

Arizona Department of Economic Security

Performance Audit and Sunset Review

Department calculated child support payments we reviewed in accordance with statute and had processes to help ensure timely and consistent Adult Protective Services (APS) investigations, but had a \$122 million fiscal year 2025 budget shortfall in the Division of Developmental Disabilities and did not comply with some State conflict-of-interest requirements

Audit purpose

To provide information on the Department's processes for receiving and investigating allegations of abuse, neglect, and exploitation of vulnerable adults and on the Parents as Paid Caregivers (PPCG) Program for minor children with developmental disabilities; to determine whether the Department complied with the State's conflict-of-interest requirements; and to respond to the 10 statutory sunset factors.¹

Key findings

- ▶ Department is responsible for providing various human services to the public, including providing and coordinating services for eligible Arizonans with developmental disabilities and receiving and investigating allegations of abuse, exploitation, and neglect of vulnerable adults through its APS program. It had developed processes to help ensure timely and consistent APS investigations but can improve its tracking of initial contact with alleged victims.
- ▶ Department calculated child support payments we reviewed in accordance with statute.
- ▶ Department has taken steps to implement federal corrective action plans to reduce improper Supplemental Nutrition Assistance Program benefit payments.
- ▶ Department has established homeless service performance measures that include some outcomes and long-term goals but lacks benchmarks or short-term goals related to these measures, which could help it better assess and improve the effectiveness of its homeless services State-wide.
- ▶ Department timely investigated and resolved all certified childcare home provider complaints it received in fiscal year 2024.

¹ The Arizona Auditor General conducted this performance audit and sunset review of the Department pursuant to a November 21, 2022, resolution of the Joint Legislative Audit Committee. This audit was conducted as part of the sunset review process prescribed in Arizona Revised Statutes §41-2951 et seq.

- ▶ Department had \$122 million Division of Developmental Disabilities budget shortfall in fiscal year 2025, and several factors may have contributed to the shortfall, including increased utilization of attendant care services, which parents can be compensated for through the PPCG Program.
- ▶ Department did not comply with some State conflict-of-interest requirements or follow some recommended practices, increasing the risk that employees and public body members did not disclose interests that might influence their official conduct.

Key recommendations to the Department

- ▶ Develop and implement a process to annually track initial contact with alleged APS victims.
- ▶ Implement its fiscal year 2026 strategic plan to develop and implement benchmarks and short-term goals for its existing homeless service performance measures.
- ▶ Develop and implement comprehensive conflict-of-interest policies and procedures to help ensure compliance with State requirements and recommended practices.