



Director's Office

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April 2, 2015

Debbie Davenport, Auditor General
Office of the Auditor General
2910 North 44th Street #410
Phoenix, Arizona 85018

Re: MVD Performance Audit Response

Dear Ms. Davenport:

The Arizona Department of Transportation (ADOT) would like to express our appreciation to you for this opportunity to respond to the recommendations in your recent performance audit of the ADOT Motor Vehicle Division.

Finding 1: MVD should improve field office customer service.

Recommendation 1.1:

MVD should better assess the entire customer service experience by:

- a. Considering reestablishing a mystery shopper program and developing policies and procedures to address concerns or variations in customer service that the program identifies;
- b. Improving the response rate of the customer satisfaction survey in order to obtain more useful information by implementing one or more of the following options: (1) printing the survey link on customers' receipts and return letters, (2) ensuring customer service representatives inform customers about the survey, and/or (3) enabling customers to complete surveys before leaving the field office; and
- c. Taking steps to capture more complete wait-time information such as the time customers wait to obtain a numbered ticket.

Recommendation:

- a. **Considering reestablishing a mystery shopper program and developing policies and procedures to address concerns or variations in customer service that the program identifies;**

Agency Response:

The finding of the Auditor General is agreed to, and the audit recommendation will be implemented. The Division is actively evaluating how to leverage current resources to best address customer service monitoring, including the potential of restarting the mystery shopper program, as well as alternate methods of addressing this recommendation.

Recommendation:

- b. **Improving the response rate of the customer satisfaction survey in order to obtain more useful information by implementing one or more of the following options: (1) printing the survey link on customers' receipts and return letters, (2) ensuring customer service representatives inform customers about the survey, and/or (3) enabling customers to complete surveys before leaving the field office; and**

Agency Response:

The finding of the Auditor General is agreed to, and the audit recommendation will be implemented. Customers now have the option of completing a hardcopy survey in the office, which replicates the online survey. The MVD Customer Service Program set a goal to have a response rate of .5% or greater by December 2014 and 1% or greater by June 2015; the first goal has been met.

Recommendation:

- c. **Taking steps to capture more complete wait-time information such as the time customers wait to obtain a numbered ticket.**

Agency Response:

The finding of the Auditor General is agreed to, and the audit recommendation will be implemented. Capturing more complete wait time information can best be accomplished systematically, which requires increased functionality in our queuing system (see response to 1.3.b). The Division is also exploring alternative methods to better capture wait times in the interim.

Recommendation 1.2:

Once MVD has improved its assessment of the entire customer service experience, it should:

- a. Use the results of the assessment to revise existing field office performance goals and establish new goals to ensure that its goals more fully reflect the entire customer service experience;
- b. Modify existing data collection, reports, and management meeting discussions to incorporate information about field office performance related to the new and revised goals into MVD's decision-making process; and
- c. Develop and implement policies and procedures for improving field office customer service based on the information it has gathered, including steps MVD will take to improve performance in field offices that are not meeting customer service performance goals, as well as addressing problems auditors identified, such as cleanliness of field offices and the demeanor of customer service representatives.

Agency Response:

The finding of the Auditor General is agreed to, and the audit recommendation will be implemented. The Division has already set targets for customer survey response rates and will be setting goals for survey results by July 2015. Additional performance metrics will be established based on the customer experience assessment.

Recommendation 1.3:

MVD should develop and implement a comprehensive plan to provide quality customer service that focuses on improving the overall customer experience, including:

- a. Taking steps to shift customers away from field offices by informing customers about alternative options for conducting MVD transactions, encouraging customer service representatives to inform customers about alternative options, and providing information stating what transactions can be performed at the kiosk and/or advertising the benefits of using the kiosk.
- b. Improving queue management functionality by considering ways to update and improve the functionality of its queue management system, such as adding an online appointment system and adding software that will more independently manage the queue of customers.

- c. Improving the information it provides to its customers so they better understand the general process at field offices and can effectively complete their transactions. Specifically, MVD should:
 - Reassess signage or identify other ways to provide information to its customers in field offices. This should include providing information on documents needed for transactions; information about the general process at field offices, including how the queue works; and directing customers to the Department's Web site for helpful information; and
 - Develop and implement policies and procedures to help ensure that its information desk staff review necessary documents with customers prior to issuing the customer a numbered ticket.
- d. Assessing the feasibility of establishing an agreement with the Arizona Department of Health Services, Office of Vital Records to obtain access to records of customers who were born in Arizona for the purpose of verifying legal presence rather than sending customers away.

Recommendation:

- a. **Taking steps to shift customers away from field offices by informing customers about alternative options for conducting MVD transactions, encouraging customer service representatives to inform customers about alternative options, and providing information stating what transactions can be performed at the kiosk and/or advertising the benefits of using the kiosk.**

Agency Response:

The finding of the Auditor General is agreed to, and the audit recommendation will be implemented. MVD will increase the use of signage to inform customers of third party services in the area and transactions that can be completed on the ServiceArizona kiosks. Also, as noted in the Audit Report, transactions continue to be shifted and new services added to ServiceArizona and Authorized Third Parties, which is the deliberate plan of the Division.

Recommendation:

- b. **Improving queue management functionality by considering ways to update and improve the functionality of its queue management system, such as adding an online appointment system and adding software that will more independently manage the queue of customers.**

Agency Response:

The finding of the Auditor General is agreed to, and the audit recommendation will be implemented. MVD received a price quote from their current queuing management vendor on December 26, 2014, of \$667,000 to add the audit-recommended features of appointment setting, virtual check-in and automated queue management. The Division is currently assessing resources and priorities to determine how to move forward on this recommendation. We will explore the feasibility of either including a state-of-the-art queue management system as part of the Division's active systems replacement project, adding these functions when the current queuing system contract expires in May 2016, or renegotiating the current contract to include these functions.

