

Office of the Auditor General
Performance Audit Report

**Selected Activities Related to Providing
Customer Service**

Bureau of Quality and Customer Experience
Department of State

April 2026

The auditor general shall conduct post audits of financial transactions and accounts of the state and of all branches, departments, offices, boards, commissions, agencies, authorities and institutions of the state established by this constitution or by law, and performance post audits thereof.

The auditor general may make investigations pertinent to the conduct of audits.

Article IV, Section 53 of the Michigan Constitution



*Performance Audit
Selected Activities Related to Providing
Customer Service
Bureau of Quality and Customer Experience
Department of State (DOS)*

Report Number:
231-0236-25

Released:
April 2026

The Customer Information Division (CID) and the Employee Engagement and Quality Division (EEQD) within the Bureau of Quality and Customer Experience (Bureau) are responsible for the management and operations of DOS's public-facing call center, as well as internal support units. Between October 1, 2023 and April 30, 2025, CID and EEQD expenditures totaled \$15.2 million. As of May 2025, CID and EEQD had approximately 100 employees, which included approximately 65 call center agents.

Audit Objective			Conclusion
Objective 1: To assess the sufficiency of the Bureau's efforts to provide efficient and convenient customer service.			Sufficient, with exceptions
Findings Related to This Audit Objective	Material Condition	Reportable Condition	Agency Preliminary Response
Bureau call center agents, for 22% of sampled calls, did not obtain 3 specific account details when verifying a caller's identity prior to releasing account information over the telephone (Finding 1).		X	Agrees
Strengthening the Bureau's efforts to assess its call center's customer service, including enhanced monitoring of interactive voice response functionality, obtaining customer feedback, and enhancing real-time reporting, could improve overall efficiency, leading to higher customer satisfaction and lower long-term costs (Finding 2).		X	Partially agrees
Mandatory recertifications, to acknowledge awareness of current Law Enforcement Information Network (LEIN) data security requirements, were not completed by 88% of the Bureau's LEIN operators in a timely manner. The recertifications on average were 2.5 years overdue. Upon notification, all 8 operators completed recertification (Finding 3).		X	Agrees

Observations Related to This Audit Objective (Continued)	Material Condition	Reportable Condition	Agency Preliminary Response
The Bureau should consider enhancing call center customer service with current technology to improve customer service efficiency (<u>Observation 1</u>).	Not applicable for observations.		

Audit Objective			Conclusion
Objective 2: To assess the effectiveness of the Bureau's efforts to properly safeguard assets.			Effective
Findings Related to This Audit Objective	Material Condition	Reportable Condition	Agency Preliminary Response
The Bureau did not ensure branch offices inspected spare credit card terminal(s) when completing quarterly branch equipment inspections to help detect potential security risks such as credit card skimming (<u>Finding 4</u>).		X	Agrees

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Doug A. Ringler, CPA, CIA
Auditor General

April 22, 2026

The Honorable Jocelyn Benson
Secretary of State
Richard H. Austin Building
Lansing, Michigan

Secretary Benson:

This is our performance audit report on the Selected Activities Related to Providing Customer Service, Bureau of Quality and Customer Experience, Department of State.

We organize our findings and observations by audit objective. Your agency provided the preliminary responses to the recommendations at the end of our fieldwork. The *Michigan Compiled Laws* require an audited agency to develop a plan to comply with the recommendations and submit it to the State Budget Office (SBO) upon audit completion. State administrative procedures require the audited agency to develop the plan as early as practicable and within 60 days after report issuance and submit the plan to the Office of Internal Audit Services (OIAS), SBO. Within 30 days of receipt, OIAS will either accept the plan as final or contact the agency to take additional steps to finalize the plan.

We appreciate the courtesy and cooperation extended to us during this audit.

Sincerely,

Doug Ringler
Auditor General

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AUDIT OBJECTIVES, CONCLUSIONS, FINDINGS, AND OBSERVATIONS

PROVIDING CUSTOMER SERVICE

BACKGROUND

The Bureau of Quality and Customer Experience (Bureau) serves customers, such as residents, law enforcement officials, and the Department of State (DOS) branch office employees, through various customer service methods.

