



A REPORT  
TO THE  
ARIZONA LEGISLATURE

Performance Audit Division

---

Performance Audit

## Department of Economic Security—

Division of Children, Youth and Families—  
Child Protective Services—Complaint  
Management Process

---

JULY • 2008  
REPORT NO. CPS-0801



---

**Debra K. Davenport**  
Auditor General

The **Auditor General** is appointed by the Joint Legislative Audit Committee, a bipartisan committee composed of five senators and five representatives. Her mission is to provide independent and impartial information and specific recommendations to improve the operations of state and local government entities. To this end, she provides financial audits and accounting services to the State and political subdivisions, investigates possible misuse of public monies, and conducts performance audits of school districts, state agencies, and the programs they administer.

## The Joint Legislative Audit Committee

---

Representative **John Nelson**, Chair

Senator **Robert Blendu**, Vice Chair

Representative **Tom Boone**

Senator **Carolyn Allen**

Representative **Jack Brown**

Senator **Pamela Gorman**

Representative **Pete Rios**

Senator **Richard Miranda**

Representative **Steve Yarbrough**

Senator **Rebecca Rios**

Representative **Jim Weiers** (*ex-officio*)

Senator **Tim Bee** (*ex officio*)

## Audit Staff

---

**Melanie M. Chesney**, Director

**Catherine Dahlquist**, Manager and Contact Person

**Dan Hunt**, Team Leader

**Marc Owen**

Copies of the Auditor General's reports are free.  
You may request them by contacting us at:

### **Office of the Auditor General**

**2910 N. 44th Street, Suite 410 • Phoenix, AZ 85018 • (602) 553-0333**

Additionally, many of our reports can be found in electronic format at:

**[www.azauditor.gov](http://www.azauditor.gov)**



**STATE OF ARIZONA**  
**OFFICE OF THE**  
**AUDITOR GENERAL**

**DEBRA K. DAVENPORT, CPA**  
AUDITOR GENERAL

**WILLIAM THOMSON**  
DEPUTY AUDITOR GENERAL

July 21, 2008

Members of the Arizona Legislature

The Honorable Janet Napolitano, Governor

Ms. Tracy Wareing, Director  
Department of Economic Security

Transmitted herewith is a report of the Auditor General, a Performance Audit of the Department of Economic Security, Division of Children, Youth and Families—Child Protective Services—Complaint Management Process. This report was prepared pursuant to and under the authority vested in the Auditor General by Arizona Revised Statutes §41-1966.

As outlined in its response, the Department of Economic Security agrees with the finding and plans to implement all of the recommendations.

My staff and I will be pleased to discuss or clarify items in the report.

This report will be released to the public on July 22, 2008.

Sincerely,

Debbie Davenport  
Auditor General

Attachment

# SUMMARY

## Additional actions needed to improve Division's management of formal complaints (see pages 5 through 10)

### Our Conclusion

Although the Division has implemented two important elements of an effective complaint-handling process, it needs to take additional actions to improve the management and oversight of formal complaints about CPS. Specifically, the Division should clarify and expand complaint policies and procedures to ensure complaints are processed in a consistent and timely manner, centrally track and analyze information on all formal CPS complaints to identify systemic problems and improve services, and periodically review the complaint management process to ensure it remains effective and efficient.

### Agency Comments

The Department agrees with the finding and will implement the recommendations. See gold pages for its full response.

This audit was conducted under the authority vested in the Auditor General by Arizona Revised Statutes §41-1966.

The Department of Economic Security's (Department) Division of Children, Youth and Families (Division) uses several methods to process formal complaints about Arizona's Child Protective Services (CPS) program. Most CPS complaints are received and processed by the Division. However, other agencies, such as the Arizona Ombudsman–Citizens' Aide, may also receive and investigate complaints regarding CPS.

The Division's complaint management process includes two important elements. First, the Department ensures that the public has easy access to information related to the complaint process. Additionally, when the Division prepares a written response letter to a CPS complaint, the complaint issues are generally thoroughly addressed in the letter.