Recommendation:

- c. **Improving the information it provides to its customers so they better understand the general process at field offices and can effectively complete their transactions. Specifically, MVD should:**
- **Reassess signage or identify other ways to provide information to its customers in field offices. This should include providing information on documents needed for transactions; information about the general process at field offices, including how the queue works; and directing customers to the Department's Web site for helpful information; and**

Agency Response:

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

Recommendation:

- c. **Improving the information it provides to its customers so they better understand the general process at field offices and can effectively complete their transactions. Specifically, MVD should:**
- **Develop and implement policies and procedures to help ensure that its information desk staff review necessary documents with customers prior to issuing the customer a numbered ticket.**

Agency Response:

The finding of the Auditor General is agreed to, and a different method of dealing with the finding will be implemented. The level of document screening is a workflow management decision that requires a constant balance between the number of people waiting for a Q-Matic ticket and the number of customer service windows available for transaction processing at any given time. The Division will evaluate the balance of fixed policies and management discretion to promote the most customer-focused service.

Recommendation:

- d. **Assessing the feasibility of establishing an agreement with the Arizona Department of Health Services, Office of Vital Records to obtain access to records of customers who were born in Arizona for the purpose of verifying legal presence rather than sending customers away.**

Agency Response:

The finding of the Auditor General is agreed to, and a different method of dealing with the finding will be implemented. Rather than limiting this interface to an Arizona-only database, the Division will pursue an interface to a national birth certificate database. The Division will analyze whether this interface should be part of the systems replacement project or included in the current system. The Division is also researching whether authentication can be done solely through a database query, or if a customer will still need to present a physical source document.

Recommendation 1.4:

MVD should reassess and determine how best to allocate available resources to implement the comprehensive customer service plan.

Agency Response:

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

Finding 2: MVD should improve oversight of Ignition Interlock Program.

Recommendation 2.1:

The Legislature should consider revising statute to explicitly authorize the Department to conduct periodic inspections of ignition interlock device installers.

Agency Response:

The Division abstains from responding to the finding of the Auditor General. Any legislative issues are subject to the normal legislative process. However, the Division has addressed this recommendation by adding periodic inspections to Administrative Rule R17-5-613.B. Information may also be added to the manufacturer/provider application process for informational purposes.

Recommendation 2.2:

MVD should develop and implement policies and procedures for conducting inspections of ignition interlock device installers. These policies and procedures should address:

- a. The rule requirements that should be checked at each inspection and those requirements that can be reviewed periodically; and
- b. How inspectors should verify compliance with the rule requirements and what inspectors should review.

Agency Response:

The finding of the Auditor General is agreed to, and the audit recommendation will be implemented. MVD will update the checklist to reflect the current rule citations and develop a desk manual for inspection guidelines.

Recommendation 2.3:

MVD should take the following steps to improve its ignition interlock device complaint-handling process:

- a. Include information on its Web site about the types of ignition interlock device complaints that it can address and the type of information complainants should include when they file a complaint;
- b. Improve access to information about the complaint-handling process on its Web site;
- c. Develop and implement policies and procedures to guide its investigation of the complaints it receives about ignition interlock installers and manufacturers; and
- d. Continue to track the complaints that it receives in a systematic manner, including the name of the installer that is the subject of the complaint, and periodically review complaint information to identify problematic patterns or trends that it should address.

Agency Response:

The finding of the Auditor General is agreed to, and the audit recommendation will be implemented. The Division has developed a spreadsheet to identify subject matter complaints and trending, will implement written guidelines, and will revise its website for the complaint-handling process.

Recommendation 2.4:

The Legislature should consider revising statute to expand and specify the Department's disciplinary authority to address certified installers' and manufacturers' statutory and rule noncompliance. Potential disciplinary options could include letters of concern, probation, civil penalties, cease and desist authority, and suspension and/or revocation of certifications.

Agency Response:

The Division abstains from responding to the finding of the Auditor General. Any legislative issues are subject to the normal legislative process.

Finding 3: MVD uses several methods to oversee third-party offices, but should enhance two aspects of oversight.

Recommendation 3.1:

As MVD makes changes to any of its third-party oversight processes, it should ensure that these changes do not weaken its oversight of third parties.

Agency Response:

The finding of the Auditor General is agreed to, and the audit recommendation will be implemented. The main goal and objective behind the creation of the Compliance Unit is to strengthen the current oversight process.

Recommendation 3.2:

To improve third-party transaction processing accuracy oversight, MVD should:

- a. Continue with its plans to modify its quarterly transaction errors analysis process to enable it to differentiate between serious and minor errors and better identify third parties with consistent serious errors; and
- b. After identifying third parties with serious errors or patterns of problems, address concerns by taking corrective action such as requiring training, probation, or suspension of the processor or third party's authority.

Recommendation:

- a. **Continue with its plans to modify its quarterly transaction errors analysis process to enable it to differentiate between serious and minor errors and better identify third parties with consistent serious errors; and**

Agency Response:

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

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Recommendation:

- b. After identifying third parties with serious errors or patterns of problems, address concerns by taking corrective action such as requiring training, probation, or suspension of the processor or third party's authority.**

Agency Response:

The finding of the Auditor General is agreed to, and the audit recommendation has already been implemented

Recommendation 3.3:

The Department should continue with its plans to provide payment reconciliation error reports to MVD on a monthly rather than quarterly basis and MVD should follow up with the third parties as needed.

Agency Response:

The finding of the Auditor General is agreed to, and the audit recommendation has already been implemented.

Thank you again for this opportunity to respond to your recommendations. We will continue to work with your office as we move toward our 6 month status update.

Sincerely,

John S. Halikowski
Director