Residents may contact the Bureau with questions regarding services such as driver's licensing, vehicle titling and registration, and voter registration. When customers contact the DOS call center, they are greeted by an interactive voice response (IVR) system. The IVR system provides customers with various options, such as answering frequently asked questions (FAQs) or routing calls to a live call center agent (see Exhibit 1). From October 1, 2023 through April 30, 2025, the call center received an average of 5,847 telephone calls each day. In addition, customers can submit written inquiries using an e-mail submission form on the DOS website where the system generates an automatic response or Customer Information Division (CID) staff facilitate a response (see Exhibit 2). From October 1, 2023 through April 30, 2025, the Bureau received on average 274 customer e-mails each day.

Law enforcement officials (police officers, sheriff's deputies, prosecutors, judges, etc.) e-mail the Bureau through the Law Enforcement Information Network (LEIN) or call the Bureau's LEIN desk requesting information such as vehicle identification number (VIN) and vehicle or driver records to assist with their investigations. The LEIN desk employees verify the law enforcement official prior to filling the requests.

The Bureau also provides support to branch office employees and other call center personnel in addressing more complex customer questions requiring additional staff expertise and coordination.

AUDIT OBJECTIVE

To assess the sufficiency of the Bureau's efforts to provide efficient and convenient customer service.

CONCLUSION

Sufficient, with exceptions.

FACTORS IMPACTING CONCLUSION

- For all 10 sampled call center agents, the agents completed their required annual nondisclosure agreements.
- For the two sampled new call center agents hired during our audit period, the agents successfully graduated from new hire training prior to transitioning to the general call center.
- For all 100 call recordings reviewed, the call center agents consistently provided quality customer service.

- CID measured and reported weekly performance outcomes to the Secretary of State for 12 metrics and as needed or upon request.
- DOS call center metrics are within industry standards for the majority of data points measured, including call abandonment rate (industry standard 5% to 9%) and average handling time (industry standard 6 to 10 minutes) (see Exhibits 3 and 4).
- For 98% of reviewed customer e-mails requiring manual intervention, the employee responded within one business day and provided an appropriate response to the customer.
- Of the 8 branch office employees interviewed, all 8 employees indicated the Bureau provided helpful and timely customer service to their questions.
- Confirmed the IVR system menu paths properly led customers to the correct support resource and answers.
- Three reportable conditions* related to verifying callers' identity (Finding 1), improving assessment of call center customer service (Finding 2), and completing LEIN operator recertification (Finding 3).
- Observation* related to opportunities to improve customer service (Observation 1).

* See glossary at end of report for definition.

FINDING 1

Improvement needed in verifying callers' identity.

The Bureau needs to ensure call center agents verify a caller's identity before releasing account information over the telephone. Without proper verification, agents risk disclosing sensitive personal information to unauthorized individuals who may use the acquired information for nefarious purposes.

DOS policy 000-0001 indicates prior to providing account information, the call center agent must ask for a minimum of three specific details from the customer's account, such as driver's license number, date of birth, address, or last four digits of their social security number.

We obtained the audio recordings for 100 randomly sampled calls across 36 randomly selected days between March 24, 2025 and July 18, 2025. We identified 37 calls which requested information specific to their accounts. For 8 (22%) of these 37 calls, the agents requested only one or two specific details from their accounts, instead of the required minimum of three, to verify their identity.

The Bureau informed us its internal control and monitoring activities were not sufficient to ensure agents asked the callers for the minimum information to verify the callers' identity.

RECOMMENDATION

We recommend the Bureau ensure call center agents verify a caller's identity before releasing account information over the telephone.

AGENCY PRELIMINARY RESPONSE

DOS provided us with the following response:

The Customer Information Division (CID) agrees with the recommendation.

The OAG identified eight (8) exceptions of calls where three (3) forms of identity verification were required but not obtained per CID policy. CID agrees with those eight (8) exceptions.

For several calls, CID verified the CXone system generated a pop-up containing the customer's identity information on the CID staff's screen, which allowed the staff to verify the driver's license number entered by the customer via Interactive Voice Response (IVR) matched that customer's record on system. The system-generated pop-ups serve as an additional layer of identity verification, supplementing the questions CID staff ask customers on the phone.

The Driver's Privacy Protection Act (DPPA) is reviewed with all staff annually which includes reviewing required caller identity verification procedures. In addition to reviewing the Act, all staff complete annual training with a knowledge/competency test on the material. Although there is a reasonable amount of controls currently in place – including an identity verification policy,

supervisory monitoring of calls, and security awareness training – CID is committed to enhancing the identity verification process even further. As such, a formal quality assurance program is being implemented in CID in 2026 which will include an identity verification requirement for all reviewed calls and emails.