However, the Division should take additional steps to improve the management and oversight of formal CPS complaints by:

- Clarifying and expanding complaint policies and procedures, including defining the term "complaint" and providing comprehensive guidance on timelines, documentation, and monitoring requirements to all staff handling formal CPS complaints to ensure the complaints are processed in a consistent and timely manner.
- Implementing a centralized tracking system that captures uniform CPS complaint data to facilitate effective processing of formal complaints and allows management to identify systemic problems and improve services.
- Periodically reviewing the Division's complaint management process to ensure it is operating effectively and efficiently.



## BACKGROUND

Citizens have several avenues available to file formal complaints about the State's CPS program. Complaints may be verbal or written. It is the Division's policy that an individual first attempt to resolve his/her CPS complaint informally through discussion with CPS case management staff. However, if the complaint cannot be resolved informally, the individual may file a formal complaint with the Division's Family Advocacy Office and Crisis Response Unit, as well as the Department Director's Office. Citizens may also file formal complaints regarding CPS with other entities including the Arizona Ombudsman-Citizens' Aide and the Governor's Office of Constituent Services.

## Several avenues exist for filing formal complaints about CPS

Citizens have several avenues available to file complaints about the CPS program, which the Division administers. Complaints may be received verbally or in writing, and can range from a CPS specialist not returning a family's phone calls to the program's failing to take adequate action to ensure required services are provided to children and families through contracted service providers and other entities, such as the regional behavioral health authorities.

The Division handles both informal and formal complaints. Informal complaints are those issues received and addressed by CPS field unit staff as part of their day-to-day case management responsibility. Although it is the Division's policy that an individual first attempt to resolve his/her complaint informally through discussion with CPS case management staff, if it cannot be resolved informally, the complainant may file a formal complaint with the following internal and external entities.

**Department of Economic Security**—The Division reviews and addresses formal complaints regarding CPS received through the following internal department units/offices:

- **Family Advocacy Office**—This Office was established in 2000 by Arizona Revised Statutes (A.R.S.) §8-828 to respond to inquiries and complaints about the child welfare system and to track complaint information, including the number, type, and source of complaints, and the results of the complaint investigation, among other responsibilities. Pursuant to the legislation, the Office sunset on July 1, 2005. However, the Department chose to continue this Office within the Division. This Office receives inquiries and complaints regarding CPS through a dedicated telephone number. The office phone number is listed on pamphlets and forms provided by CPS staff to clients and is also available to the public. When a complaint is received, office staff may contact field unit staff overseeing the related CPS case to obtain clarification and, if appropriate, request that action be taken to address the complaint. According to division personnel, either office staff or a designated field unit staff person may contact the complainant with a resolution. If a resolution cannot be achieved, office staff may send a client grievance form to the complainant. According to office records, in fiscal year 2007, the Office received more than 2,500 calls. However, because office staff do not consistently record the nature of the phone calls, it is not possible to determine how many of these calls were complaints and how many were inquiries (see page 7 for additional information).

- **Crisis Response Unit**—According to division management, this Unit was established within the Division in 2003 to respond to media requests about high-profile CPS cases and to manage written client grievances, which involves this Unit's staff recording and responding to written complaints about CPS that are submitted on the Division's client grievance form. Similar to the Family Advocacy Office, this Unit may contact field unit staff overseeing the related CPS case to obtain clarification and, if appropriate, request that action be taken to address the complaint. According to unit records, the Unit received 41 written grievances in fiscal year 2007.
- **Director's Office**—This Office receives written correspondence addressed to the Department's director and deputy directors. The correspondence is first reviewed by the Office's correspondence control staff to determine if some type of action is needed by the Department—for example, responding to an inquiry or investigating a complaint. Any correspondence concerning CPS is forwarded to a designated division staff person who will assign it to the appropriate division personnel for action. These items are to be completed within a specific time frame established by the Office's correspondence control staff. Once the necessary action is taken, the Division typically prepares and sends a written response letter to the correspondent and provides a copy to the Director's Office. According to department records, the Office referred 272 items to the Division for action in fiscal year 2007. However, because these items are not categorized by type, it is not possible to determine how many items were complaints.

