

Arizona Department of Child Safety

Licensed Foster Care Provider Oversight

18-Month Followup of Report 23-113




The September 2023 Arizona Department of Child Safety—Licensed Foster Care Provider Oversight performance audit was the second of 3 audit reports we issued as a part of the Department’s sunset review. The first performance audit found that the Department did not provide some case documents for local board case reviews because of Arizona Administrative Office of the Courts and Department issues, and some caseworkers did not attend case reviews, impacting boards’ ability to review children’s cases; and the Department provided the State Ombudsman access to the Department’s case management system, Guardian, with some exceptions. The third audit found that the Department has processes for key responsibilities, such as assessing child safety in response to abuse/neglect reports, but did not consistently provide timely and quality court reports or ensure some licensed applicants met licensing requirements and has not fully implemented most recommendations from 6 prior special audits.¹

Our September 2023 performance audit on licensed foster care provider oversight found that Department problems related to investigating, taking enforcement action against, and monitoring licensed out-of-home care providers could result in risky or unhealthy environments for children in out-of-home care. We made **12** recommendations to the Department.

¹ For more information on other performance audits we issued as part of the Department’s sunset review, including any applicable follow-up reports, see [Report 23-102](#) and [Report 23-115](#).

Recommendation implementation statuses

Department’s status in implementing 12 recommendations

Implementation status	Number of recommendations
 Implemented	1 recommendation
 In process	9 recommendations
 Not implemented	2 recommendations

We will conduct a 30-month followup in early 2026 with the Department on the status of the recommendations that have not yet been implemented.

Recommendations to the Department

Finding 1: Department problems related to investigating, taking enforcement action against, and monitoring licensed providers for children in out-of-home care could result in children being in risky or unhealthy environments

To ensure foster home and child welfare agency/group home licensing complaint investigations and enforcement actions are timely and effective and ongoing group home monitoring is performed, the Department should:

1. Further develop and implement its draft licensing complaint-handling procedures to include time frames for each key foster home and/or group home licensing complaint investigation and enforcement step, including time frames for assigning licensing complaints for investigation and taking action in response to validated licensing complaints, and complete licensing complaint investigations and take enforcement actions consistent with these time frames.

► Status: **Implementation in process.**

The Department has developed complaint-handling procedures for assigning priority levels to licensing complaints and time frames for initiating complaint investigations based on the assigned priority levels. Specifically, the Department has developed a procedure that requires staff to assign a complaint a prioritization level of high, medium, or low urgency based on the assessed risk of harm to a child as determined by a review of the complaint allegations. Additionally, the procedures require that Department staff

initiate the first contact with the named licensee in 2 business days for high-urgency complaints, 4 business days for medium-urgency complaints, and 9 business days for low-urgency complaints. Further, the Department's complaint-handling steps include a time frame of 45 days from the date the complaint is received for staff to complete the investigation and then 21 days for staff to take enforcement action and close the licensing complaint for all types of licensing complaints. We will further assess the Department's implementation and timeliness of the complaint handling process during our next followup.

2. Further revise and implement its draft guidance for taking a risk-based approach to prioritize foster home and group home licensing complaint investigations by specifying which types of allegations correspond to each prioritization level, including licensing complaint investigations opened in response to abuse/neglect allegations related to child welfare agency staff, staff requirements for documenting the prioritization level, and what actions/activities staff should take to initiate an investigation.

► Status: **Implementation in process.**

As explained in recommendation 1, the Department has developed a procedure that requires its staff to assign licensing complaints a prioritization level of high, medium, or low urgency based on the assessed risk of harm to a child as determined by a review of the complaint allegations and time frames for initiating first contact with the named licensee based on priority level. The Department has also developed associated guidance that includes specific factors its staff should consider when determining priority levels, such as the age and physical and/or cognitive capacity of the children involved, whether the licensing complaint alleges abuse/neglect, and the length of time passed since the alleged licensing violation occurred. Additionally, the procedure requires Department staff to document each complaint's priority level in a complaint-tracking spreadsheet when determining the priority level of and assigning licensing complaints for investigation. The guidance indicates that once Department staff have assigned a prioritization level to a complaint, staff should begin reviewing any relevant documentation within the Department's licensing database, such as whether the licensee has had any prior licensing issues, contact the source of the complaint to gather any additional information, prepare interview questions for the children and/or adults involved, and contact the licensee to schedule a visit without discussing the allegations with the licensee prior to this initial visit. We will further assess the Department's implementation of its risk-based approach for prioritizing foster home and group home licensing complaint investigations during our next followup.

3. Further revise and/or develop procedures for interviewing staff and children residing at foster homes and group homes during licensing complaint investigations, including guidance for determining when children should or should not be interviewed.