**AUDITOR'S
COMMENTS TO
AGENCY
PRELIMINARY
RESPONSE***

CID agrees with the recommendation and acknowledges it did not always verify the callers' identity as required by CID policy.

Our audit procedures utilized the NICE CXone* pop-up information as one of the three specific details required when verifying the callers' identity and was a factor in 4 of the 8 exceptions.

We considered the agency response and based on our comments above, the finding stands as written.

* See glossary at end of report for definition.

FINDING 2

Improved assessment of call center customer service recommended.

The Bureau should strengthen its efforts to periodically assess call center customer service by monitoring IVR functionality, obtaining customer feedback, and enhancing real-time reporting. By periodically assessing call center customer service, the Bureau could better detect and address common issues and best practices to improve the customers' experience and improve overall operational efficiency*, leading to higher customer satisfaction and lower long-term costs.

DOS policy 248 indicates employees should provide prompt, courteous, accurate, and efficient customer service. In addition, the State of Michigan Financial Management Guide (FMG) (Part VII, Chapter 1, Section 200) requires management to use quality information to support its internal control system. The FMG further defines quality information as being complete, accurate, available and accessible, and sufficient.

During our review of DOS's IVR functionality and the Bureau's processes for monitoring and reporting on customer service, we noted:

- a. Callers were not always immediately directed to an agent or offered an opportunity to provide contact information for the agent to call them back. We placed 20 calls to the call center's toll-free number at various times between 8:00 a.m. and 5:00 p.m. from June 24, 2025 through June 30, 2025. For 6 (30%) of the 20 calls, the IVR indicated all agents were busy assisting other customers and directed the caller to try calling back later, followed by the IVR automatically terminating the call.

The Bureau informed us customers are asked to call back, and the call ends when the assigned queue meets a predetermined capacity limit. In addition, the Bureau reported assigned staff review the IVR setup quarterly and did not make any major modifications during the audit period.

- b. The Bureau did not have established methods for collecting customer feedback, such as post-call IVR surveys, e-mail surveys, short message service (SMS) texted surveys, or a website feedback link to timely identify and address issues requiring management's attention regarding services, processes, and call center agent performance. Providing a feedback tool immediately following the call would allow the Bureau to identify both real and perceived concerns regarding its services and allow the Bureau to make pertinent improvements, improve allocation of limited resources, and enhance the quality of customer focused services.

* See glossary at end of report for definition.

DOS informed us its website does offer a "Contact the department" link to an e-mail submission form; however, it is designed for customers with individualized questions in specific categories such as driver's license and State identification, vehicle, elections, self-service and appointments, disability parking placard, and other. It was not originally intended as a customer feedback tool.

- c. The Bureau's pre-built weekly call center reports did not fully produce performance metrics in a format for immediate use by management. Staff run weekly call center reports and must complete numerous manual calculations to provide metrics useable for management evaluation. Modern call center technology offers advanced analytics and real-time reporting platforms allowing managers to gain live insights into customer service metrics, call volume trends, and agent performance, enabling more efficient management decision-making and reducing the risk of human error from manual processes.

The Bureau indicated it did not have the staffing to make improvements to its call center software reports to better reflect weekly call center metrics.

RECOMMENDATION

We recommend the Bureau strengthen its efforts to periodically assess call center customer service by monitoring IVR functionality, obtaining customer feedback, and enhancing real-time reporting.

AGENCY PRELIMINARY RESPONSE

The preliminary response DOS provided for this finding included comments related to the observation and did not address substantive issues identified in the finding. In accordance with generally accepted government auditing standards, we excluded it from DOS's response below to maintain focus on the exceptions noted in the finding.

The Customer Information Division (CID) partially agrees with the recommendation.

In response to the OAG's finding:

For part a., the timeframe during which the OAG called CID had an unusually high customer volume given the deadline for REAL ID implementation. As such, the statistics gathered from that timeframe are not reflective of the typical CID performance. CID will continue to engage DTMB for potential enhancements to their CXone system in hopes of providing customers with more options. An example of this commitment to continuously improving the customer experience is the implementation of a third-party language translator service in January 2026. The State of Michigan has partnered with Bromberg Translation Services,

which can accommodate up to 230 languages allowing residents to do business with the Department of State Information Center (DSIC) of CID in their native language.