**External Entities**—Formal complaints regarding CPS may also be filed with entities external to the Department. For example, citizens may file complaints with the Arizona Ombudsman–Citizens' Aide. Ombudsman staff have direct access to CPS hard-copy and electronic case file information and will independently investigate any serious complaint to determine if it is substantiated or unsubstantiated. Ombudsman staff provide a preliminary written report with their investigation findings and any recommendations to the Department for comment. If requested by the Ombudsman–Citizens' Aide, the Department will provide a written response to the investigative report, including its decision to accept or reject each recommendation.<sup>1</sup> The Ombudsman–Citizens' Aide will provide its investigation findings to the complainant verbally, or if requested, in writing. Additionally, it may provide the written investigative report, including the Department's response, to the Governor's Office and the Legislature. During calendar year 2007, the Ombudsman–Citizen's Aide received 567 complaints related to CPS. The majority of these complaints were addressed by educating complainants on CPS policies and procedures or assisting the complainant through a phone call or meeting with CPS staff. Formal investigations are typically reserved for addressing violations of policy or resolving conflicts between policy and statutes.

<sup>1</sup> Although the Ombudsman–Citizens' Aide can make recommendations, it does not have legal authority to compel the Department to implement the recommendations.

In addition to the Ombudsman–Citizens' Aide, citizens may contact their legislators or the Governor's Office of Constituent Services to file formal complaints about CPS. These entities' staff must contact the Division in order to obtain the facts of the case. The Division will respond back to external entities with information that the complainant has been responded to and the issue resolved, or will explain in general terms what would happen in a similar hypothetical situation. The external entities' staff will assess the information provided by the complainant and the Division, and may suggest recommendations to the Division's Crisis Response Unit. However, similar to the Ombudsman–Citizens' Aide, the Department has the discretion to implement or not implement these recommendations. It is unknown how many complaints regarding CPS were received and addressed by these two external entities in 2007 because not all the complaints were referred to the Division for action. Further, the Division does not consistently track this information.



◆

## FINDING

The Division should take steps to improve its process for handling formal complaints regarding CPS. An adequate complaint process may help to mitigate children's exposure to unnecessary risks and ensure timely services for children and families. The Division employs two important elements in its complaint management process: ensuring the public has easy access to information on the process and, when it responds, adequately addressing the complaint concerns in its written responses. However, it should improve its complaint process by clarifying and expanding complaint policies and procedures, including establishing timelines for responding to all formal complaints and ensuring that staff are aware of and are following the policies and procedures, centralizing its complaint information, and periodically reviewing its complaint management process.

## Additional actions needed to improve Division's management of formal complaints

### Effective complaint management process is important

An effective process to manage complaints about CPS is important for several reasons. By promptly and adequately addressing client complaints, the Division may be able to mitigate children's exposure to unnecessary risks and better ensure children and families receive appropriate and timely services. Further, an effective complaint management process should facilitate the Division's ability to rectify poor decisions quickly and efficiently, prevent complaints from escalating, and identify areas needing improvement so that corrective action can be taken. Potential economic benefits may also result from addressing problems internally, close to the source, without the need for resources to be devoted to review by external accountability bodies, and by ensuring complaints are handled methodically and efficiently. An effective complaint management process should also help reduce stress on staff by providing training and support to deal with unhappy clients and a structured approach to addressing issues. Finally, it may demonstrate to the public the seriousness with which the Division responds to complaints.

### Division includes two important elements in its complaint management process

The Division's complaint management process includes two important elements. Specifically, the Division:

- **Ensures that the public has easy access to information on the complaint process**—International standards on proper complaint management emphasize that information on the complaint process should be easily accessible and communicated to the public.<sup>1</sup> The Department's Web site and various printed pamphlets and forms provided to CPS clients and available to the public include information on a citizen's right to file a complaint. In addition, these resources explain how to file a complaint by providing information on the locations, phone numbers, and office hours of those entities handling complaints about CPS.

<sup>1</sup> American Society for Quality. *ANSI/ISO/ASQ 10002-2004, Quality Management: Customer Satisfaction: Guidelines for Complaints Handling in Organizations*. Milwaukee, WI: ASQ Quality Press, 2006.

