

Denver, Colorado

Population is 700,000

City Budget is \$1.2 billion

Mayor has executive authority

Elected Auditor has 51 performance audit staff and a \$4.5 million budget

Denver is a merger of both city and county governments. While the mayor has executive authority, 13 elected City Councillors pass ordinances, approve the budget and can take whistleblower complaints. Denver's budget includes the Denver Airport as well as Denver Water.

DUTIES OF AUDITOR While an elected auditor has been part of Denver for decades, charter amendments in 2005 shifted former payroll and financial management functions to an Office of Controller. The auditor's new role included performance, financial and IT audits, as well as assurance that all contracts with Denver pay prevailing wages for employees. The auditor can receive whistle-blower complaints. Denver characterizes their work as "integrated" auditing. The auditor's office states that with proper planning, their work annually covers all aspects of the city.

INDEPENDENCE The charter states no ordinance passed by the city council may compromise the independence of the auditor. Although Denver's web site says the city attorney provides counsel to the auditor, the auditor can also hire independent legal counsel. One of the current auditor's five appointees is an attorney who provides internal legal counsel to the office. The office does its own HR.

ACCESS TO INFORMATION The charter assures access to city records, personnel, and all contracts. The auditor countersigns all of Denver's contracts ensuring access language in those contracts.

ACCOUNTABILITY Denver follows generally accepted government accounting standards. The charter requires a seven-member audit committee that is chaired by the auditor; the other six members cannot be government employees. The mayor, city council and the auditor each appoint two members to the audit committee. The committee receives audit reports and the members report back to the entity that appointed them to their four-year terms. All reports are public and are posted on the web. Each year, the audit committee commissions an external financial audit of Denver's finances.

FUNDING The charter amendments require Denver's council to ensure sufficient funding for the auditor's office to perform its powers and duties. Denver's council funds the auditor's office as a balance to the power of the mayor. In the last years of the previous auditor, the office's salaries were not kept apace so the recent budget under the new auditor grew by almost \$1 million to sufficiently raise salaries.

OTHER UNIQUE PROVISIONS Denver's follow-up audits result in strong implementation of the recommendations that are agreed to by the audited entity. Each report sets a follow-up date 9-24 months later. Denver says this practice gives assurance of continuous quality improvement activities and that the audited agencies are finding the audit recommendations relevant, feasible and worthwhile. Denver's audit office says it does not visit the same issue twice.

By charter, an auditor may only serve three four-year terms. The elections when there is no incumbent are contested, but incumbents have not been opposed.

Denver's court system (not the Colorado state courts) is currently in a legal dispute with the auditor about whether his office has the authority to audit the court's governance structure and examine the court's processes including administration and collection of fines and penalties.