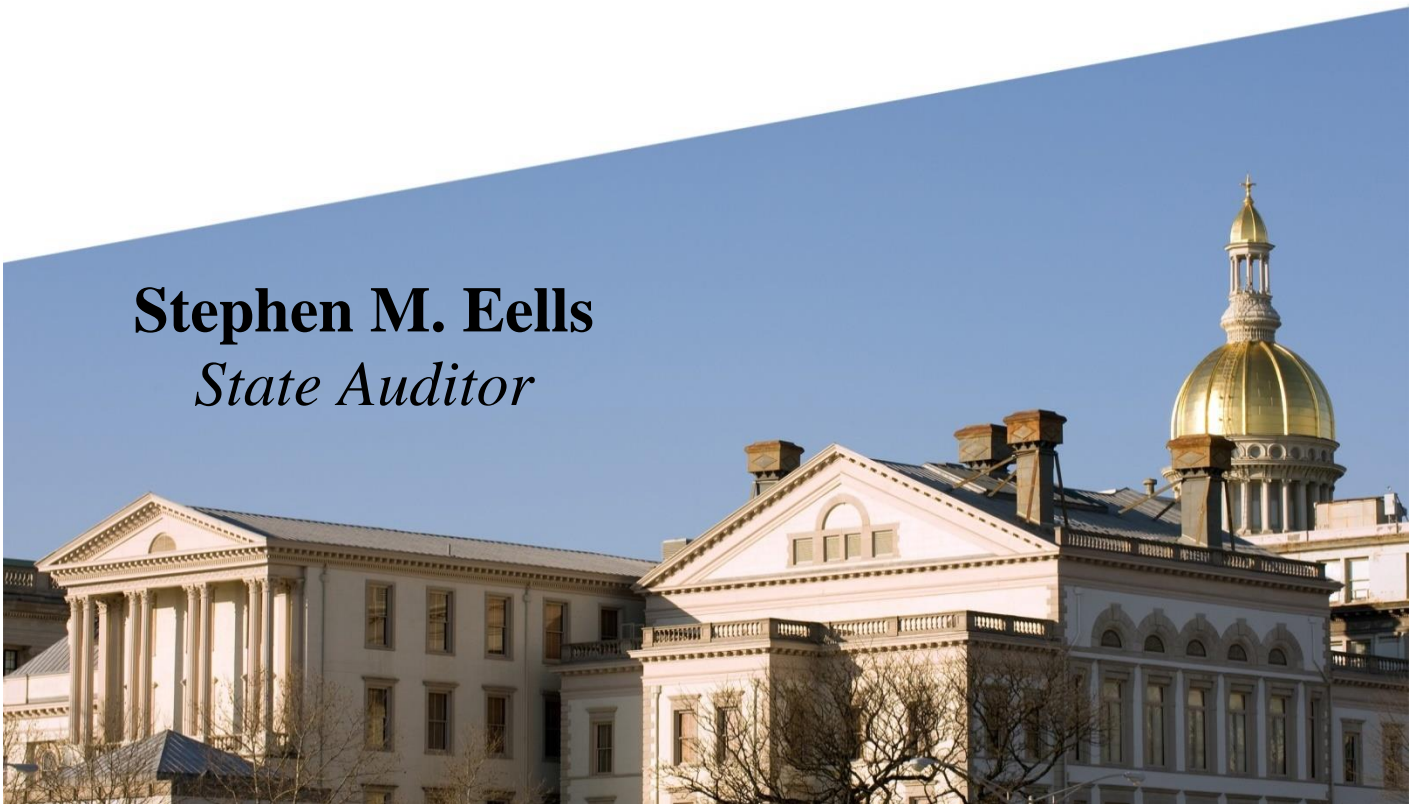


New Jersey Legislature
★ *Office of* LEGISLATIVE SERVICES ★
OFFICE OF THE STATE AUDITOR

New Jersey Motor Vehicle Commission
Customer Service

July 1, 2016 to February 28, 2019

Stephen M. Eells
State Auditor



SENATE

CHRISTOPHER J. CONNORS
KRISTIN M. CORRADO
NIA H. GILL
LINDA R. GREENSTEIN
THOMAS H. KEAN, JR.
JOSEPH PENNACCHIO
STEPHEN M. SWEENEY
LORETTA WEINBERG

