are consistently implemented. At a minimum, these policies should include its method of documenting compliance and developing criteria for awarding a scholarship and documenting this decision.

Auditee Response: Agree

Recommendation 1.9

Advertise Volunteer Scholarship—After establishing criteria for awarding a scholarship, the Gardens should advertise this information on its website alongside the volunteer program requirements to prevent potential limitations in the diversity of its volunteer pool.

Auditee Response: Agree

Recommendation 2.1

Create IT Policies Based on National Standards—The Gardens should work with a qualified third-party to adopt an IT control framework, such as the one outlined by the National Institute of Standards and Technology, and develop and implement IT control policies in compliance with the adopted framework to address the five control areas outlined above, as soon as possible.

Auditee Response: Agree

Recommendation 2.2

Tighten Management of Key Fobs—Executive management at the Gardens should work with the Operations department and IT department to establish accountability over electronic key distribution, management, and access, including regular monitoring of access alerts, as soon as possible. Additionally, the responsible department should periodically review access over electronic keys.

Auditee Response: Agree

Recommendation 2.3

Establish Server Room Policy—After implementation of recommendation 2.2, the responsible department should implement IT controls, as soon as possible, based on a nationally recognized standard such as the National Institute of Standards and Technology’s 800-53 standard to ensure that the data and infrastructure is properly protected from physical and environmental threats.

Auditee Response: Agree

Recommendation 2.4

Implement Continuity Planning Policy—The Gardens should adopt an IT control framework, such as the one outlined by the National Institute of Standards and Technology, and develop and implement IT control policies in compliance with the adopted framework to address continuity planning. The policy should include the frequency for plan review and the approval process.

Auditee Response: Agree

Recommendation 2.5

Create Business Continuity and Disaster Recovery Plans—The Gardens should implement a business continuity and disaster recovery plan for its information systems, data, and relevant personnel as soon as possible.

Auditee Response: Agree

Recommendation 2.6

Re-evaluate Data Retention Strategy—The Gardens should find an appropriate location for its data and information systems to ensure continuity of operations as soon as possible.

Auditee Response: Agree

Recommendation 2.7

Establish Segregation of Duties Policy for User Provisioning—The Gardens should develop and implement policies and procedures that address segregation of duties from a user provisioning perspective as soon as possible.

Auditee Response: Agree

Recommendation 2.8

Evaluate Segregation of Duties for Business Processes—The Gardens should (1) conduct a comprehensive evaluation of internal controls including a segregation of duties assessment to identify incompatible work responsibilities of all staff and volunteers and (2) develop and document compensating or other controls to minimize risks that result from the identified incompatible work responsibilities. These controls should include measurable criteria and documentation requirements and periodic monitoring by management.

Auditee Response: Agree

Recommendation 2.9

Physical Key Management and Control Ownership—The Gardens Operations and IT departments should work together to identify the department and positions responsible for door key distribution, management, and access.

Auditee Response: Agree

Recommendation 2.10

Door Key Management Internal Controls—After implementation of recommendation 2.9, the responsible department should document and implement appropriate internal controls based on a nationally recognized standard, such as the National Institute of Standards and Technology's 800-53 standard, to ensure that the data and infrastructure are properly protected.

Auditee Response: Agree

Recommendation 3.1

Assess and Enforce Board and Committee Attendance—The Board of Trustees should assess the level of board and committee meeting attendance required to promote board engagement and revise its bylaws or other governing documents accordingly. In addition, the board should actively enforce its attendance requirement and ensure all communications regarding attendance requirements are consistent to ensure board members demonstrate their duty of care.

Auditee Response: Agree

Recommendation 3.2

Track Attendance Rates—The Board of Trustees should develop a method for analyzing and monitoring overall board and committee member attendance rates, including keeping an accurate, up-to-date roster of current board members, to identify and address patterns of low attendance.

Auditee Response: Agree

Recommendation 3.3

Develop Conflict of Interest Document Retention Policy—The Board of Trustees should develop and implement a document retention policy for the board’s conflict of interest disclosure statements.

Auditee Response: Agree

Recommendation 3.4

Revise Conflict of Interest Policy—The Board of Trustees should revise its current conflict of interest policy to include steps to enforce the requirement for each active board member to sign a conflict of interest disclosure statement annually.

Auditee Response: Agree

Recommendation 3.5

Document Governance and Nominating Committee Meetings—The Board of Trustees should revise its bylaws to require the Governance and Nominating Committee to document meeting minutes to include, at minimum, committee members in attendance, overall themes of the discussion, and decisions made.

Auditee Response: Agree

Recommendation 3.6

Conduct Board Self-Evaluation—The Board of Trustees should revise its bylaws to include a requirement that the board conduct a self-evaluation on a regular basis and clearly define the frequency with which this evaluation should occur.

Auditee Response: Agree

General Business:

At 9:40 a.m. the Auditor called for a five-minute recess. The meeting reconvened at 9:45 a.m. Auditor O’Brien reminded the audience that the next Audit Committee meeting will be held on Thursday, August 16, 2018 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.

The Auditor then entertained a motion to go into Executive Session. Leslie Mitchell moved to go into Executive Session. Edward Scholz seconded the motion, and the motion passed. The public portion of the meeting adjourned at 9:46 a.m.

Executive Session: Discussion with External Auditors and City Representatives

The meeting continued in Executive Session wherein External Auditors BKD LLP, Anton Collins Mitchell LLP, and City representatives discussed the Single Audit Report, Management Letter, and other matters with the Audit Committee.

With no other business, the Committee adjourned at 11:45 a.m.

Prepared by Mollie Horne, Audit Committee staff