

# Arizona Department of Child Safety Administrative Staffing Level

Department's administrative staffing level appears reasonable compared to other agencies reviewed, and it has implemented a reasonable process for estimating administrative staffing needs

Special Report

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A Report to the Arizona Legislature

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Auditor General





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January 27, 2017

Members of the Arizona Legislature

The Honorable Doug Ducey, Governor

Mr. Gregory McKay, Director  
Arizona Department of Child Safety

Transmitted herewith is a report of the Auditor General, *A Special Report of the Arizona Department of Child Safety—Administrative Staffing Level*. This report is in response to Laws 2016, Ch. 123, §7, and was conducted under the authority vested in the Auditor General by Arizona Revised Statutes §41-1279.03. I am also transmitting within this report a copy of the Report Highlights for this audit to provide a quick summary for your convenience.

As outlined in its response, the Arizona Department of Child Safety agrees with the findings. The report contains no recommendations.

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

Sincerely,

Debbie Davenport  
Auditor General

Attachment



## Arizona Department of Child Safety Administrative Staffing Level

**CONCLUSION:** The Office of the Auditor General has completed a special report of the Arizona Department of Child Safety's (Department) administrative staffing level pursuant to Laws 2016, Ch. 123, §7. As of October 2016, 431 of the Department's 2,728 filled staff positions, or 16 percent, were in its Central Administration, which includes various administrative divisions that provide support, management, or oversight to the Department. We found that the Department's administrative staffing level appears reasonable. Specifically, we compared the staffing within the Department's Central Administration to the staffing in other agencies' central administrations. Although differences in the organization, staffing, and scope of functions within each of these agencies' central administrations limit the usefulness of such a comparison, the percentage of total agency staff within the Department's Central Administration is similar to that of the other agencies reviewed. Further, auditors reviewed the Department's staffing analysis process for estimating staffing needs within its Central Administration, which it implemented in fiscal year 2016, and found this process to be reasonable. Specifically, the method the Department uses to estimate staffing needs is logical and consistent with a recommended workload estimate process. We make no recommendations in the report.

### Department's administrative staffing level appears reasonable

As Arizona's state-administered child welfare agency, the Department investigates child abuse and neglect reports, promotes child safety within children's families or out-of-home care, works with law enforcement on criminal conduct allegations, and coordinates services to achieve and maintain permanency for children in the child welfare system. The Department's staff is organized into two categories: Central Administration and Field Operations. The Department's Central Administration includes various administrative divisions that provide support, management, or oversight to the Department. Some divisions provide typical administrative functions common in other state agencies, such as executive management, human resources, information technology, and finance. Other divisions more directly support the Department's child welfare work, such as the Child Safety Support Administration, which manages the Department's state-wide adoption, subsidy, stipend, and recruitment programs, and houses Family Locate staff; and the Comprehensive Medical and Dental Program (CMDP), which manages the healthcare program of Arizona's children in foster care. The Department's Field Operations manages and administers the Department's child welfare programs and includes case specialists (i.e., caseworkers), case aides, supervisors, secretaries, and other positions who work in the Department's regional field offices as well as divisions that are involved in or otherwise support the Department's child welfare programs.

**Department's central administration staffing level aligns with other agencies**—We compared the Department's central administration staffing to the central administration staffing at the Arizona Department of Economic Security (DES), Arizona Health Care Cost Containment System (AHCCCS), and the Tennessee Department of Children's Services (TDCS). We found that each agency has central administration staff who perform similar types of administrative functions—such as human resources, information technology, and budget/finance functions—but that these agencies also have central administration staff who perform functions specific to their agencies. For example, the Department's Central Administration includes the CMDP and the Office of Licensing and Regulation, which oversees and monitors licensed foster care and group homes and licenses child-placing and adoption agencies across the State, while TDCS' Central Office includes staff who administer this agency's Juvenile Justice Division, which provides adjudicated delinquent youth with a range of mental health, treatment program, and educational services. Although differences in each agency's central administration limit the inferences that can be drawn from comparisons across agencies, ratios provide a useful way to show the relative size of each agency's central administration as compared with other agencies. We calculated the percentage of total agency staff within each agency's central administration and found the Department's percentage, which was 16 percent, to be in line with that of other agencies reviewed, which ranged from 10 to 25 percent (see the table on the next page).

**Comparison of filled central administration and other agency staff positions as a percentage of total filled positions at the Department, DES, AHCCCS, and TDCS  
As of Fall 2016**

	Department		DES		AHCCCS		TDCS	
	Filled positions	Percent of total	Filled positions	Percent of total	Filled positions	Percent of total	Filled positions	Percent of total
Central administration staff	431	16%	760	10%	261	25%	708	18%
Other agency staff	2,297	84%	6,830	90%	782	75%	3,217	82%
<b>Total staff</b>	<b>2,728</b>		<b>7,590</b>		<b>1,043</b>		<b>3,925</b>	