GENERAL ASSEMBLY

JON M. BRANNICK
ANTHONY M. BUCCO
JOHN J. BURZICHELLI
CRAIG J. COUGHLIN
JOHN DIMAIO
THOMAS P. GIBLIN
LOUIS D. GREENWALD
NANCY F. MUNOZ



New Jersey State Legislature

OFFICE OF LEGISLATIVE SERVICES

OFFICE OF THE STATE AUDITOR
125 SOUTH WARREN STREET
PO BOX 067
TRENTON NJ 08625-0067

OFFICE OF THE STATE AUDITOR
(609) 847-3470
FAX (609) 633-0834

STEPHEN M. EELLS
State Auditor

DAVID J. KASCHAK
Assistant State Auditor

THOMAS TROUTMAN
Assistant State Auditor

PERI A. HOROWITZ
Executive Director
(609) 847-3901

The Honorable Philip D. Murphy
Governor of New Jersey

The Honorable Stephen M. Sweeney
President of the Senate

The Honorable Craig J. Coughlin
Speaker of the General Assembly

Ms. Peri A. Horowitz
Executive Director
Office of Legislative Services

Enclosed is our report on the audit of the New Jersey Motor Vehicle Commission, Customer Service for the period of July 1, 2016 to February 28, 2019. If you would like a personal briefing, please call me at (609) 847-3470.

A handwritten signature in black ink, reading "Stephen M. Eells".

Stephen M. Eells
State Auditor
October 1, 2019

Table of Contents

Scope.....	1
Objective	1
Methodology	1
Conclusions.....	2
Findings and Recommendations	
Agency Compliance Unit.....	3
Mobile Units	5
Complaints	6
Observation	
Agency Staffing	7
Auditee Response.....	8

Scope

We have completed an audit of the New Jersey Motor Vehicle Commission (MVC), Customer Service for the period July 1, 2016 to February 28, 2019. The MVC operates 39 brick and mortar agencies and two mobile units. The MVC processed 11.3 million license, vehicle registration, and title transactions in each of fiscal years 2017 and 2018. Transactions processed in fiscal year 2019 through February 28, 2019 totaled 7.1 million.

Our audit included activities related to customer service. We define customer service as any role or process that serves the MVC customers directly or is designed to ensure that the agencies are operating as intended. The following areas were reviewed during our audit: the Agency Compliance Unit, mobile units, the complaint process, and agency staffing levels. We did not include driver testing or inspection services as part of our audit.

Objective

The objective of our audit was to assess the efficiency of MVC customer service operations.

This audit was conducted pursuant to the State Auditor's responsibilities as set forth in Article VII, Section I, Paragraph 6 of the State Constitution and Title 52 of the New Jersey Statutes.

Methodology

Our audit was conducted in accordance with *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

In preparation for our testing, we studied legislation, the administrative code, circulars promulgated by the Department of the Treasury, policies of the MVC, and other states' renewal policies. Provisions we considered significant were documented and compliance with those requirements was verified by interview, observation, and through our analysis of transactions relating to customer service. We also read the annual reports and interviewed commission personnel to obtain an understanding of the MVC's customer service goals and the internal controls.

A nonstatistical sampling approach was used. Our samples were designed to provide conclusions on our audit objective as well as internal controls and compliance. Sample populations were sorted and transactions were judgmentally and randomly selected for testing.

Conclusions

We found the MVC customer service operations could be more efficient if improvements are made to the Agency Compliance Unit, mobile units, and the complaint process. We also presented an observation on agency staffing levels.

Agency Compliance Unit

The MVC Agency Compliance Unit is not being used in an efficient and effective manner.

The Agency Compliance Unit (ACU) is responsible for monitoring the overall operations of the 39 MVC agencies. As described by MVC personnel, this includes maintaining a regular presence and observing the business workflow at each agency. The ACU staff consisted of 15 compliance officers in fiscal years 2017 and 2018 and 11 officers in fiscal year 2019. The average salary per compliance officer was approximately \$72,500 during this period. Each officer is assigned two to four agencies and agency assignments are rotated to maintain the integrity of the ACU. The officers determine and prepare their own weekly schedules which are submitted for approval one week in advance. All assigned agencies are expected to be visited at least once per week. Each officer is assigned a state vehicle and is required to fill out a monthly vehicle use log. Specific details, including destination and mileage, are recorded for each trip and the officer must sign the log certifying that all information is true and correct.