► Status: **Implementation in process.**

The Department has developed guidelines for interviewing staff and children residing at foster homes and group homes during licensing investigations, including working with law enforcement to conduct these interviews during joint investigations. Specifically, the Department's guidelines state that when preparing to interview children involved

with the complaint allegations, Department staff should prepare questions using the Department's interview guidance for interviewing the child identified as the victim in the allegation (see below for more information), other children residing in the home who may have witnessed the alleged issues, and any other potential individuals relevant to the allegations. Although the guidelines indicate that any children named in the allegation and other children under the same care should receive an interview, the guidance also states that staff should consider the age and developmental stage of children involved to determine whether or not conducting the interview would be appropriate. Additionally, Department guidance states that Department staff should identify any adults involved in the complaint allegations and those who may have relevant knowledge of the issue who should receive an interview. Finally, the Department has developed some guidance for conducting interviews, such as specifying possible questions, or prompts, to ask when interviewing children and/or adults/licensees. We will assess and test the Department's implementation of its procedures for interviewing staff and children residing in foster homes and group homes during licensing complaint investigations during our next followup.

4. Develop and implement written guidance for staff to work with law enforcement when conducting licensing complaint investigations opened in response to abuse/neglect allegations related to child welfare agency staff, including how its staff should work with law enforcement to share information and/or coordinate licensing complaint investigations with law enforcement personnel and when and how its staff should review the results of law enforcement investigations.

► Status: **Implemented at 18 months.**

At the time of our September 2023 performance audit, the Department reported that it had stopped investigating allegations of abuse made against child welfare agency staff because it determined that they did not meet the statutory definition of caregiver, and therefore, those allegations would need to be investigated by law enforcement. The Department further reported that instead, Department staff would notify law enforcement about these allegations, open a licensing complaint investigation related to the child welfare agency that employs the individual, and investigate whether any licensing violations occurred. As such, we made this recommendation to facilitate the Department's cooperation with law enforcement during law enforcement investigations into abuse/neglect allegations made against group home staff. However, subsequent to our report, Laws 2024, Ch. 47, revised the Department's statutes to authorize and require Department investigators to investigate allegations of abuse made against employees of child welfare agencies, including group home staff.

In addition, the Department has developed written guidance for its staff to work with law enforcement when conducting licensing complaint investigations, if law enforcement is or should be involved in the investigation, such as if complaint allegations include allegations of criminal conduct. The written procedures define the steps staff should take, such as making law enforcement agencies aware of the potential licensing issue that may have occurred, confirming all alleged criminal conduct interviews pertinent to the licensing issues have been completed, and obtaining permission from law enforcement prior to conducting the licensing issue interviews.

5. Revise and/or develop and implement written guidance for staff to research foster home and group home licensee violation history.

► Status: **Implementation in process.**

The Department has developed written guidance for staff to research foster home and group home licensee violation history. Specifically, the Department's written guidance instructs its staff to review any open licensing complaint allegations included in the Department's database and prior licensing issues, and/or Department reports of abuse/neglect investigations involving the licensee that is the subject of the complaint. However, our review of a random sample of 8 of 76 complaints the Department closed between August and November 2024 found that Department staff inconsistently documented this review within the Department's licensing system, such as documenting only the prior disciplinary history related to the child involved in the events leading to the complaint allegation rather than documenting any prior violation history related to the licensee to better inform the outcomes of the investigation, as needed. We will further assess the Department's implementation of its guidance during our next followup.

6. Revise and/or adopt new rules for child welfare agency licensing complaint handling, as necessary, to authorize a greater range of enforcement actions.

► Status: **Not implemented.**

The Department revised its rules for child welfare agency licensing complaint handling effective November 2023, including making a minor revision to how it will use corrective action plans, an enforcement action already authorized by the Department's rules. However, the Department has not made changes to its rules to authorize a greater range of enforcement actions. According to the Department, it has developed a governance committee for the purpose of reviewing reports submitted by Department staff regarding child welfare agency/group home licensees with identified patterns of noncompliance to help determine whether adverse enforcement actions, such as license revocation, are warranted, and plans to pilot this change prior to making any rule revisions to authorize greater ranges of enforcement actions. We will further assess the Department's implementation of this recommendation during our next followup.

7. Consistent with the Department's rules revised in recommendation 6, update and implement the Department's graduated system of enforcement actions for validated child welfare agency/group home licensing complaints and include guidance for staff specifying the violations that would lead to different enforcement actions, including mitigating and/or aggravating factors staff should consider.