**Department has implemented reasonable process to estimate staffing needs**—Although Arizona state agencies are not required to conduct workforce planning, the Department implemented a staffing analysis process for its central administration divisions in fiscal year 2016 to help facilitate internal decisions about allocating staff positions. Specifically, these divisions are required to complete a staffing analysis plan that estimates staffing needs based on staff activities, workload volume, and process time to complete those activities. The Department’s staffing analysis process is reasonable in that its method for determining needed staff is both logical and consistent with a recommended workload estimate process. Additionally, we interviewed staff in five divisions/subdivisions and reviewed their associated staffing analysis plans to assess the reasonability of their staffing analyses. We found that the job activities listed in the plans aligned with the position descriptions, the workload volumes and process times were estimated based on experience or available information, and the mathematical calculations used were accurate. The staffing analysis plans for these five divisions/subdivisions indicated a gap between the number of needed positions and the number of positions, either filled or vacant, allocated to the divisions/subdivisions. The size of this gap varied, and some divisions/subdivisions reported that they prioritize work, work overtime, or use temporary staff to help offset the impact of these differences.



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## Scope and objectives

As required by Laws 2016, Ch. 123, §7, the Office of the Auditor General has completed a special report addressing the Arizona Department of Child Safety's (Department) administrative staffing level. As required by law, the report assesses the reasonability of the Department's administrative staffing level based on a comparison of the Department's administrative staffing level to those of other agencies, and a review of the Department's staffing analysis processes and best practices. Auditors' assessment focuses on staffing levels within the Department's Central Administration as described below.

## Department organization and staffing

The Department is Arizona's state-administered child welfare agency. It investigates child abuse and neglect reports, promotes child safety within children's families or out-of-home care in response to abuse or neglect allegations, works with law enforcement on criminal conduct allegations, and coordinates services to achieve and maintain permanency for children in the child welfare system. The State's child welfare function was previously located in the Arizona Department of Economic Security (DES). In 2014, the Legislature established the Department as an independent child welfare agency.

The Department was appropriated a total of 2,916.9 full-time equivalent (FTE) staff positions for fiscal year 2017, which the Department has organized into two main categories: Central Administration and Field Operations.<sup>1</sup> As of October 2016, the Department had 2,728 filled staff positions.<sup>2</sup> Specifically:

- **Central Administration**—The Department's Central Administration includes various administrative divisions that provide support, management, or oversight to the Department. Table 1 (see page 2) describes staff responsibilities and provides the number of filled and vacant staff positions within these divisions as of October 2016. As shown in Table 1, Central Administration includes divisions that provide typical administrative functions common in other state agencies, such as executive management, human resources, information technology, and finance. The Department's Central Administration also includes divisions that support its child welfare work, such as the Child Safety Support Administration and the Comprehensive Medical and Dental Program. As of October 2016, the Department reported allocating 488 staff positions to its Central Administration divisions, of which 431 positions were filled and 57 positions were vacant.

The Department was appropriated 60 new FTE positions in fiscal year 2017 for Central Administration. The fiscal year 2017 General Appropriations Act indicates that it was the Legislature's intent that the Department hire at least 16 FTE positions for the Office of Contracts and 10 FTE positions for the Office of Procurement (the Department has since merged these two offices), and at least 10 FTE positions for the Finance and Accounting Division. The Legislature also required the Department to submit a hiring plan for the 60 FTE positions for the Joint Legislative Budget Committee's review by September 30, 2016. The Department's hiring plan, which was submitted on September 29, 2016, indicated that many of these positions were already filled and funded from one-time monies it received for its transition from DES, and that the additional appropriations allow the Department to permanently fund these positions from its operating budget. According to information provided by the Department on how it allocated these 60 FTE positions, it partially met the legislative intent by

<sup>1</sup> This number does not include 276.2 appropriated positions for legal services provided by the Attorney General's Office.

<sup>2</sup> Here, and throughout the remainder of the report, information about filled or vacant positions at the Department and other agencies represent the number of positions rather than their full-time equivalents, unless otherwise noted.

**Table 1****Central Administration divisions, description of division staff responsibilities, and filled and vacant positions****As of October 2016**

(Unaudited)

Division	Description of division staff responsibilities	Filled positions	Vacant positions
Director's Office	Provide general oversight of the Department's day-to-day operations. Staff include the Department's Director, General Counsel, and Communications Unit staff.	11	4
Office of the Deputy Director	Oversee all of the Department's Central Administration, including finance and budget, contracts and procurement, information technology (IT), enterprise risk management, and business operations. Staff include a Deputy Director and various support staff.	4	0
Finance and Accounting	Perform budgetary and accounting functions for the Department. Staff are located in various subdivisions, including Budget, Accounting, and the Payment Processing Unit.	55	10
Human Resources	Provide human resource support for the Department, including staff recruitment, employee relation issues, Equal Employment Opportunity Commission compliance, and benefits support for the Department.	19	2
Technology Services	Provide technology support to the Department by maintaining IT infrastructure and managing information systems.	51	3
Business Services	Provide support services such as fleet and equipment management, warehouse and closed records management, and risk management.	8	5
Child Safety Support Administration	Provide various support services through several subdivisions. For example, Child Welfare Support Services staff manage the Department's state-wide adoption, subsidy, stipend, and recruitment programs; Centralized Records Coordination Unit staff provide department-redacted records on request; and Family Locate staff locate parents and relatives of children removed from a home by the Department.	77	8
Comprehensive Medical and Dental Program	Manage the healthcare program of Arizona's children in foster care and ensure the provision of medically necessary services, including well-child exams and immunizations.	76	3
Enterprise Risk Management	Identify potential events that may affect the Department, manage risk, and provide support for developing the Department's strategic plan.	12	1
Inspections Bureau	Ensure the Department's policies and procedures are in accordance with all federal and state laws and promote continuous quality improvement throughout the Department.	50	10
Office of Contracts and Procurement	Develop, initiate, and monitor department contracts and procure goods and services for the Department.	14	6
Office of Licensing and Regulation	Oversee and monitor licensed foster and group homes and maintain responsibility for the licensure of child-placing and adoption agencies across the State.	33	4
Office of Policy and Rules	Develop and update the Department's policies and rules.	11	0
Real Estate	Oversee and support the Department's facility and maintenance needs.	10	1
<b>Total</b>		<b>431</b>	<b>57</b>

