

September 27, 2023

Lindsey Perry, CPA, CFE  
Auditor General  
Arizona Office of the Auditor General  
2910 North 44th Street, Suite 410  
Phoenix, Arizona 85018

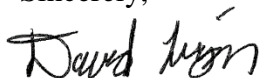
RE: Auditor General's report, *Arizona Department of Child Safety - Sunset Review*

Dear Ms. Perry:

The Arizona Department of Child Safety (Department) has reviewed the Auditor General's report, *Arizona Department of Child Safety - Sunset Review*. The Department is committed to ongoing improvement opportunities and will implement your recommendations. The responses to the findings and recommendations are enclosed.

The Department appreciates the diligence and collaboration of the Office of Auditor General staff during the Sunset Review process.

Sincerely,



David Lujan  
Cabinet Executive Officer/Executive Deputy Director

Enclosure: DCS Recommendation Response

**Finding 1:** Department has not consistently provided the juvenile court timely reports with quality information, resulting in delayed decisions about children’s placements and services

**Recommendation 1:** The Department should ensure that caseworkers submit court reports to the juvenile court 15 days prior to dependency review hearings as required by juvenile court rules (or as required by a revised time frame in juvenile court rules depending on the implementation of Recommendation 6).

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

Response explanation: The Department agrees with the importance of submitting court reports for Report and Review and Permanency Hearings at least fifteen days prior to the hearing in accordance with *Chapter 7: Section 07 – Court Reports* policy and procedures. The Department will provide additional guidance regarding timely submission of court reports to field supervisors and Program Managers such as adding court report submission due dates to weekly huddle meetings, clinical supervision and 1:1 coaching with DCS Specialists

**Recommendation 2:** The Department should develop and implement policies and procedures for tracking upcoming dependency review hearings and court report submission dates, including procedures for ensuring caseworkers are aware of any upcoming review hearings and court report submission deadlines for their caseload and reviewing report submission tracking data to help identify causes for any untimely court report submissions and develop action plans to address these causes.

Department response: The finding of the Auditor General is agreed to and a different method of dealing with the finding will be implemented.

Response explanation: It is critical for staff to be aware of upcoming review hearings to allow timely submission of court reports and for identifying causes for untimely court reports. The Department will standardize the process for tracking upcoming review hearings and court report submission deadlines and will revise standard work, as necessary. In addition to the actions described in Recommendation 1, the Department will partner with the Attorney General’s Office to assist in coordinating court calendars. The Department will also explore improvements in Guardian to assist with tracking and monitoring of upcoming review hearings and court report submissions. The Department previously identified root causes for late court report submissions including: high caseloads, frequent reassignment of cases due to attrition and time management. The Department will utilize the data collected to develop actions to address root causes. The Department will utilize tools and opportunities such as countermeasures, weekly huddles, unit meetings and 1:1 coaching to further address untimely court report submissions.

**Recommendation 3:** The Department should work with the juvenile court and other stakeholders to determine how the Department can improve the quality of information in its court reports for dependency review hearings.

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

Response explanation: The Department agrees with the importance of producing quality court reports that provide the critical information the court needs to make key decisions. The Department’s policy and court report template provides information required by statute,

administrative code and information aligned with the Safe AZ model. The Department will explore opportunities to review the template, as applicable, with the Attorney General's Office and other stakeholders.

**Recommendation 4:** The Department should revise its court report template, as necessary, based on the outcome of working with the juvenile court and other stakeholders, develop and implement written guidance to help caseworkers complete and supervisors review court reports for dependency review hearings based on the Department's revised template, and train caseworkers/supervisors to ensure they complete court reports based on this written guidance.

Department response: The finding of the Auditor General is agreed to and a different method of dealing with the finding will be implemented.