For part b., on December 17, 2025, MDOS launched the Qualtrics system, which will significantly improve the quality of the collection and analysis of customer feedback. With this modern IT solution, which is recognized as the leading experience management platform across both private and public sectors, MDOS is better positioned to use that feedback to resolve specific issues and optimize the customer experience more broadly. Qualtrics surveys are now available for branch customers. CID customers will be able to submit feedback through Qualtrics in 2026. In 2026, the Qualtrics Experience Management (XM) platform will allow CID to collect both quantitative and qualitative data directly from residents and stakeholders in real time.

For part c., CID currently tracks and reports on a variety of performance-based metrics. CID is working with IT partners to implement the Quality Management module through the CXone system to review and assess quality of calls. Demonstrating its commitment to enhancing the customer experience even further, CID is implementing a formal quality assurance program in 2026. The CID quality assurance program will provide actionable insights driving measurable improvement in timeliness, accuracy, and interpersonal communication.

**AUDITOR'S
COMMENTS TO
AGENCY
PRELIMINARY
RESPONSE**

CID partially agrees with the recommendation.

CID's response to part a. indicated REAL ID implementation contributed to unusually high customer volume resulting in diminished performance; however, our testing occurred approximately 1 ½ months after the May 6, 2025 implementation deadline. In addition, the weekly call statistics do not show a significant fluctuation in the average weekly call volume for March 2025 through July 2025.

We considered the agency response and based on our comments above, the finding stands as written.

FINDING 3

Completion of mandatory LEIN operator recertification needed.

The Bureau needs to ensure its LEIN operators obtain the mandatory recertifications to acknowledge their familiarity with current LEIN data security requirements. In addition, failure to complete and retain the recertifications could result in fines and federal funding reductions to the State.

LEIN is a criminal justice database containing sensitive information, which is non-public. Federal and State laws require implementation of security protections and restrict access to criminal justice agencies or those agencies statutorily granted authorization. Misuse may result in criminal penalties and/or administrative sanctions for violation of LEIN policy. The DOS Employee Handbook and the Michigan Department of State Police LEIN Training Policy require all staff with existing LEIN access to complete recertification every two years.

We noted 7 (88%) of 8 Bureau LEIN operators did not obtain recertification every two years and recertifications were overdue between 1.4 years and 2.7 years, averaging 2.5 years, as of July 1, 2025.

The Bureau informed us it was not aware its LEIN operators did not complete the LEIN recertification because of system limitations, which do not allow for the automated recertification alerts. Upon our notification, all 8 operators completed their recertification, as of July 30, 2025.

RECOMMENDATION

We recommend the Bureau ensure all LEIN operators obtain their required LEIN recertification in a timely manner.

AGENCY PRELIMINARY RESPONSE

DOS provided us with the following response:

The Customer Information Division (CID) agrees with the recommendation.

CID did not have a systematic method to alert team members or leadership when LEIN Certification was due for renewal. As a result, a procedure and recertification tracking spreadsheet have been created. As noted by the OAG team, upon notification of non-compliance, all LEIN terminal operators are now recertified and fully compliant with department and state policy. CID leadership will review recertification on a regular basis and ensure compliance moving forward.

OBSERVATION 1

Opportunities exist to improve customer service efficiency.

Current technology, such as voice recognition or conversation artificial intelligence (AI) IVR features, translational services, and virtual agents, could enhance call center customer service.

The Bureau's IVR system does not offer voice prompts when guiding a customer through a series of options; instead, the system offers the customer touchpad prompts. Voice prompts and conversation AI offer customers the option to use voice recognition or speech to proceed to the appropriate queue. A traditional IVR with basic voice recognition technology utilizes a basic form of automated speech recognition (ASR). The ASR feature attempts to match a customer's spoken input to predetermined options in its database to route the call or provide a preprogrammed response. A modern IVR (AI-powered) utilizes natural language processing (NLP) and machine learning to create natural conversation instead of pressing buttons. The NLP feature attempts to route calls from the customer's spoken keywords to the best agent resource, providing faster routes than traditional telephone keypad IVR systems. Also, the modern IVR systems offer personalized features such as estimated wait time updates, caller recognition and history, predictive assistance, and automated callback options.