Source: Auditor General staff analysis of department-provided Human Resources Information Solution (HRIS) system data and other documentation.

allocating 18 positions to the Finance and Accounting Division, but it allocated only 7 positions to the Office of Contracts and Procurement. The Department noted that staff within the Central Administration's Office of Licensing and Regulation and Enterprise Risk Management also provide contract compliance and oversight activities.

- **Field Operations**—The Department's Field Operations manages and administers the Department's child welfare programs. Field Operations staff include the case specialists (i.e., caseworkers), case aides, supervisors, secretaries, and other positions who work in the Department's regional field offices. Field Operations also include staff in other divisions who are involved in or otherwise support the Department's child welfare programs. For example, staff in the Intake Bureau receive hotline calls reporting alleged cases of child abuse and neglect, staff in the Office of Child Welfare Investigations investigate criminal conduct allegations of child abuse, and staff in the Training Program provide training to the Department's employees, contractors, and volunteers. As of October 2016, the Department reported having 2,297 filled positions and 189 vacant positions within its Field Operations.<sup>3</sup> Appendix A (see pages a-1 through a-3) provides additional information about Field Operations staff. In accordance with Laws 2016, Ch. 123, §7, auditors will review staff in the Department's Field Operations in an audit due September 30, 2017, which is required to address the Department's recruitment, training, retention, and use of specific staff positions in Field Operations.

## Department contracts for temporary staff and other services

In addition to its filled staff positions, the Department also contracts for temporary employees and other services, including IT consulting, security services, and other professional and outside services. According to the Department, it spent approximately \$13.7 million on temporary staff and these services in fiscal year 2016.<sup>4</sup> Specifically:

- **Temporary staff**—The Department reported hiring 454 temporary staff throughout the course of fiscal year 2016 to handle workload fluctuations, including its backlog of uninvestigated child abuse and neglect reports. Examples of these temporary staff include secretaries, legal administrators, administrative assistants, and paralegals. The Department reported spending approximately \$6.2 million on temporary staff in fiscal year 2016.
- **IT consultants**—The Department reported that it hires consultants to provide technical expertise for IT projects. For example, the Department has hired IT consultants for the Guardian project, which is intended to replace the Department's Children's Information Library and Data Source (CHILDS) case management system. The Department reported spending approximately \$2.3 million for IT consulting in fiscal year 2016.
- **Security services**—The Department reported that it hires security services to provide armed protection at the Department's regional field offices. The Department reported spending approximately \$1.9 million on security services in fiscal year 2016.
- **Other professional and outside services**—The Department reported spending \$3.3 million on outside consulting services in fiscal year 2016. For example, the Department reported hiring various consultants to help it transition to Arizona's new financial information system and to determine appropriate costs for group home contracts.

Additionally, the Department contracts with DES for various business and IT services that the Department plans to eventually transition to its own staff. For example, according to department staff, DES hosts an automated survey tool used by the Department's field staff to help allocate its operating costs. According to department staff, DES also provides some critical IT services, including, but not limited to, network security,

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<sup>3</sup> The Department's HRIS data indicates that the Department's total filled and vacant positions exceed the 2,916.9 FTE staff positions appropriated to the Department. The Department reported that it is in the process of reconciling this data to its appropriated positions by identifying and eliminating vacant unfunded positions in HRIS. As of October 2016, the Department reported that it still needed to reconcile approximately 60 such positions in HRIS, all of which were in Field Operations.

<sup>4</sup> As of January 2017, the Department estimated that its expenditures for temporary staff and other contract services will total approximately \$9.1 million for fiscal year 2017.

database applications, and server maintenance. For fiscal year 2016, the Department reported spending approximately \$3.2 million on services from DES that could impact department staffing needs once the Department begins to perform these services.



## Department’s administrative staffing level appears reasonable

The Arizona Department of Child Safety’s (Department) administrative staffing level appears reasonable. Auditors compared the staffing within the Department’s Central Administration, which includes various administrative divisions that provide support, management, or oversight to the Department (see the Introduction, pages 1 through 3), to the staffing in other agencies’ central administrations. Although differences in the organization, staffing, and scope of functions within each agency’s central administration limit the usefulness of such a comparison, the percentage of total agency staff within the Department’s Central Administration is in line with that of the other agencies reviewed. Further, auditors reviewed the Department’s staffing analysis process for estimating staffing needs within its Central Administration, which it implemented in fiscal year 2016, and found this process to be reasonable. Specifically, the method used to estimate staffing needs is logical and consistent with a recommended workload estimate process.