Response explanation: The Department currently has written guidance, *DCS-2288 - Progress Report to the Juvenile Court – Instructions*, that describes in detail the information that should be documented in each area of the court report. Additionally, the Department requires supervisors to evaluate the DCS Specialist Trainees by completing the *Ongoing Skills Matrix* that includes demonstrating court report writing skills in accordance with *DCS 10-02 – DCS Specialist Training Learning Track* policy and procedures. If the court report template is revised, the written guidance will be revised accordingly. The Department will determine if training is necessary and provide the training, as appropriate

**Recommendation 5:** The Department should review provider reports uploaded to Guardian but not included in children's case files for the 596 open juvenile court cases and ensure this information is submitted to the juvenile court.

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

Response explanation: The Department understands timely disclosure of these documents is imperative. The Department has taken corrective action to address the documents uploaded to Guardian that were not approved in the electronic case file. The unapproved documents will be reviewed and disclosed to the court through the disclosure process.

**Recommendation 6:** The Department should work with AOC and juvenile court judges, as applicable, to determine if the 15-day requirement for submitting court reports is appropriate and, based on these conversations, work with the court to make any necessary modifications to juvenile court rules governing court report submission time frames.

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

Response explanation: The Department agrees to work with AOC and juvenile court judges to determine if the 15-day requirement for court submission is appropriate and best serves all interested parties. The Department will support legislative changes if recommendation to modify court report submission time frames is found to be appropriate.

**Finding 2:** Department did not comply with some State conflict-of-interest requirements, and its conflict-of-interest process was not fully aligned with recommended practices, increasing risk that employees had not disclosed substantial interests that might influence or could affect their official conduct

**Recommendation 7:** The Department should ensure that all its employees have a completed conflict-of-interest disclosure form that requires them to disclose secondary employment, whether they or their relatives have a substantial interest in any Department decision making, and attest that they do not have any potential conflicts, if applicable, also known as an “affirmative no”.

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

Response explanation: The Department agrees with the importance of avoiding employee conflict of interest and will ensure all its employees have a conflict-of-interest form completed. All newly hired Department employees are required to complete the electronic Disclosure Statement form. This form includes information about their current business interest, any secondary employment they are engaged in and details about any relatives who are employed by the State of Arizona.

**Recommendation 8:** The Department should develop and implement conflict-of-interest disclosure policies and procedures to help ensure compliance with State conflict-of-interest requirements and recommended practices, including:

**Recommendation 8a:** Requiring employees to complete a conflict-of-interest disclosure form upon hire and reminding them at least annually to update their form when their circumstances change, including attesting that no conflicts exist, if applicable.

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

Response explanation: The Department understands avoiding employee conflict of interest is imparative. All new employees of the Department are required to complete the Disclosure Statement form. This form includes information about their current Business Interest, any Secondary Employment they are engaged in and details about any relatives who are employed by the State of Arizona. The Department will communicate with all employees annually with instructions to complete a *DCS-1012A – Disclosure Statement Concerning Conflicts of Interest* form if there have been any changes in their circumstances. The Department will review its current policies and procedures to identify those that may need to be updated and develop any new policies and procedures, as necessary.

**Recommendation 8b:** Storing all substantial interest disclosures in a special file available for public inspection.

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

Response explanation: The Department understands the need of storing all substantial disclosures in a special file available for public inspection. All substantial interest disclosure forms are maintained in the employee’s personnel file. In addition to the employee’s personnel file, the Department recently created and been maintaining a dedicated file for the disclosure forms to be available for public inspection when requested. The Department will review its current policies and procedures to identify those that may need to be updated and create any new policies and procedures to ensure compliance with state conflict of interest requirements.

**Recommendation 8c:** Establishing a process to review and remediate disclosed conflicts.

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

Response explanation: The Department understands remediating disclosed conflicts is critical. The Department will review its current policies and procedures to identify those that may need to be updated and create any new policies and procedures to ensure compliance with state conflict of interest requirements, as necessary.

**Recommendation 9:** The Department should develop written guidance specifying which employees the Department expects to annually submit an updated conflict-of-interest disclosure form and ensure that these staff annually submit a disclosure form.