- **Prepares adequate written responses addressing complaint issues when it responds**—International standards also state that responding adequately to all aspects of a complaint facilitates the improvement of an organization's services and processes. The Division is required by policy to respond in writing to written client grievances. Auditors identified several instances where the Division did not provide a written response to the complainant (see page 8). However, when the Division prepared written complaint responses, they were adequate. To assess the adequacy of the Division's response to complainants, auditors reviewed 27 written replies to written client grievances received in fiscal year 2007 and found that 26 adequately addressed all issues noted in the grievance. The one exception failed to address concerns that the complainant's child was being bitten by other children while at day care and that the complainant should be receiving additional monies for child care. Auditors also reviewed the Division's written replies to 30 correspondences expressing dissatisfaction with CPS that were referred from the Director's Office for action in fiscal year 2007, and found that 29 adequately addressed all stated concerns. In the one exception, the Division's response stated that it would review the case and address any issues that arise as part of a case review, but there was no follow-up letter or other evidence that the Division performed these actions.

Auditors were unable to assess the adequacy of the Division's response to complaints received through the Family Advocacy Office since division policy does not require a written response be prepared for these complaints. Although division policies and procedures indicate that staff should record information on complaints and associated resolution activities in the automated CPS case management system, auditors found the information to be inadequate (see page 8).

## Additional actions needed to improve the Division's management of formal complaints

Although the Division has implemented two important elements of an effective complaint management process, it needs to take additional actions to improve its handling of formal complaints, including clarifying and expanding its complaint policies and procedures, centralizing its complaint information, and periodically evaluating its complaint management process.

**Clarify and expand complaint policies and procedures**—International standards emphasize the need for complaint management policies and procedures for all functions and personnel roles involved in the complaint-handling process. Well-documented and up-to-date policies and procedures can help prevent the inconsistent treatment of complaints and reduce the incidence of complaints escalating unnecessarily. Although the Division has

some complaint policies and procedures, they vary in the degree of guidance provided and focus primarily on written client grievances handled through the Crisis Response Unit. As such, they do not provide comprehensive guidance on handling complaints received through the Family Advocacy Office or the Director's Office. To better address the needs of all staff handling formal complaints, the Division should clarify and expand its complaint-handling policies and procedures and ensure staff are aware of and following them. Specifically, it should:

- **Establish definition of complaint**—International standards indicate that a definition of complaint will allow organizations to accurately differentiate complaints from other forms of communication with the public, such as inquiries and requests for information. Accurately identifying complaints helps to ensure they are investigated and addressed, and that analyses and reports of complaint trends are accurate. However, the Division's complaint policies fail to define the term "complaint." During review of the Family Advocacy Office records, auditors were unable to determine how many of the calls the Office received were complaints because the term was not clearly defined and understood by staff; therefore, it was used sporadically and inconsistently. Complaints can be defined in various ways. For example, international standards for complaint handling define a complaint as an expression of dissatisfaction requiring a response (see textbox). Alternately, the Arizona Department of Health Services' Division of Behavioral Health Services defines a complaint as an expression of dissatisfaction with any aspect of care. The Division should establish a clear definition for a complaint regarding CPS and ensure staff are aware of it so that they can ensure the complaint is addressed using appropriate complaint-handling procedures and that complaint analyses and reports are based only upon complaint information.
- **Provide comprehensive guidance for all staff handling formal CPS complaints**—International standards on complaint handling state that complaint policies be supported by procedures for each function addressing complaints and that personnel involved in the process be aware of and trained in them. As stated before, the Division's policies and procedures focus primarily on written client grievances handled through the Crisis Response Unit and vary in degree of guidance provided. However, in fiscal year 2007, approximately 2,800 calls and action items were received by the Family Advocacy Office and/or referred from the Director's Office. Therefore, the Division should expand its complaint procedures to provide comprehensive guidance to all division functional areas and staff responsible for receiving and responding to formal complaints about CPS. Specific areas to address in the procedures include:

A **complaint** is defined as an expression of dissatisfaction made to an organization, related to its products (services) or the complaints-handling process itself, where a response or resolution is explicitly or implicitly expected.

Source: American Society for Quality. *ANSI/ISO/ASQ 10002-2004, Quality Management: Customer Satisfaction: Guidelines for Complaints Handling in Organizations*. Milwaukee, WI: ASQ Quality Press, 2006.