## Department’s central administration staffing level aligns with other agencies

The Department’s central administration staffing level aligns with the central administration staffing levels of other agencies auditors reviewed. Specifically, auditors compared the Department’s central administration staffing as of October 2016 to the central administration staffing at the Arizona Department of Economic Security (DES), the Arizona Health Care Cost Containment System (AHCCCS), and the Tennessee Department of Children’s Services (TDCS), as of fall 2016 (see textbox).<sup>5, 6</sup> However, the usefulness of this comparison is limited because each agency’s central administration varies in its organization, staffing, and scope of functions. Table 2 (see page 6) shows the composition of each agency’s central administration, including their respective divisions and

**DES**—DES delivers human services to the people of Arizona in six service divisions that provide services to the elderly, adults, families, and children, such as providing rehabilitation services to persons with disabilities and various employment services, including special assistance to populations such as youth, disabled workers, and veterans.

**AHCCCS**—AHCCCS oversees contracted health plans in the delivery of healthcare to individuals and families who qualify for Medicaid and other medical assistance programs. AHCCCS’ central administration is responsible for planning, developing, implementing, and administering the healthcare programs for low-income Arizonans.

**TDCS**—TDCS was created in April 1996 and consolidated the provision of child welfare services from various state departments in Tennessee. It provides a full range of services to children in, and at risk of, state custody and to their families. The agency is responsible for child protective services, foster care, adoption, programs for delinquent youth, probation/aftercare, and treatment and rehabilitation programs for identified youth.

Source: Auditor General staff review of agency-related documentation and/or agency websites.

<sup>5</sup> DES and AHCCCS were selected because they provide social services and have central administrations, similar to the Department. TDCS was selected for comparison because, like Arizona’s Department, it is a stand-alone state agency that administers Tennessee’s child welfare system. Additionally, TDCS is similar to Arizona and the Department in child population, budget, and staff size.

<sup>6</sup> Data reported by agencies was as of September, October, or November 2016.

**Table 2****Composition of central administration staffing at the Department, DES, AHCCCS, and TDCS  
As of Fall 2016<sup>1</sup>**

(Unaudited)

Department		DES		AHCCCS		TDCS	
Division	Filled positions	Division	Filled positions	Division	Filled positions	Division	Filled positions
Director's Office	11	Office of the Director	65	Office of the Director	32	Commissioner's Office	6
Office of the Deputy Director	4						
Finance and Accounting	55	Division of Business and Finance <sup>2</sup>	232	Division of Business and Finance <sup>2</sup>	57	Budget/Finance <sup>2</sup>	124
Office of Contracts and Procurement	14						
Human Resources	19	Management Group	29	Human Resources Development	14	Human Resources	24
Technology Services	51	Technology Services	231	Information Services Division	125	Information Technology	80
Business Services	8	Office of Inspector General	200	Office of Administrative Legal Services	33	Administrative Procedures	5
Child Safety Support Administration	77	Child Support Services Administration	1			Child Health	72
Comprehensive Medical and Dental Program	76	Developmental Disabilities Administration	2			Child Programs	92
Enterprise Risk Management	12					Child Safety	19
Inspections Bureau	50					Communications	3
Office of Licensing and Regulation	33					Customer Focused Service	5
Office of Policy and Rules	11					Facilities Management	17
Real Estate	10					General Counsel	121
						Juvenile Justice	13
						Quality Control	78
						Training & Development	49
<b>Department total</b>	<b>431</b>	<b>DES total</b>	<b>760</b>	<b>AHCCCS total</b>	<b>261</b>	<b>TDCS total</b>	<b>708</b>

<sup>1</sup> Data reported by agencies was as of September, October, or November 2016.

<sup>2</sup> Includes staff who perform procurement functions.

Source: Auditor General staff analysis of staffing information reported by the Department, DES, AHCCCS, and TDCS.

the corresponding number of filled staff positions. As shown in the table, each agency has central administration staff who perform the same or similar types of administrative functions. For example, all four agencies have a director's or commissioner's office, as well as divisions that perform human resources, information technology, budget/finance, and procurement functions, although the number of staff in each of these divisions varies across the agencies. For example, the Department had 19 human resources staff as of October 2016, while DES had 29, AHCCCS had 14, and TDCS had 24, as of the fall 2016.<sup>7</sup>

Despite having staff who perform some similar administrative functions, most of these agencies also have staff within their central administrations who perform various functions specific to their agencies. For example:

- The Department's Central Administration includes the Comprehensive Medical and Dental Program, the healthcare program for children in foster care; the Office of Licensing and Regulation, which oversees and monitors licensed foster care and group homes and maintains responsibility for the licensure of child placing and adoption agencies across the State; and the Child Safety Support Administration, which provides various support services, such as locating parents or relatives of children in out-of-home care.
- TDCS' Central Office includes staff who administer the agency's Juvenile Justice Division, which provides adjudicated delinquent youth a range of mental-health services and treatment programs, in addition to an educational program and vocational training; the Child Health Division, which provides oversight of guidance and policies and procedures for all programs related to health, nurses, and food services programs within the TDCS' juvenile justice and child welfare programs; and the Child Programs Division, which oversees placements of children in out-of-home care and provides some preventive services.