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

Response explanation: The Department acknowledges the importance of identifying employees it expects to submit an annual interest disclosure form. The Department will develop written guidance for compliance with state conflict of interest requirements by requiring submission of an updated conflict-of-interest disclosure form when employee circumstance have changes. The Department will ensure the annual collection of the *DCS-1012A – Disclosure Statement Concerning Conflicts of Interest* forms from all positions classified as being involved in contract governance and/or official decision making including the Director, Deputy Director of Field Operations, Deputy Director of Operations, Deputy Director of Administrative Services, the Assistant Director of Communications, Assistant Director of Child Welfare Investigations, the Assistant Director of Finance and all staff of the Office of Procurement and Contracts.

**Recommendation 10:** The Department should develop and provide periodic training on its conflict-of-interest requirements, process, and disclosure form, including providing training to employees on how the State's conflict-of-interest requirements relate to their unique programs, functions, or responsibilities.

Department response: The finding of the Auditor General is agreed to and a different method of dealing with the finding will be implemented.

Response explanation: The Department will explore options to determine the best way to ensure staff are aware of conflict of interest requirements related to their unique programs, functions or job responsibilities.

**Sunset Factor 2:** The extent to which the Department has met its statutory objective and purpose and the efficiency with which it has operated.

**Recommendation 11:** The Department should review recommendations the Department has not implemented from previous Auditor General special audit reports, implement any recommendations, as identified, and provide explanations for any recommendations it does not plan to implement.

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

Response explanation: The Department will review previous Auditor General special audit recommendations and may consider any items identified in those recommendations (partially or fully implemented) that are in alignment with the Department's Strategic Plan. There are many recommendations the Department previously explained that it would not implement such as the 15 recommendations for the Differential Response Report. Furthermore, there are multiple recommendations from the Permanency Practices audit that are replicated as recommendations in this Sunset Review Report and will not require any additional monitoring or tracking with this specific recommendation. The Department will document the reasons for not implementing any of these recommendations.

**Recommendation 12:** The Department should ensure it licenses only qualified adoption and child welfare agency applicants.

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

Response explanation: The Department agrees it should only license qualified applicants. The Department will ensure controls are in place to license qualified applicants.

**Recommendation 13:** The Department should develop and implement guidance for how Department staff should review and verify requirements in its adoption and child welfare agency license application review checklists, including but not limited to guidance for verifying fingerprint clearance card validity and applicants' staff's education and work history.

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

Response explanation: The Department recognizes the importance of ensuring all licensing requirements are met. Guidance will be developed and implemented for verification of information in the application review checklists.

**Recommendation 14:** The Department should license adoption agencies, child welfare agencies, and foster homes within the Department's required time frames.

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

Response explanation: The Department understands that licensing timeframes are critical. The Department will ensure controls are in place to license adoption agencies, child welfare agencies and foster homes within the Department's required timeframes.

**Recommendation 15:** The Department should develop and implement a method for tracking all active applications for adoption and child welfare agency licenses, including recording when Department staff accomplish key steps in application processing time frames.

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

Response explanation: The Department will continue to develop and implement a method for tracking all active applications for adoption and child welfare agency licenses, including recording when Department staff accomplish key steps in application processing time frames.

**Recommendation 16:** The Department should revise its action plan for developing and implementing IT security policies and procedures to specify additional details and other information about risk areas outlined in the plan, including but not limited to:

- Staff responsible for addressing risk areas outlined in the plan.
- Actions steps assigned staff should take to address a risk area.
- Expected outcomes of action steps.
- Time frames for completing action steps.

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

Response explanation: The Department agrees developing IT security policies and procedures for the identified IT risk areas is a priority. The Department will review the current action plan for developing and implementing IT security policies and procedures and will revise the action plan to specify pertinent additional details, as necessary.

**Recommendation 17:** The Department should implement its revised action plan for developing and implementing IT security policies and procedures, and regularly review and update the action plan, as necessary, based on progress.

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

Response explanation: The Department agrees with the importance of ensuring its IT security policies and procedures are developed and implemented is important to monitor. The Department will continue implementing the action plan and will review and update the action plan, as necessary, based on progress.