- **Timelines**—Establishing and enforcing specific timelines for each phase of the complaint management process will help ensure complaints are addressed in a timely manner. Without timelines, the complaint resolution process can become stagnant. Timelines also need to be enforced or complainants may be left not knowing if and/or when their complaints are going to be addressed. For example, although procedures require the Division to provide a written response to a written client grievance within 10 business days of receiving the complaint, auditors found that 7 of the 27 response letters issued in fiscal year 2007 were 16 to 53 days late and that the Division did not prepare or could not locate response letters for another 13 of the written client grievances. Additionally, the Division did not respond within established time frames to 58 of 112 correspondences expressing dissatisfaction with CPS, which were referred from the Director's Office to the Division for action in fiscal year 2007. The majority of the untimely responses ranged between 1 and 73 days late, with a median of 10 days.
- **Documentation**—Establishing clear documentation requirements will provide a means for verifying that appropriate and timely actions were taken to address complaints. Division policies and procedures provide general guidance on information that staff should record about complaints—for example, meetings, contacts with the complainant, and complaint resolution actions. This information is to be documented within case notes in the Division's automated CPS case management system, known as CHILDS (Children's Information Library and Data Source). However, auditors' review of CHILDS case notes for 14 written client grievances received in fiscal year 2007, as well as interviews with division staff, revealed that the complaint details and resolution information were not consistently being recorded. Further, in a review of 10 written client grievance response letters indicating specific resolution actions, auditors were unable to determine if the prescribed actions actually occurred and/or were monitored for 9 of the grievances based upon review of the CHILDS case notes and the hard-copy complaint records.
- **Monitoring**—Establishing specific criteria and activities for use in monitoring how formal complaints are being handled will better ensure they are addressed in an appropriate and timely manner. International standards identify examples of complaint monitoring criteria, including complaint responsibility appropriately assigned, complaint responded to within the expected time frame, and complaint addressed within the expected time frame. Although division complaint procedures designate staff to monitor and verify that resolution action on written client grievances occurred, they do not contain guidance on how or

when this monitoring activity is to occur, criteria to use in determining if the complaint is being handled well or poorly, and how monitoring activity is to be evidenced. Therefore, the Division is unable to ensure that actions on written client grievances are consistently and adequately monitored. In addition, the Division does not have monitoring procedures for complaints received and addressed through other avenues, such as the Family Advocacy Office.

#### Implement a centralized complaint information tracking system—

International standards and literature on effective complaint management practices recommend that complaint information be recorded in an automated centralized system in order to facilitate effective processing of complaints and allow management to analyze and use complaint data to identify root causes of dissatisfaction and determine future service improvements.<sup>1</sup> As of April 2008, the Division maintained three separate electronic logs to record complaint information. However, the logs do not capture uniform and key complaint information such as division personnel assigned to address and monitor the complaint, complaint issue(s), requested remedies, actions taken, complaint disposition, and critical dates necessary to ensure that complaints are addressed in a timely manner. Further, the logs are not integrated into a uniform system. Because of these limitations, the Division is unable to generate management reports with a comprehensive overview of complaint data, effectively preventing the Division from identifying operational or performance issues on a systemic level. According to division management, a centralized complaint database is in the process of being developed and will be implemented by the end of 2008.

#### Periodically review complaint management process—

International standards indicate that it is important for an organization to periodically review its complaint management process to ensure it is continuing to operate efficiently and effectively. According to division management, the Division does not conduct periodic reviews of its complaint-handling process. However, many of the complaint issues and problems noted in this report, such as preparing and providing timely response letters to written client grievances, and adequately documenting and monitoring complaint processing, could have been identified and addressed if division management regularly reviewed its complaint-handling process. Therefore, the Division should establish a time frame and procedures for conducting periodic reviews of its complaint management process.

<sup>1</sup> Office of the Vice President of the United States National Performance Review. *Serving the American Public: Best Practices in Resolving Customer Complaints, Federal Benchmarking Consortium Study Report*. Washington, D.C.: National Performance Review, March 1996.

## Recommendations:

1. The Division should clarify and expand its complaint policies and procedures by:
  - a. Establishing a clear definition of "formal complaint."
  - b. Developing comprehensive and detailed guidance for all staff handling formal CPS complaints, including timelines for completing all phases of the complaint-handling process, documentation requirements, and complaint monitoring activities.
2. The Division should ensure that staff are informed of and following division complaint-handling policies and procedures.
3. The Division should complete its implementation of an automated, centralized complaint-tracking system that will capture key information needed to ensure complaints are effectively addressed and help management identify systemic problems so that corrective action can be taken.
4. The Division should develop and routinely generate and review management reports from the automated complaint-tracking system to identify systemic or recurring problems and take corrective action as needed.
5. The Division should establish and implement time frames and procedures for reviewing its complaint-management process to identify and promptly correct any process deficiencies.