We compared the Bureau's use of call center technology with 24 other states' motor vehicle agencies between June 3, 2025 and June 16, 2025 (see Exhibit 5) and noted:

<u>Call Center Technology Options</u>	<u>Offered by Michigan</u>	<u>Number (Percentage) Offered by Other States</u>
Facebook	Yes	23 (96%)
X (formerly known as Twitter)	Yes	21 (88%)
IVR route calls by topic	Yes	21 (88%)
YouTube	Yes	17 (71%)
Instagram	Yes	16 (67%)
Live SMS text	No	14 (58%)
AI chatbot	No	11 (46%)
Translation services	No	9 (38%)
LinkedIn	Yes	6 (25%)
Live agent webchat	No	2 (8%)

An October 2024 Computer Science & IT Research Journal article titled "Leveraging AI-Powered chatbots to enhance customer service efficiency and future opportunities in automated support" revealed up to 70% success rate for customer inquiries handled entirely by AI, requiring no human intervention to complete the customer interaction. Also, an April 2025 independent research study titled "Streamlining Telecom Customer Support with AI-Enhanced IVR and Chat" showed chatbot implementations reported up to a 50% reduction in average call handling times compared to traditional call centers and up to a 25% improvement in first-call resolution rates.

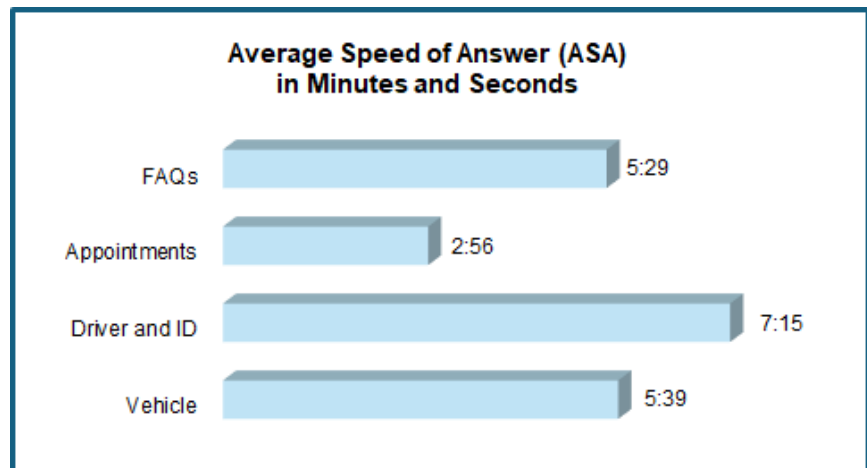
In December 2020, the Bureau initiated the process to provide customers with a texting option. However, in October 2024 the Bureau suspended the project because during implementation, it presented potential challenges to users. In addition, the Bureau wanted to evaluate more recent technological advancements, which might provide better customer experience.

In February 2022, the Bureau analyzed approximately 1.4 million calls entering the IVR system from July 20, 2021 through December 31, 2021 to determine how calls were processed. The analysis showed:

Call Processing	Number (Percentage) of Calls	
Calls terminated before entering the queue	1,035,623	(74.5%)
Reached a call center agent	300,699	(21.6%)
Abandoned	54,066	(3.9%)
Total	<u>1,390,388</u>	

For the more than 1 million calls not proceeding to a queue, the Bureau's analysis indicated this occurred because of IVR capacity limits or customers receiving the answer through an automated message on the IVR.

The Bureau also determined the average speed of answer (ASA) of approximately 300,000 calls varied based on the nature of the category queue.



Industry standards indicate calls should be answered within 3 minutes 30 seconds, requiring an increase in Bureau staffing from 59.0 agents to 180.5 agents. The Bureau determined it did not have the resources to hire sufficient agents and identified potential solutions to reduce the call volume and expand capacity, such as a virtual agent, continued modifications of IVR language, and improve online service options. The Bureau secured an increase in funding to hire an additional 10 agents after the

analysis was completed. The Bureau has not completed an updated analysis to determine the impact of the additional hires.

Areas for improvements were also noted in the Bureau's assessment of call center services to help improve the customers' experience and overall operational efficiency (see Finding 2).

DOS, in conjunction with the Department of Technology, Management, and Budget (DTMB), the Legislature, and other partners, should continue to evaluate and consider the feasibility of upgrading or modifying its customer service technologies to improve customer experience and call center operations.