Our review found that the MVC has not established standard operating procedures for the ACU and does not adequately monitor or utilize the work performed by the unit to potentially improve agency operations. As a result, the overall effectiveness of the ACU should be evaluated. Specifically, officers are required to complete a daily field report which provides a summary, in checklist form, of the specific compliance functions the officer reviewed that day. The report, which identifies over 20 compliance functions, is emailed by the officers to their immediate supervisor for review. However, there is no evidence (signature or initials) of supervisory approval on the reports. Since formal procedures or work instructions have not been established, the compliance officers determine which functions to review. Our review of the fiscal year 2017 daily field reports noted the following:

- There were significant inconsistencies with the work completed by compliance officers who were employed the entire fiscal year. For example, one officer reviewed lien releases eight times during the year while another officer reviewed lien releases 93 times. In another example, one officer did not review ID documents at all during the year while another officer reviewed them 132 times. Examples similar to this were noted with 12 other compliance functions.
- The daily field report also includes a detailed notes section for officers to add specific comments about their workday. This is important since this is the only area on the daily field report where test results can be discussed. Our review found that the content provided in this section varied significantly from officer to officer. Some officers provided specific and detailed comments about their work while others provided minimal detail on what they accomplished for the day. One officer added the following generic statement to every completed report, “assigned agency was moderately busy but had good work flow.”

As previously noted, compliance officers email completed reports to their supervisor. Our request for the 2017 daily reports was fulfilled with daily field reports organized by compliance officer

thus indicating some level of review. However, when we requested 2018 reports, the MVC could only provide a collection of over 1,000 emails complete with attachments containing several reports. There was no evidence of any supervisory review or approval.

Furthermore, the MVC has no procedures in place to verify that each officer was actually present at his or her assigned agency on the required days in accordance with their weekly schedules. Specifically, our comparison of the December 2017 vehicle use logs with the December 2017 daily field reports noted the following:

- Inconsistencies between daily field reports and vehicle use logs for agencies visited by compliance officers on the same day. We found officers who completed a daily field report for an assigned agency, but the vehicle use log showed them reporting to a different unassigned agency on the same day. The unassigned agency was usually a lot closer to their home. In total, we noted 17 instances out of 87 (20%) days reviewed where the location(s) stated on the daily field report did not agree with the location(s) stated on the vehicle use log for the same day.
- Officers who reported to unassigned agencies that were in close proximity to their residence. This typically happened on Fridays.
- Officers who visited assigned agencies in close proximity to their residence multiple times during the week but failed to complete the required weekly visit to other assigned agencies that involved a greater commute or were located in urban areas.
- Officers performing three or more hours of travel during the day which appeared to be unnecessary. The justification for the excessive travel was not documented on the daily field reports.
- 90 out of 194 (46%) December 2017 daily field reports could not be provided for our review.

The ACU is intended to be a tool for the MVC to monitor and improve customer service at the agencies. However, for the unit to operate successfully, standard operating procedures and work instructions must be developed and implemented to provide clear measurable work objectives for the officers. As with any operation, control procedures must be clearly communicated and monitored to ensure objectives are completed.

Recommendation

The MVC should assess the responsibilities of the ACU to ensure it is operating in the most effective and efficient manner. Standard operating procedures should be developed to ensure compliance officers have clear measurable work objectives. In addition, controls should be implemented to increase the accountability of the compliance officers and ensure their work

output is consistent, properly completed, and reviewed by a supervisor.



Mobile Units

Standard Operating Procedures are needed to ensure the efficient use of the mobile units.