Further, although one agency may include a function within its central administration, another agency that performs a similar function may not. For example, TDCS includes a Training and Development Division within its Central Office, while the Department's Training Program is located within its Field Operations rather than its Central Administration.

Although these differences in each agency's central administration limit the inferences that can be drawn from comparisons across agencies, ratios provide a useful way to show the relative size of each agency's central administration as compared with other agencies. Table 3 (see page 8) shows the filled central administration staff positions and other staff positions as a percentage of total filled staff positions for the four agencies auditors reviewed. As shown in Table 3, central administration staff composed approximately 10 percent of total staff at DES, the lowest percentage among the four agencies reviewed. DES may have the lowest central administrative staffing percentage because of economies of scale. Specifically, DES had a total of 7,590 staff as of September 2016, the largest total staff size among the agencies auditors reviewed, with 760 positions in their central administration. By comparison, central administration staff composed similar ratios to total staff at both child welfare agencies, with the Department at 16 percent and TDCS at 18 percent, although TDCS had more central administration and total staff than the Department. AHCCCS had the largest percentage of central administration staff at 25 percent, but had 1,043 staff, the smallest total staff size among the agencies auditors compared. Additionally, AHCCCS' central administration includes a relatively large Information Services Division, with 125 positions, or about 12 percent of the overall AHCCCS staffing. According to AHCCCS, the Information Services Division is responsible for providing and securing all information technology services to support the administrative and programmatic functions of the agency, including electronic data, technical infrastructure, communications networks, and application systems. AHCCCS reported that this includes operation of the Medicaid Management Information System, which captures and processes data related to providers, members, health plans, utilization, quality, claims, encounters, and other payments.

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<sup>7</sup> DES' 29 positions include staff in both its Office of Professional Development and Human Resources Administration.

**Table 3****Comparison of filled central administration and other agency staff positions as a percentage of total filled positions at the Department, DES, AHCCCS, and TDCS As of Fall 2016<sup>1</sup>**

(Unaudited)

	Department		DES		AHCCCS		TDCS	
	Filled positions	Percent of total	Filled positions	Percent of total	Filled positions	Percent of total	Filled positions	Percent of total
Central administration staff	431	16%	760	10%	261	25%	708	18%
Other agency staff	2,297	84%	6,830	90%	782	75%	3,217	82%
<b>Total staff</b>	<b>2,728</b>		<b>7,590</b>		<b>1,043</b>		<b>3,925</b>	

<sup>1</sup> Data reported by agencies was as of September, October, or November 2016.

Source: Auditor General staff analysis of staffing information reported by the Department, DES, AHCCCS, and TDCS.

## Department has implemented reasonable process to estimate staffing needs

The Department has implemented a reasonable process for estimating staffing needs. This process was implemented in fiscal year 2016 for divisions within its Central Administration, which are required to estimate staffing needs based on staff activities, workload volume, and process time to complete those activities. Based on auditors' review of best practices, a review of the Department's staffing analysis process, and interviews with some department staff responsible for completing staffing analysis plans, the staffing analysis process appears reasonable.

**Department implemented staffing analysis process in fiscal year 2016**—The Department implemented a staffing analysis process for its central administration divisions in fiscal year 2016. Although Arizona state agencies are not required to conduct workforce planning, which includes staffing analyses, the Department implemented its staffing analysis process to help facilitate internal decisions about allocating staff positions based on the Department's appropriated budget and priorities. Specifically, the Department reported that it requires central administration divisions to complete a staffing analysis plan. Each staffing analysis plan lists all the positions within the division and any subdivisions, the job activities for each position, and the average amount of time to process or complete each activity. Based on this information, each staffing analysis plan also includes a calculation for the number of full-time equivalent (FTE) staff positions needed to handle the division's/subdivision's anticipated workload (see textbox, page 9, for an example of this calculation for one position). Completed staffing analysis plans are submitted to the Department's Deputy Director of Operations for review.

The Department uses a staffing analysis plan template to help standardize the staffing analysis process, and this template can be modified by individual divisions as needed. This template includes columns for required information, such as the average monthly volume a specific job activity takes and the estimated time it takes to complete each of the job activities, as well as built-in formulas to help calculate the needed FTE positions based on this information. Further, the Department has made modifications to the process since its inception in fiscal year 2016 to help meet its needs. For example, according to department staff, the Department originally conducted staffing analysis plans on an annual basis, but changed its process in November 2016 to begin conducting them quarterly to help facilitate more frequent internal discussion about staff allocations.

