

# REFLECTIONS ON A CAREER IN GOVERNMENTAL SERVICE AND GOVERNMENT ACCOUNTABILITY

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Auditor, City and County of Denver



# Government Audits

## The Traditional Final Destination



# Changing the Paradigm of Auditing

- Traditional Auditing vs. Performance Auditing
  - What information is important?
- Measuring Program Compliance vs. Shaping Public Policy
  - What does the citizenry expect from government?
- Identifying the Client
  - Who do we work for and how do we write to engage them?
- Activism Auditing – Use of the “Bully Pulpit”
  - How can we use the press and community activism to change how government works?



# The Road to Accountability

“Mr. Gallagher, you must learn internal controls not only in you financial dealings, but also internal controls in your personal affairs.”

Sister Margaret Loyola Scanlon, S. L., Principal  
Holy Family Parochial School  
Denver – 1956



# Why a Life of Public Service?

“ASK NOT WHAT YOUR COUNTRY CAN DO  
FOR YOU.

ASK WHAT **YOU** CAN DO FOR YOUR  
COUNTRY!”

President John F. Kennedy  
Inaugural Address  
January 20, 1961



# The Draw of Public Service

- Public Accountability
- Honorable Profession
- The Opportunity to Affect Change

“Leaving the World Better Than You Found It.”



# Dennis Gallagher

## A Lifetime of Public Service and Commitment

- 45 years of public service (1970 – Current)
  - 4 – years Colorado House of Representatives (1970- 1974)
  - 20 – years Colorado State Senate (1974 – 1995)
    - 16 – years Colorado State Legislative Audit Committee
      - 3 terms as Chair
      - 3 terms as Vice-Chair
    - Advocated for increased use of performance audit model
    - Pushed for implementation of audit findings
    - Author of the Gallagher Amendment to the Colorado Constitution – Limits property taxes for residential property in Colorado
  - 8 – years Denver City Council (1995-2003)
  - 3 terms Denver City Auditor – (2003- Present; 12<sup>th</sup> year)
  - Co-Chair Mountain and Plains Intergovernmental Audit Forum (2009 – Present)



# Government Auditing

## The Early Years (1970s – 1980s)

- Dollars-and-Cents Approach to Auditing
- Program Compliance Over Policy Effectiveness
- No Public Policy Mindset
- Public Officials as the Client





# Denver Auditor's Office

## A Historical Perspective

- Independently Elected Official
- Incorporated in Denver Charter 1903
- A Nesting Ground for Mayoral Candidates
- No Adherence to Auditing Standards
- Politics Over Substance
- Playing “Gotcha” – Political Expediency as the Client



# Performance Auditing as an Agent of Change

## THE DENVER ELECTION COMMISSION – A CASE STUDY

- Advanced Notice of Electoral Issues
- Clear and Early Call for Action
- Election Day Disaster
- Change in Structure of Clerk and Recorder's Office
  - Led Call and Campaign to Establish Elected C&R
  - Increased Accountability



# Creating the “Denver Model”

- Change to City Charter – Vote of the People
  - Restructuring of Auditor’s Office
    - Creation of CFO/Department of Finance
    - Gave up payroll function
  - Established Formal, Independent Audit Committee
  - Unprecedented/Complete Access to all City records
    - Political risk to administration
- Adoption of Standards
  - Peer review
  - Adherence to Yellow Book standards
  - Mandates formal response to audit recommendations
    - Accountability
- Embracing Performance Auditing
  - Focus away from contract compliance



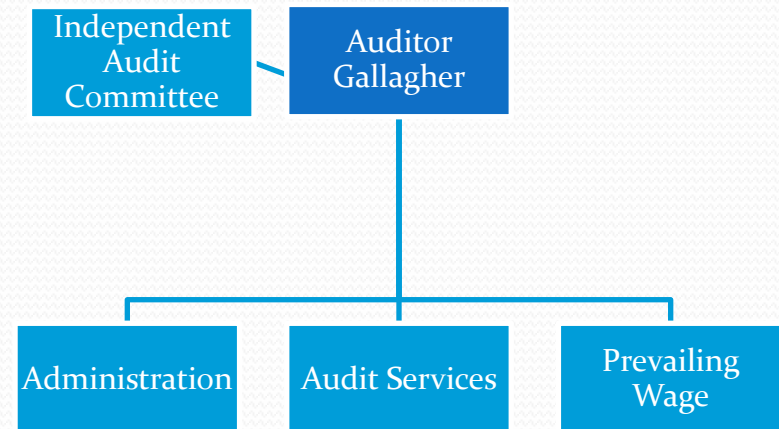
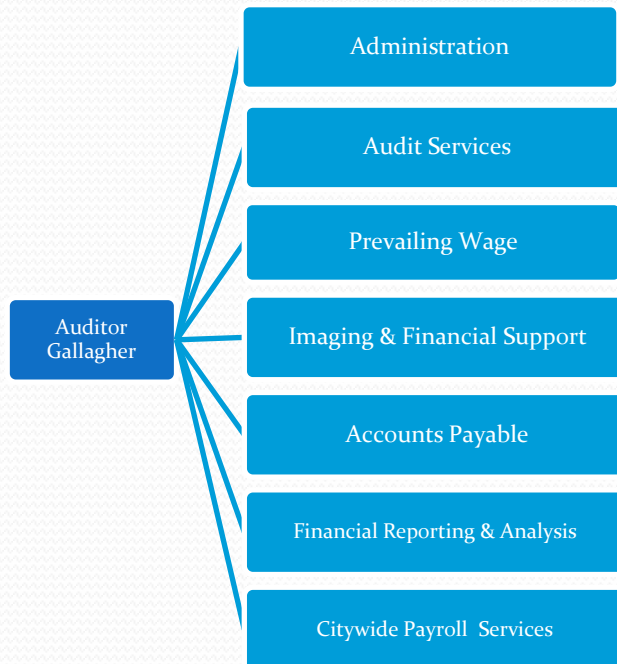
# The Denver Auditor's Office

## Early Organizational Structure

Pre-Charter  
Change (2006)

## Post-Charter

Change (Current)



# Activism Auditing

## Making the Audit Matter

Ensuring the Audit is Accurate, Powerful, Impactful  
and **Impossible to Ignore**

# ACCOUNTABILITY



# Elements of Activism Auditing

- Independent
  - No sacred cows – Go where the issues/concerns are
- Identifying the Client
  - The citizen is ALWAYS the real client
- What We Audit
  - What does/will/should the client care about
- How We Write Our Audits
  - Making complex concepts understandable
  - No gov-speak
- Use of the Bully Pulpit



# Activism Auditing: The Bully Pulpit

- Televised Audit Findings
  - Independent Audit Committee
- Taking Audit Results to the People
  - Presentation to neighborhood/constituency groups
  - Social media
  - Regular newsletters
- Use of Media
  - Traditional
    - Radio/television/newspaper
  - Non-Traditional
    - Community papers
    - Editorials



# The Power & Promise of Public Service

## *The Athenian Oath*

WE

*...will never bring disgrace on this our CITY by an act of dishonesty or cowardice.*

*...will fight for the ideals and sacred thing of the City both alone and with many.*

*...will revere and obey the CITY's laws, and will do our best to incite a like reverence and respect in those above us who are prone to annul them or set them at naught.*

*...will strive increasingly to quicken the public's sense of civic duty.*

*Thus in all these ways will we transmit this CITY not only not less, but greater and more beautiful than it was transmitted to us.*