Between November 2016 and March 2017, the MVC purchased two state-of-the-art mobile units (M1 and M2) and two transport vehicles for a total of \$938,544. As stated in the MVC 2017 Annual Report, the primary purpose of the mobile units is to “increase customer convenience by bringing essential MVC services directly to motorists all around the state.” The report further states that on a scheduled basis, the mobile units can be used to process transactions at senior centers, universities, office campuses, government centers, and to meet the needs of underserved communities and locations impacted by natural disasters. The mobile units can also serve customers at existing MVC agencies during peak transaction periods. The services offered by the mobile units include, but are not limited to, driver’s license renewal and duplicates, non-driver IDs, vehicle registration renewals, and disabled placards. M1 began operations on a limited basis in September 2017, and both units became fully operational in December 2017. Each mobile unit is staffed with eight full-time employees. Salary costs for the mobile unit employees approximate \$1.0 million annually. M1 and M2 processed a daily average of 99 and 132 transactions, respectively, through October 31, 2018.

Proper planning is essential for determining the steps that are needed to achieve an organization’s goals and objectives and to ensure the efficient use of resources. The MVC could not provide a strategic plan or standard operating procedures for their mobile units operation prior to deployment, and neither has been developed to date. As a result, the mobile units have not been efficiently utilized for their primary intended purpose of bringing essential MVC services directly to motorists statewide. Since their original deployment, the mobile units have reported on a regular basis to the Edison (M1) and Rahway (M2) agencies to alleviate increases in customer volume resulting from the closing of the South Plainfield agency from May 13, 2017 through May 21, 2018. However, since the re-opening of the South Plainfield agency, the mobile units have continued to predominantly report to the Edison and Rahway agencies and have only conducted four scheduled events collectively as of February 26, 2019. One of these events was a publicity event held at the State House where only seven license and registration transactions were processed by M1. The MVC previously operated a single mobile unit as recently as 2007. This unit visited nearly 100 locations to issue driver’s licenses. The MVC could have drawn on this prior experience to assist them in developing an implementation plan for its current mobile unit operation that included outreach and event scheduling procedures.

From December 14, 2017 through October 31, 2018, each mobile unit could have operated 266 days. Of the possible 266 days, M1 and M2 were not deployed at all for 66 (25%) and 62 (23%) days, respectively. Our review found inefficiencies with the mobile units’ staff on the days the mobile units were not deployed during this period. For example, if a mobile unit was not placed

in service for a particular day because of inclement weather or vehicle repair, the staff was required to report to an agency. However, the staff did not have the capability to process transactions at the agencies due to system limitations. Therefore, the mobile units' staff could only perform basic reception and customer support functions at an agency which may not have needed them. According to MVC management, mobile units' staff began processing transactions at agencies starting in November 2018.

Recommendation

We recommend the MVC implement formal written procedures for the mobile unit operations that promote operational efficiency and ensure the mobile units are utilized more frequently to deliver essential MVC services directly to motorists statewide as intended.



Complaints

The customer complaint resolution process needs improvement.

New Jersey Motor Vehicle Commission (MVC) customers can submit complaints through the MVC website or by mail. All complaints are initially received by the Customer Information and Advocacy section. This section responds to the complainant to acknowledge receipt and forwards it to the appropriate MVC section for investigation and resolution. Complaints concerning services provided at the 39 agencies are forwarded to the Agency Services section which oversees the agencies. Agency Services received 594 customer complaints between July 1, 2016 and August 30, 2018.

We found that the MVC did not establish standard procedures over the complaint resolution process until November 2018. As a result, there was no process in place to adequately track complaints and monitor them for proper resolution prior to this time. We selected a sample of 58 website complaints and 12 mail complaints forwarded to Agency Services between July 1, 2016 and August 30, 2018 for review. Based on the nature of the complaint, we determined that 44 of the sampled website complaints and 7 of the sampled mail complaints merited a formal response. Our review noted that Agency Services only followed up on 1 of the 51 applicable complaints. An additional sample of 15 complaints submitted to Agency Services from November 2018 through January 2019 was selected to determine if the newly established procedures over the complaint resolution process were being followed. Although our review noted improvement, we found four complaints had no documentation of follow-up with appropriate personnel.

Implementation of an effective complaint resolution process is necessary to identify and correct organizational weaknesses, improve the overall effectiveness of customer service operations, and reduce the occurrence of repeat complaints. An effective process should also include follow-up surveys with complainants to determine if resolution procedures are adequate.