► Status: **Implementation in process.**

The Department has developed guidance establishing examples of mitigating and/or aggravating factors its staff should consider when determining the enforcement action for validated child welfare agency/group home and foster home complaints. The guidance requires staff to consider various factors when determining appropriate enforcement action, such as the severity of the licensing issue, the licensee's prior violation history, and the extent to which the licensee has already taken action to

address the deficiency. However, the Department's guidance does not specify the violations that would lead to different enforcement actions.

Additionally, the Department has established a governance committee for the purpose of reviewing reports submitted by Department staff regarding child welfare agency/group home licensees with identified patterns of noncompliance to help determine whether adverse enforcement actions, such as license revocation, are warranted. However, the Department has not developed guidance to help staff determine when to develop and submit these reports identifying patterns of licensee noncompliance to the committee for review and indicated these decisions would be made during discussions between staff and supervisors. We will further assess the Department's implementation of this recommendation during our next followup.

8. Develop and implement a graduated system of enforcement actions for validated foster home licensing complaints and include guidance for staff specifying the violations that would lead to different enforcement actions, including mitigating and/or aggravating factors staff should consider.

▶ Status: **Implementation in process.**

See explanation for recommendation 7.

9. Further develop and implement policies and procedures regarding ongoing monitoring of group homes, including assigning staff responsibility for conducting ongoing monitoring, outlining how to select facilities for monitoring and complete the site visits checklist, and specifying the frequency of site visits and providing guidance for risk-based and unannounced site visits; and perform ongoing monitoring consistent with the policies and procedures.

▶ Status: **Implementation in process.**

The Department has continued to revise and develop policies and procedures that specify the frequency of group home site visits and require unannounced site visits and ongoing monitoring of group homes. The Department's monitoring policies require each facility to be visited every 3 months. Specifically, staff assigned by management are required to perform at least 4 site visits to each licensed group home within a calendar year, of which 2 must be unscheduled. The Department has also developed a checklist staff are required to complete when conducting site visits. The Department has also established a tracking spreadsheet for assigning group homes to its staff for ongoing monitoring, completing monitoring facility reports, and tracking the completion of site visits.

The Department reported it began piloting its revised monitoring process in May 2024. According to the Department, it finalized its group home monitoring policies and procedures in November 2024. We will further assess the Department's implementation of its monitoring policies and procedures during our next followup.

- 10.** Add data fields to Guardian and/or another IT system for key dates in the licensing complaint-handling process, including the investigation start date, the investigation completion date, and the enforcement action date.

► Status: **Implementation in process.**

In its response to the audit, the Department indicated it would explore licensing system options outside of Guardian in response to this recommendation and recommendation 11. At the time of our review, the Department had completed a request for information for alternatives to its existing licensing systems, which it reported would meet the demands of the Department's responsibilities, including tracking key complaint-handling process steps and licensees' needs, and reviewed 11 responses received in response to the request. The Department reported it was in the process of securing funding to proceed with the project but had not yet established a target date for completion. Additionally, the Department's request for information did not include information specific to the licensing-complaint-handling process, such as an ability to track complaint-processing timeliness, combine multiple licensing complaints involving the same licensee, or monitoring and reporting capabilities, although the Department reported this information would be specified in future requests for proposals. We will further assess the Department's implementation of this recommendation during our next followup.

- 11.** Develop and implement a method in Guardian and/or another IT system to combine multiple licensing complaints it receives for the same licensee into the same licensing complaint entry, including combining relevant details from each entry; and develop monitoring reports to keep track of these licensing complaints that have been combined.

► Status: **Not implemented.**

See explanation for recommendation 10.

- 12.** Require tracking, supervisory review, and managerial oversight of the licensing complaint investigation and enforcement processes and regular ongoing group home monitoring to verify staff compliance with Department policies, procedures, and time frames. Add reporting capabilities to Guardian and/or another IT system, as necessary, to help Department staff track, review, and oversee these processes.

► Status: **Implementation in process.**

The Department reported that it will continue to use its licensing complaint investigation tracking spreadsheets for tracking, supervisory review, and management oversight of licensing complaint investigations and enforcement, in addition to exploring other technology solutions (see recommendations 10 and 11). In response to this recommendation, the Department has developed procedures and guidance for using these spreadsheets, including requiring staff to update information in the licensing complaint investigation tracking spreadsheets weekly. Additionally, the Department has developed spreadsheets and some associated guidance for regular ongoing group home monitoring to verify staff compliance with Department policies, procedures, and time frames. According to the Department, supervisors review the spreadsheets with staff during weekly huddle meetings. However, as explained in recommendation 10,

it has not added reporting capabilities to Guardian or explored doing so in another IT system to help staff track, review, and oversee these processes. We will further assess the Department's implementation of this recommendation during our next followup.