SAFEGUARDING BUREAU ASSETS

BACKGROUND

The Bureau is responsible for safeguarding select information technology assets, such as credit card terminals and terminal communication boxes (ComBoxes), pocket talks (translation devices), and greeter tablets deployed across various branch offices throughout the State. A branch office's size and operational needs determine the quantity of equipment assigned to the location. As of June 13, 2025, the Bureau assigned branch offices from 3 to 20 credit card terminals and/or ComBoxes, which include 1 to 4 spare devices, 1 to 4 pocket talks, and 0 to 2 greeter tablets. The Bureau maintains a master list of the equipment assigned to each branch office.

The Bureau receives and reviews the quarterly inspections of credit card terminal forms conducted by each branch office. Timely completed inspections of all credit card terminals are vital to maintaining payment card industry (PCI) compliance and the processing of credit card payments. These inspections serve a critical function in verifying all credit card terminals are accurately inventoried and operating effectively.

The Bureau works with DTMB to address branch office network upgrades and outages. In addition, the Bureau provides branch offices with technical assistance and submits remedy tickets to the other State agency when needed.

AUDIT OBJECTIVE

To assess the effectiveness* of the Bureau's efforts to properly safeguard assets.

CONCLUSION

Effective.

FACTORS IMPACTING CONCLUSION

- Branch office employees accurately inventoried and maintained appropriate security and video coverage of the equipment assigned by the Bureau at the eight branch offices visited.
- The Bureau ensured the branch offices inspected over 99% of the active credit card terminals based on our review of 137 quarterly inspection forms.
- The Bureau appropriately safeguarded its point-of-sale credit card terminals located in its central warehouse.
- Reportable condition related to the monitoring of spare credit card terminal inspections (Finding 4).

* See glossary at end of report for definition.

FINDING 4

Improvement needed for monitoring of credit card terminal inspections.

The Bureau needs to improve its monitoring of the branch offices' compliance with the quarterly credit card terminal inspection requirements. Without appropriate monitoring, the Bureau could not ensure branch offices thoroughly inspected all assigned terminals for tampering and thus help reduce potential security risks, such as credit card skimming*.

DOS policy 247 requires all branch office credit card terminals, including spare terminals, to be thoroughly inspected each quarter. Also, PCI standards require entities to train personnel to be aware of suspicious activity and perform periodic inspections of credit card terminals to detect tampering.

We reviewed the quarterly inspection forms completed between October 2023 and April 2025 for 20 of 131 randomly sampled branch offices. Our review disclosed the Bureau did not fully complete monitoring activities and potential follow-up actions related to incomplete spare terminal inspections at 15 branch offices.

The Bureau's monitoring activities and an ambiguous inspection form were not sufficient to ensure all appropriate staff adhered to established policy.

RECOMMENDATION

We recommend the Bureau improve its monitoring of the branch offices' compliance with the quarterly credit card terminal inspection requirements.

AGENCY PRELIMINARY RESPONSE

DOS provided us with the following response:

The Customer Information Division (CID) agrees with the recommendation.

The Field Support Technology Unit (FSTU) within CID accepts completed inspection forms from the MDOS Branch Operations Division (BOD) and forwards them to the Michigan Department of Treasury. Treasury is the owner of the credit card reader contracts and has ultimate oversight to ensure Payment Card Industry (PCI) compliance.

CID agrees the MDOS policy states, "All credit card terminals in the branch office, including spare terminals kept in the inventory room, must be thoroughly inspected during January, April, July, and October." As such, a CID meeting will be held with Treasury and BOD to ensure all three groups understand the policy and CID is complying moving forward. Treasury has been accepting inspection forms without evidence of spare terminal reviews, so this opportunity to educate and set expectations will ensure additional controls in the future.

Additionally, CID will revise the inspection form template to make it easier to understand and utilize as an inspection tool.

* See glossary at end of report for definition.