Recommendation

We recommend the MVC adhere to its existing policy to ensure customer complaints are properly tracked, monitored, and resolved. We further recommend the MVC conduct follow-up surveys with complainants and utilize their feedback to enhance the overall complaint resolution process.



Observation

Agency Staffing

The MVC has not reviewed staffing levels for its 39 agencies since 2003. In addition, the MVC could not provide documentation of how the size of each agency's staff was determined at that time. Optimal staffing levels could provide more effective and efficient customer service.

According to the organizational charts provided, agency staff levels ranged from 17 to 47 in fiscal years 2017 and 2018. Our audit noted significant variances with the average number of transactions (driver's license, vehicle registration, and title) processed monthly per employee at each agency. Refer to the charts below for examples.

Fiscal Year 2017

Agency	Number of Employees	Average number of transactions processed monthly per employee
Agency A	17	427
Agency B	17	573
Agency C	26	578
Agency D	35	409

Fiscal Year 2018

Agency	Number of Employees	Average number of transactions processed monthly per employee
Agency C	26	708
Agency E	26	486
Agency F	47	374
Agency G	23	604



STATE OF NEW JERSEY

Philip D. Murphy
Governor

Sheila Y. Oliver
Lt. Governor

B. Sue Fulton
Chair and Chief Administrator

September 25, 2019

Mr. Stephen M. Eells
State Auditor
Office of the State Auditor
P.O. Box 067
Trenton, NJ 08625-0067

Dear Mr. Eells:

This correspondence is in response to your September 11, 2019, report of the New Jersey Motor Vehicle Commission, Customer Service. Attached you will find responses to the findings listed in the audit report which covers the period of July 1, 2016, to February 28, 2019.

Sincerely,



B. Sue Fulton
Chair and Chief Administrator

BSF/kb

STATE OF NEW JERSEY

Philip D. Murphy
Governor

Sheila Y. Oliver
Lt. Governor

B. Sue Fulton
Chair and Chief Administrator

NJ Motor Vehicle Commission Response to the OLS Audit

The Motor Vehicle Commission concurs with the findings of the OLS Audit that, at the time of the Audit:

- a) improvements were needed to the Agency Compliance Unit mission, organization, and practices;
- b) changes were needed to efficiently utilize the agency's Mobile Units;
- c) improvements were needed to the customer complaint process; and
- d) agency staffing sorely needed review and optimization.

Agency Compliance Unit

The MVC agrees with the recommendation to assess the responsibilities of the ACU and the need for clear policies regarding accountability, standard procedures, and work output.

In April 2019, the MVC realigned the Agency Services organization to put the Agency Compliance Unit under one newly-created Agency Central Operations umbrella. All Agency Coordinators, experienced in agency practices and policies, were also placed in this new unit.

The mission of this newly-created group is to establish and codify standard operating policies and procedures for agency operations. The Director and the Coordinators are working with our new Policy and Programs group to standardize our procedures in line with existing statutes and regulations.

Our plan is to re-orient Compliance Officers to their original purpose – to assess agency compliance with proper practices – and to ensure their assessments are done in a planful way across the Commission.

Mobile Units

The MVC strongly agrees with the recommendation to use the Mobile Units more frequently to serve the people of New Jersey directly.

In November 2018, the agency hired a Community Engagement Manager (new position) to develop a robust Community Engagement plan, focusing initially on the Mobile Units.

During the period March 1, 2019 – August 31, 2019, the two Mobile Units did 53 events, completing 2,881 transactions, compared to only four scheduled events between June 2018 and February 26, 2019.

In addition, the Community Engagement Manager has placed our FY20 priority on serving two key communities: New Jersey's military veterans, and the disabled community.

Handling Customer Complaints

While the Audit did not investigate the Customer Information & Advocacy unit, which is primarily responsible for fielding customer complaints, the MVC agrees with the finding that the customer complaint resolution process needs improvement.