**Staffing analysis process appears reasonable**—The Department's staffing analysis process appears reasonable in that its method for determining needed FTE is both logical and consistent with a recommended



## Staffing analysis example

Below is an example of a staffing analysis for the claims specialist position in the Processing and Payments Unit of the Finance and Accounting Division within the Department's Central Administration. Claims specialists process payments for various services, such as foster care and group homes that provide care to children in out-of-home care. As shown below, the staffing analysis lists the various job activities for the position, the estimated average monthly volume of those activities, and the estimated time to complete the activities in minutes. The required monthly hours for each job activity is calculated by multiplying the average monthly volume by the process time and then converting the product from minutes to hours. For example, as illustrated below, reviewing and entering 21,000 invoice claims at a rate of 2 minutes per claim requires 42,000 minutes, or 700 hours, of work monthly. Staff then determine the number of FTE positions needed to complete the job activity based on each FTE position working 155 hours per month.<sup>1</sup> Thus, 700 hours of work at a rate of 155 hours per FTE position per month results in a need for approximately 4.5 FTE positions to review and enter invoice claims each month. The monthly FTE positions needed to complete each job activity are then totaled to determine the number of total staff needed for the position. Through this process, the Processing and Payments Unit determined that it needed approximately 12 FTE for the claims specialist position.

Job activities	Average monthly volume	Process time (minutes)	Required monthly hours	Monthly FTE needed <sup>1</sup>
Review and enter invoice claims	21,000	2.0	700.0	4.52
Review and enter placement claims	50,000	0.8	666.7	4.30
Review payments and log outstanding claims	2,430	5.0	202.5	1.31
Respond to provider inquiries and conduct routine account reconciliations	1,420	5.0	118.3	0.76
Alphabetize and file bills	5,000	1.5	125.0	0.81
Perform other duties as assigned	11	30.0	5.5	0.04
<b>Total monthly FTE needed</b>				<b>11.74</b>

<sup>1</sup> The Department determined the 155 work hours per FTE per month based on the number of available work hours each month (173.3 hours) minus average leave time, such as sick or vacation leave.

Source: Auditor General staff review of the Department's fiscal year 2017 Payments and Processing Unit staffing analysis plan.

workload estimate process from a 2008 child welfare workload study published by American Humane.<sup>8</sup> This study, which addressed estimating caseworker staffing needs, provides a model estimation process that includes estimating the time to complete tasks, determining the volume of each task, and calculating the number of FTEs needed to operate based on the total hours an average employee works in a given month—a process similar to the Department's process. Auditors also interviewed staff in five divisions/subdivisions and reviewed their associated staffing analysis plans to assess the reasonability of their staffing analyses.<sup>9</sup> Specifically:

<sup>8</sup> Wagner, D., Johnson, K., & Healy, T. (2008). Agency workforce estimation: A step toward more effective workload management. *Protecting Children*, 23(3), 6-19. American Humane was founded in 1877 and its mission is to prevent cruelty, abuse, neglect, and exploitation of children and animals to assure that their interests and well-being are fully, effectively, and humanely guaranteed by an aware and caring society.

<sup>9</sup> Auditors interviewed staff in the Processing and Payments Unit in the Finance and Accounting Division, the Health Services Unit in the Comprehensive Medical and Dental Program Division, the Child Welfare Licensing Unit in the Office of Licensing and Regulation Division, the Enterprise Risk Management Division, and the Technology Services Division. Auditors included the Technology Services Division at the Department's request. Auditors randomly selected 4 additional divisions/subdivisions from the 20 other divisions/subdivisions whose staffing analyses for fiscal year 2017 indicated a need for at least 5 FTE. Each division's/subdivision's probability of selection was proportional to the number of required FTEs according to their staffing analyses.

- **Job activities aligned with position descriptions**—Auditors judgmentally selected three positions from among the staffing analysis plans for the five divisions/subdivisions and compared the job activities listed in the staffing analysis plans to the official position descriptions for these positions.<sup>10</sup> Auditors found that the listed activities were similar to the position descriptions. For example, both the staffing analysis plan and the position description for the fiscal services supervisor in the Payments and Processing Unit indicated that this position was responsible for training, assisting staff with payment processing, and attending required meetings.
- **Workload volumes estimated based on experience or available information**—Department staff reported that they estimate the monthly workload volumes based on their experience or various information they collect and provided auditors with supporting documentation for some positions' activities. For example, the Processing and Payments Unit tracks the number of claims it processes each month and uses this information to determine the monthly workload volumes for claims specialists and other staff in its staffing analysis plan. Additionally, the Child Welfare Licensing Unit, which administers initial and renewal licenses for foster homes and group homes, reported that it uses the number of licensed homes to estimate its monthly staff workload. Further, the Technology Services Division, which provides information technology (IT) support to department staff, reported using the number of IT service requests it processes to estimate some of its monthly staff workload.
- **Process time estimates based on experience or available information**—Department staff also reported that they estimate the average amount of time needed to process or complete activities listed in the staffing analysis plans based on their experience or other available information. Specifically, some staff reported developing the time estimates based on their experience. For example, the Health Services Unit within the Comprehensive Medical and Dental Program Division, which coordinates health services for children in foster care, estimated that it takes an average of 45 minutes to coordinate care with a client because the time it takes to perform this activity can range from 5 minutes to several hours. Other divisions/subdivisions reported using data to determine their time estimates when it was available. For example, the Technology Services Division reported that it tracks the time to complete IT service requests, which it uses to determine some of its time estimates.
- **Mathematical calculations accurate**—The staffing analysis plan template has built-in mathematical formulas that calculate the required monthly hours and monthly FTE needed for each position, as discussed in the textbox on page 9. Auditors tested a sample of the formulas in the five staffing analysis plans reviewed and found them to be accurate.