# AGENCY RESPONSE





**ARIZONA DEPARTMENT OF ECONOMIC SECURITY**

1717 W. Jefferson • P.O. Box 6123 • Phoenix, AZ 85005

Janet Napolitano  
Governor

Tracy L. Wareing  
Director

**JUL 15 2008**

Ms. Debbie Davenport  
Auditor General  
Office of the Auditor General  
2910 North 44 Street, Suite 410  
Phoenix, Arizona 85018

Dear Ms. Davenport:

The Department of Economic Security (Department) wishes to thank the Office of the Auditor General for the opportunity to respond to the recently completed audit of the Complaint Management Process of the Division of Children, Youth and Families.

The Department is committed to addressing formal complaints in an effective and efficient process, as well as in a timely manner. The Department agrees with and is currently implementing the recommendations.

If you have any questions, please contact Ken Deibert, Deputy Director, Division of Children, Youth and Families, at (602) 542-3598 or me at (602) 542-5757.

Sincerely,

Tracy L. Wareing  
Director

Enclosure

**ARIZONA DEPARTMENT OF ECONOMIC SECURITY'S  
RESPONSE TO THE OFFICE OF THE AUDITOR GENERAL'S REPORT ON THE  
DIVISION OF CHILDREN, YOUTH AND FAMILIES  
COMPLAINT MANAGEMENT PROCESS**

The Department's response to the Auditor General recommendations is described below.

**RECOMMENDATION 1:**

The Division should clarify and expand its complaint policies and procedures by:

- a. Establishing a clear definition of "formal complaint."
- b. Developing comprehensive and detailed guidance for all staff handling formal CPS complaints, including timelines for completing all phases of the complaint-handling process, documentation requirements, and complaint monitoring activities.

**DES Response:**

The finding of the Auditor General is agreed to and the audit recommendation will be implemented.

The Division is in the process of revising its complaint policies to include timelines and all formal complaint processes.

**RECOMMENDATION 2:**

The Division should ensure that staff are informed of and following Division complaint-handling policies and procedures.

**DES Response:**

The finding of the Auditor General is agreed to and the audit recommendation will be implemented.

**RECOMMENDATION 3:**

The Division should complete its implementation of an automated, centralized complaint-tracking system that will capture key information needed to ensure complaints are effectively addressed and help management identify systemic problems so that corrective action can be taken.

**DES Response:**

The finding of the Auditor General is agreed to and the audit recommendation will be implemented.

The Division is developing a centralized complaint-tracking system that will be implemented by the end of 2008.

**RECOMMENDATION 4:**

The Division should develop and routinely generate and review management reports from the automated complaint-tracking system to identify systemic or recurring problems and take corrective action as needed.

**DES Response:**

The finding of the Auditor General is agreed to and the audit recommendation will be implemented.

**RECOMMENDATION 5:**

The Division should establish and implement time frames and procedures for reviewing its complaint-management process to identify and promptly correct any process deficiencies.

**DES Response:**

The finding of the Auditor General is agreed to and the audit recommendation will be implemented.

## CPS Reports Issued

---

### Performance Audits

- CPS-0501** CHILDS Data Integrity Process
- CPS-0502** Timeliness and Thoroughness of Investigations
- CPS-0601** On-the-Job Training and Continuing Education
- CPS-0701** Prevention Programs

### Questions and Answers

- QA-0601** Substance-Exposed Newborns
- QA-0701** Child Abuse Hotline
- QA-0702** Confidentiality of CPS Information
- QA-0703** Licensed Family Foster Homes
- QA-0801** Child and Family Advocacy Centers

### Information Briefs

- IB-0401** DES' Federal Title IV-E Waiver Demonstration Project Proposal
- IB-0501** Family Foster Homes and Placements
- IB-0502** Revenue Maximization
- IB-0601** In-Home Services Program
- IB-0701** Federal Deficit Reduction Act of 2005
- IB-0702** Federal Grant Monies
- IB-0801** Child Removal Process

## Future CPS Reports

---

### Performance Audits

Congregate Care

### Information Briefs

Family Demographics