**Recommendation 18:** The Department should develop and implement policies and procedures for tracking whether staff have provided a response to AOC on behalf of local boards indicating whether the Department accepted or disagreed with recommendations in local board findings and recommendations reports.

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

Response explanation: The Department will explore tracking options for providing a response to AOC of the Department's acceptance or disagreement with local board findings and recommendations reports.

**Recommendation 19:** The Department should implement its corrective action plans to address DCS CHP performance issues that AHCCCS identified for the remaining 37 areas for improvement.

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

Response explanation: The Department will continue its implementation of action plans to address the remaining performance areas and submit updates to AHCCCS by the identified deadline.

**Recommendation 20:** The Department should revise and implement its policies and procedures for overseeing licensing agencies' monitoring of licensed foster homes, including by:

**Recommendation 20a:** Improving its sampling methods to be more representative of the population of foster homes assigned to each of its contracted licensing agencies, including considering taking a risk-based sampling approach.

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

Response explanation: The Department acknowledges that a representative sample of the population of foster homes by agency is necessary. The Department will revise its procedures and include a representative sample specific to each agency.

**Recommendation 20b:** Reviewing site visit reports and following up to ensure that site visits are completed, as necessary.

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

Response explanation: The Department will revise its procedures to ensure site visit reports are reviewed and follow up site visits occur as required.

**Recommendation 21:** The Department should implement its QRTP policies and procedures, conduct an assessment of whether the juvenile court is receiving timely and sufficient information as a result of these policies and procedures, and further revise these policies and procedures, as necessary.

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

Response explanation: The Department's Placement Administration's QRTP Unit staff will continue to follow the procedures outlined in the Standard Work for their part of the QRTP process. All newly hired staff for the QRTP Unit will receive training based on the QRTP Standard Work. The Department agrees with the importance of the juvenile court receiving timely and sufficient information. Although an assessment has not been completed, a requirement of the *Motion to Approve QRTP Placement* process is that a *QRTP Admission Worksheet* is included with the motion when filed with the courts. To date, the Department has not received feedback that these worksheets have been inadequate or are lacking the information needed to approve the QRTP placement. The Department will explore the possibility of completing an assessment to determine if the courts are receiving timely and sufficient information.



**Recommendation 22:** The Department should develop a written plan for addressing its contractor's recommendations for Guardian improvements.

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

Response explanation: The Department acknowledges the importance of addressing its contractor's recommendations for Guardian improvements. The Department has established a product roadmap which is the industry standard for software development.

**Recommendation 23:** The Department should develop and implement a written process for soliciting feedback from AOC about any issues with the accuracy and completeness of parents' and foster parents' address information it provides for local board reviews.

Department response: The finding of the Auditor General is agreed to and a different method of dealing with the finding will be implemented.

Response explanation: The Department recognizes the integrity of the information provided including accurate and complete addresses is vitally necessary. The Department is hopeful that direct, remote access for AOC to Guardian will provide real time current address information for parents and foster parents.

**Sunset Factor 4:** The extent to which rules adopted by the Department are consistent with the legislative mandate.

**Recommendation 24:** The Department should adopt rules for the licensing and regulation of child placing and child welfare agencies.

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

Response explanation: The Department will adopt rules for licensing and regulation of child placing and child welfare agencies upon approval by the Governor's Regulatory Review Council.

**Sunset Factor 6:** The extent to which the Department has been able to investigate and resolve complaints that are within its jurisdiction and the ability of the Department to timely investigate and resolve complaints within its jurisdiction.

**Recommendation 25:** The Department should further revise and implement its child welfare agency grievance policy and procedures, including by developing guidance for how staff should review grievances submitted by children in the care of child welfare agencies or by their parents. This guidance should include, at a minimum, the methodology for the random sampling and guidance for how to determine if the agency adequately addressed the grievances.

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

Response explanation: The Department agrees that reviewing grievances to determine if child welfare agencies took appropriate action is imperative. The Department will review its *DCS 15-53*

*Child Welfare Agency – Grievance* policy and procedures to identify necessary revisions and implement accordingly.