The staffing analysis plans for the five divisions/subdivisions auditors reviewed indicated a gap between the number of needed positions and the number of allocated positions, either filled or vacant, in the applicable divisions/subdivisions. The size of this gap varied, and some divisions/subdivisions reported that they prioritize work, work overtime, or use temporary staff to help offset the impact of these differences. For example, the Processing and Payments Unit's plan indicated a need for approximately 29 FTE positions, although the unit had 25 filled positions and 1 vacant position as of December 2016. The Process and Payments Unit reported approving some staff to work overtime and using two temporary staff to help perform its work. The Technology Services Division's plan indicated a need for approximately 128 FTE positions, although the Division had 52 filled positions and 2 vacant positions as of December 2016. The Technology Services Division also reported using 30 temporary staff. Other divisions/subdivisions reported that their staffing analysis plans were more forward looking and not based solely on current workload. For example, the Health Services Unit's plan indicated a need for approximately 42 FTE positions based on current workload and a projected increase to future workload demands, specifically in the area of medical and behavioral healthcare coordination. As of December 2016, the Health Services Unit had 29 filled and 2 vacant positions, and reported using 6 temporary staff.

There are no recommendations presented in this Chapter.

<sup>10</sup> Auditors selected 1 of the 18 positions included in the Health Services Unit's staffing analysis plan, 1 of the 7 positions included in the Processing and Payments Unit's staffing analysis plan, and 1 of the 4 positions included in the Child Welfare Licensing Unit's staffing analysis plan.



The Arizona Department of Child Safety’s (Department) Field Operations manages and administers the Department’s child welfare programs. Field Operations staff include various positions such as case specialists (i.e. caseworkers), case aides, and other positions who work in the Department’s regional field offices, as well as staff in other divisions who are directly involved in or support the Department’s child welfare programs. As of October 2016, the Department reported having 2,297 filled and 189 vacant positions within its Field Operations.<sup>11</sup> Table 4 (pages a-1 through a-2) describes the staff positions within the Department’s regional field offices and provides the number of filled and vacant positions as of October 2016. Table 5 (page a-3) describes staff responsibilities for the divisions within Field Operations and provides the number of filled and vacant staff positions as of October 2016.

**Table 4**  
**Field Operations regional positions, position descriptions, and filled and vacant positions**  
**As of October 2016**

(Unaudited)

Position	Position description	Filled positions	Vacant positions
DCS program administrators	Manage and make program-level decisions for each of the Department’s five regions by consulting with unit supervisors and program managers to ensure overall performance complies with the Department’s mission.	5	0
Program managers	Manage program supervisors and other administrative support staff in Field Operations by directing staff, monitoring compliance with policy and procedures, and conducting case reviews.	40	0
Program supervisors	Supervise a unit of case specialists and case aides and determine courses of action in child protective services cases.	223	10
DCS program specialists	Handle complex child protective services cases that require additional or specialized attention. These staff may also supervise other department staff and provide consultation and training assistance.	71	12
Case specialists	Assess reports of child abuse or neglect, investigate those allegations to determine if a child needs protective services, and manage casework. Filled and vacant positions include department specialists within the Intake Bureau that manage the Department’s hotline, as well as department specialists in training.	1,368	38

<sup>11</sup> The Department’s Human Resources Information Solution (HRIS) system data indicates that the Department’s total filled and vacant positions exceed the 2,916.9 full-time equivalent staff positions appropriated to the Department. The Department reported that it is in the process of reconciling this data to its appropriated positions by identifying and eliminating vacant, unfunded positions in HRIS. As of October 2016, the Department reported that it still needed to reconcile approximately 60 such positions in HRIS, all of which were in Field Operations.

**Table 4 continued**

Position	Position description	Filled positions	Vacant positions
Case aides	Assist participants involved in child protective services, transport department clients, and provide case management assistance.	259	54
Human services specialists	Assist program administrators by completing special projects such as in-depth case reviews, and provide direct coaching to department supervisors.	9	2
Secretaries	Assist the case managers and supervisors by answering phones, setting up investigative assessments, processing court documents and new hire personnel paperwork, and other tasks as needed, including occasionally supervising children in the Department's custody.	122	24
Administrative assistants	Assist the regional office staff with a variety of tasks including conducting casework-related research, processing and responding to complaints, processing cell phone and vehicle requests, and scheduling and preparing for meetings.	23	2
Other staff	Include contract management specialists, information processing specialists, and program project specialists.	42	7
<b>Total</b>		<b>2,162</b>	<b>149</b>

Source: Auditor General staff analysis of department-provided HRIS data and other documentation.