As noted in the report, there was significant improvement during the period November 2018 through January 2019. Since that time, we have standardized handling of complaints that do not go through the CI&A unit. Specifically, complaints and inquiries previously came through the front desk; the Executive Assistant to the Chief Administrator; the Strategic Communications office; the Director of Legislative Affairs; and directly to the Chief Administrator. In each case, the situations were handled directly with the relevant business units – not necessarily in a uniform fashion – and not tracked.

The new process requires all complaints that come through the “front office” (anywhere but directly to CI&A) to be handled by the Director of Legislative Affairs. This includes logging the complaint/inquiry and tracking the resolution.

In addition, we have improved the complaint handling process along with training within CI&A as follows:

Correspondence

- Respond to Chief and Governor Referrals: **reduced from 7 days to 5**
- Follow-up with referrals vetted to other departments monthly when a response is not provided: **reduced from monthly to bi-weekly**
- Track Agency Service complaints: **added** the capability to respond to Spanish speaking complaints via email and mail
- **Added** cross-training for all CAO staff on tracking and responding to ALL complaints
- Translating primary letters driven from CAO for Spanish-speaking customers

Contact Center

- **Added** biweekly 15-minute customer service training to improve enunciation of words and proper telephone etiquette
- **Added** role-play training for common call errors that occur within the Contact Center
- **Added** closing statement asking customer if they would like to provide feedback, then referring them to website
- **Complaints** about agents are addressed by supervisors, **followed by new 1-hour training** on telephone etiquette for the employee, addressing techniques to improve customer service
- **The upcoming AVAYA upgrade** scheduled fall 2019 will be a Voice-over IP system (VoIP) system that allows
 - easier customer feedback
 - Webchat option
 - Speech Analytics
 - greater ability to track agent performance on calls.

We are actively developing additional metrics for success, to enable us to set more concrete objectives and improve customer service quality.

Agency Staffing

The MVC strongly agrees with the recommendation to review staffing levels and optimize staffing by agency for best customer service.

In early 2019, we conducted such a review and built a spreadsheet of required staffing that took into account the number of service counters (including ID check and reception), transaction volume, and historic staffing levels.

The MVC was the only Cabinet department to gain approval for additional staffing in the FY20 budget - +209 full-time and +80 part-time staff – and also gained approval to rapid-recruitment measures to fill open positions. We filled over 200 positions so far (including previously open positions) and expect full staff on board within a matter of weeks.

We also changed our operating hours on July 6. Specifically, we changed our weekday hours to 8-4:30 Monday-Friday, enabling us to staff with one shift. Importantly, this means that instead of opening and closing with “skeleton” staff, we open and close with full staffing. It also means we have counters staffed close to 100%, delivering optimal service to the customer.

We expanded our Saturday hours to 8-3pm and will staff up with part-time employees to achieve the 100% counters-staffed goal.

Other Customer Service Initiatives

The following lists additional initiatives undertaken by the NJMVC over the past year to improve customer service. While these efforts fell outside the scope of the OLS Audit, we felt it worth including them to address the intent of the audit to improve the MVC’s overall customer service.

1. **Improved IT infrastructure.** This year, we replaced all the servers as well as driver testing software at each of our 39 agencies, improving speed and reliability of our systems. In addition, an upgrade of over 1,000 computer stations, keyboards, and monitors at customer-facing stations will be complete in CY2019.
2. **Improved online services.** In the spring of 2019, we added license renewal, license replacement, registration replacement, and address changes to our available online services, allowing customers to avoid the trip to the MVC altogether. We have already processed over 75,000 of these transactions, up to 7,000 license renewals per week, increasing as we ramp up online advertising of our services. We also upgraded our website, increasing ease of use and quick access to the most popular services.
3. **Queuing system.** We began rolling out a “take-a-ticket” queuing system in July, 2019, and are now operational in 18 out of 39 agencies, targeted to be in all agencies by December, 2019. The queuing system allows customers to sit and relax in the waiting area while tracking progress on video screens waiting to be called. The system also, crucially, allows us to track wait times, transaction times, and counter staffing on both a real-time and periodic basis. This enable us to quickly identify and address bottlenecks to reduce customer waiting time.

Conclusion

We are grateful to the OLS Audit team for their thoroughness and professionalism, and for their willingness to engage collaboratively to solve problems. We are confident that addressing these issues will make us a better customer service organization.