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AUDITORS FIND GAPS IN SAFETY OVERSIGHT OF CONVEYANCES

DENVER— The Colorado Office of the State Auditor (OSA) has issued an audit of the Conveyance Program, administered by the Division of Oil and Public Safety (Division) within the Department of Labor and Employment (Department), and has found that of the 20 conveyances sampled, five of them operated after key safety requirements had not been met. One conveyance was not inspected until 904 days after its certificate of operation had expired, even though conveyance owners are required to obtain annual inspections. In addition, five conveyances did not undergo required annual safety tests for an average of 198 days after their prior safety tests had expired.

“Conveyances that have not undergone required inspections and safety tests could become unnecessarily dangerous to the general public and those who work on conveyances,” said Jenny Atchley, Legislative Audit Supervisor. “It’s important for the Division to make sure that conveyances operate according to minimum safety standards, which was the legislative intent when the Conveyance Program was created.”

The Conveyance Program was established in 2008. There are approximately 19,500 regulated conveyances in Colorado, which include elevators, escalators, platform lifts, personnel hoists, dumbwaiters, and moving walks. The Division is responsible for registering conveyances; issuing certificates of operation for conveyances that have been deemed safe; enforcing the Elevator and Escalator Certification Act; licensing contractors, mechanics, and inspectors; and delegating authority for local jurisdictions to regulate conveyances. From April 2014 through April 2015, 570 contractors,

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inspectors, and mechanics had active licenses, and as of July 2015, 26 local jurisdictions were approved to regulate conveyances within their territories. These local jurisdictions regulate about 65 percent of the conveyances in Colorado. According to the Department, revenue for the Conveyance Program in Fiscal Year 2015 was about \$671,000, and expenses were about \$668,000.

After reviewing a sample of 15 licensing files and analysis of aggregate data for 570 licensees, auditors also found that 17 contractors, mechanics, and inspectors did not actually qualify for licensure when the Division issued them a license between March 2009 and April 2015. Of those, 12 licensees were still licensed as of October 2015.

Additionally, as of July 2015, auditors found that the Division had delegated regulatory authority to 30 local jurisdictions, based solely on the jurisdictions' signing a statement that they had standards "equal to or greater than" those of the Elevator and Escalator Certification Act, without making its own determination. Further, the Division's system for monitoring does not hold local jurisdictions with approved regulatory authority accountable for complying with Division requirements, and the Division does not have clearly defined expectations of such local jurisdictions.

The audit makes four recommendations.

The full report is available electronically on the OSA's website, <http://www.state.co.us/auditor>, via the link called "OSA Audit Reports."

Under the direction of the state auditor, the OSA is the state's nonpartisan, independent external auditor with broad authority to audit state agencies, departments, institutions of higher education, and the Judicial and Legislative Branches. The OSA's professional staff serve the people of Colorado by addressing relevant public issues through high-quality, objective audits and reviews that promote accountability and positive change in government. Performance audits address whether programs operate in compliance with laws and regulations and in a manner that accomplishes intended program goals. Financial audits include annual audits of the state's basic financial statements and federal grants on a statewide level. IT audits review procedures and technology to ensure the confidentiality, integrity and availability of the state's critical computer systems and taxpayer data. The OSA also tracks about 4,000 Colorado local governments for compliance with the Local Government Audit Law.