**Table 5****Field Operations divisions, description of division staff responsibilities, and filled and vacant positions****As of October 2016**

(Unaudited)

Division	Description of division staff responsibilities	Filled positions	Vacant positions
Office of Child Welfare Investigations	Investigate criminal conduct allegations of child abuse or neglect. Staff include 53 human service specialists, 12 investigation managers, and various support staff.	83	32
Training Program	Develop and deliver training to the Department's employees, contractors, providers, and volunteers. Staff include 24 training officers, and various support staff. Filled and vacant positions exclude case specialists.	29	7
Intake Bureau	Manage the Arizona Child Abuse Hotline, which receives allegations of child abuse and neglect. Staff include the bureau chief, program specialists, and various support staff. Filled and vacant positions exclude case specialists.	14	1
Office of the Deputy Director of Field Operations	Oversee child abuse communications and investigations, family support and reunification services, as well as services promoting the well-being of children with foster and adoptive families. Staff include the Deputy Director and various support staff.	5	0
Prevention Bureau	Prevent child abuse and neglect by collaborating with the community and the Department's field staff. Staff include the bureau chief and various support staff.	4	0
<b>Total</b>		<b>135</b>	<b>40</b>

Source: Auditor General staff analysis of department-provided HRIS data and other documentation.





## Methodology

Auditors used the following methods to meet the report objectives related to the Arizona Department of Child Safety's (Department) administrative staffing level:

- Interviewed department management and staff and reviewed department-provided documentation, including department organizational charts, budget documents, appropriation reports, staff position information, and other information obtained from the Department's website, such as monthly staffing reports.
- Analyzed department-provided staffing data from the Arizona Department of Administration's Human Resources Information Solution (HRIS) system as of October 2016 to determine the number of filled and vacant staff positions within the Department's divisions.
- Analyzed staffing data reported by the Arizona Department of Economic Security (DES) as of September 2016, Arizona Health Care Cost Containment System (AHCCCS) as of November 2016, and Tennessee Department of Children's Services (TDCS) as of November 2016; interviewed officials from these agencies; and reviewed other agency-related documentation to compare their central administration staffing to the Department's.<sup>12</sup>
- Reviewed the Department's internal staffing analysis process. Specifically, auditors:
  - Interviewed staff in five divisions or subdivisions to assess the reasonability of their specific staffing analyses. These five divisions included the Processing and Payments Unit in the Finance and Accounting Division, the Health Services Unit in the Comprehensive Medical and Dental Program Division, the Child Welfare Licensing Unit in the Office of Licensing and Regulation Division, the Enterprise Risk Management Division, and the Technology Services Division;<sup>13</sup>
  - Judgmentally selected three positions from among the staffing analysis plans for the five divisions/subdivisions and compared the job activities listed in the staffing analysis plans to the official position descriptions for these positions;<sup>14</sup>
  - Reviewed information provided by department staff used to estimate workload volumes or process times; and
  - Tested a sample of the formulas in the staffing analysis plans reviewed to assess the mathematical calculations included in the staffing analysis plans.

<sup>12</sup> DES and AHCCCS were selected because they provide social services and have central administrations, similar to the Department. TDCS was selected for comparison because, like Arizona's Department, it is a stand-alone state agency that administers Tennessee's child welfare system. Additionally, TDCS is similar to Arizona and the Department in child population, budget, and staff size.

<sup>13</sup> Auditors included the Technology Services Division at the Department's request. Auditors randomly selected 4 additional divisions/subdivisions from the 20 other divisions/subdivisions whose staffing analyses for fiscal year 2017 indicated a need for at least 5 FTE. Each division's/subdivision's probability of selection was proportional to the number of required FTEs according to their staffing analyses.

<sup>14</sup> Auditors selected 1 of the 18 positions included in the Health Services Unit's staffing analysis plan, 1 of the 7 positions included in the Processing and Payments Unit's staffing analysis plan, and 1 of the 4 positions included in the Child Welfare Licensing Unit's staffing analysis plan.

- Reviewed literature related to workload estimate processes to compare the Department's staffing analysis process to best practices. As part of this literature review, auditors identified a 2008 American Humane child welfare workload study that addressed estimating caseworker staffing needs and provided a model estimation process that was similar to the Department's.<sup>15</sup>

The Auditor General and staff express their appreciation to the Department's Director and staff for their cooperation and assistance throughout the audit.

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<sup>15</sup> Wagner, D., Johnson, K., & Healy, T. (2008). Agency workforce estimation: A step toward more effective workload management. *Protecting Children*, 23(3), 6-19. American Humane was founded in 1877 and its mission is to prevent cruelty, abuse, neglect, and exploitation of children and animals to assure that their interests and well-being are fully, effectively, and humanely guaranteed by an aware and caring society.



# AGENCY RESPONSE



**Douglas A. Ducey**  
Governor

**Gregory McKay**  
Director

January 24, 2017

Ms. Debra K. Davenport  
Office of the Auditor General  
2910 North 44<sup>th</sup> Street, Suite 410  
Phoenix, AZ 85018

Re: Auditor General Report on Administrative Staffing

Dear Ms. Davenport:

The Arizona Department of Child Safety (Department) appreciates the opportunity to provide this response to the Auditor General's report of Administrative Staffing.

The report has been reviewed and we concur with the findings. We are pleased your office found the Department's administrative staffing levels to be reasonable, aligned with other agencies and that a reasonable process to estimate staffing needs has been implemented.

I would like to thank you and your staff for this important work. The collaborative effort of the Auditor General's staff throughout this audit is valued and appreciated.

Sincerely,

Gregory McKay  
Director

Cc: Michael Dellner, Deputy Director of Operations  
Ro Matthews, Chief Enterprise Risk Management Officer  
Emilio Gonzales, Audit Manager