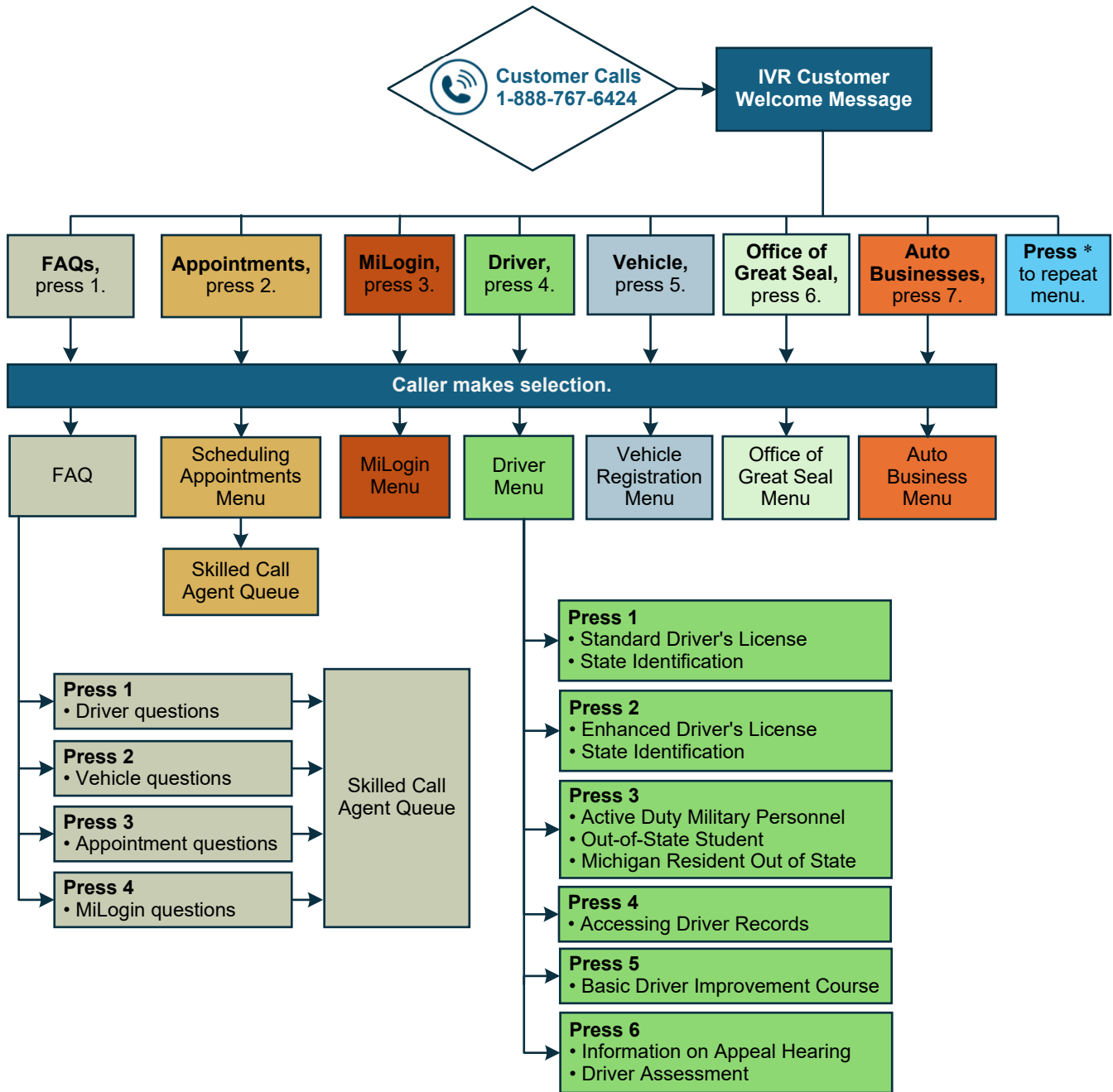
SUPPLEMENTAL INFORMATION

UNAUDITED
Exhibit 1

SELECTED ACTIVITIES RELATED TO PROVIDING CUSTOMER SERVICE

Bureau of Quality and Customer Experience
Department of State

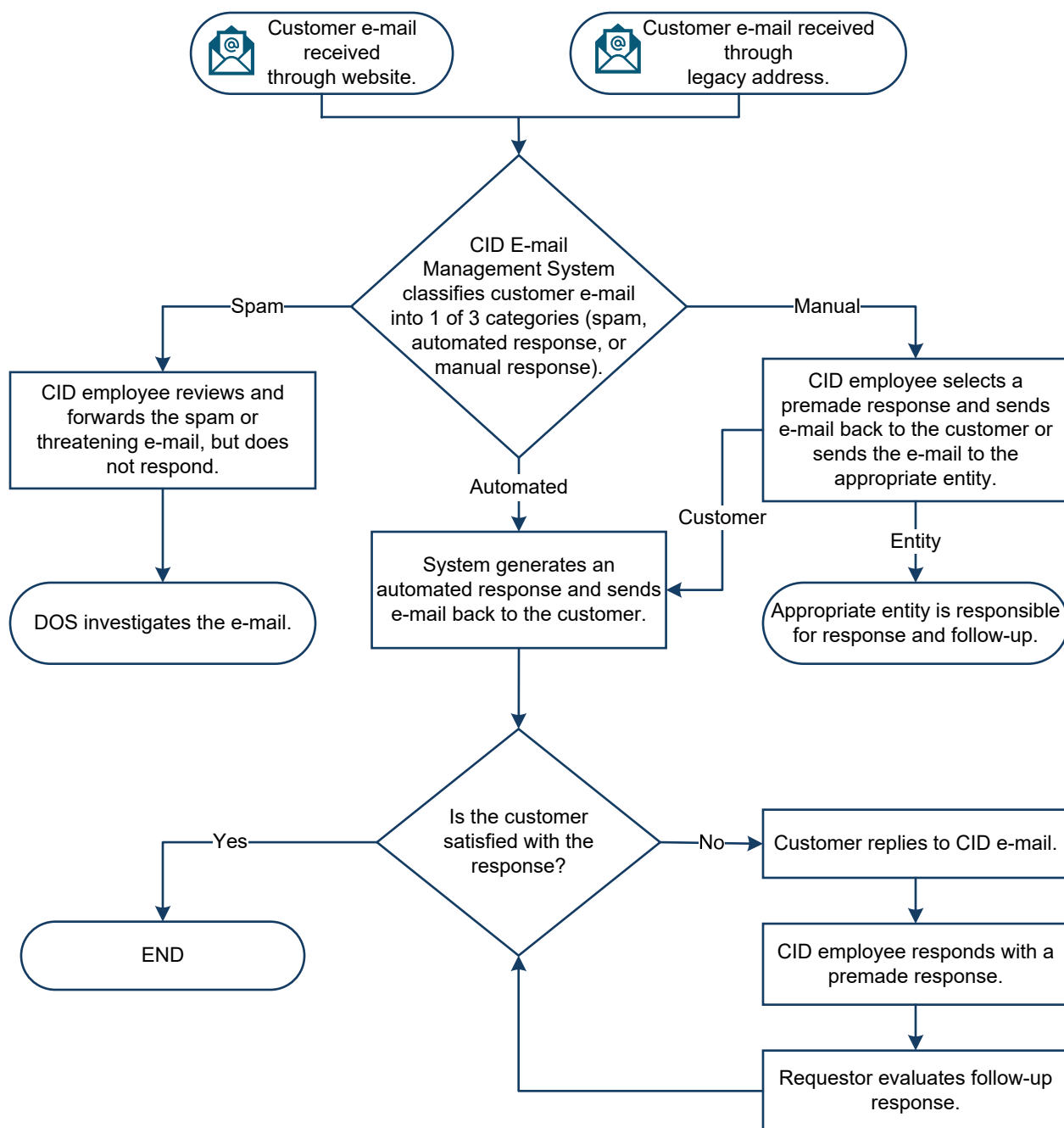
Overview of the IVR Call Center Process
As of May 28, 2025



Source: The OAG prepared this flow chart based on information provided by DOS.

SELECTED ACTIVITIES RELATED TO PROVIDING CUSTOMER SERVICE
Bureau of Quality and Customer Experience
Department of State

Flow Chart of the Customer E-mail Process
As of June 9, 2025



Source: The OAG prepared this flow chart based on information provided by DOS.

SELECTED ACTIVITIES RELATED TO PROVIDING CUSTOMER SERVICE
Bureau of Quality and Customer Experience
Department of State

Schedule of Telephone Call Statistics for DOS Call Center
From October 1, 2023 Through April 30, 2025

	Fiscal Year 2024				Fiscal Year 2025 Through April 30, 2025		
	October Through December	January Through March	April Through June	July Through September	October Through December	January Through March	April
Number of calls received	453,398	526,762	551,579	569,655	477,496	556,498	238,278
Number of calls handled by:							
IVR	267,300	304,005	314,799	318,437	275,562	315,177	139,064
Call center agents	169,129	193,507	200,027	210,790	183,245	198,480	75,238
Total	<u>436,429</u>	<u>497,512</u>	<u>514,826</u>	<u>529,227</u>	<u>458,807</u>	<u>513,657</u>	<u>214,302</u>
Handled call rate	96.3%	94.4%	93.3%	92.9%	96.1%	92.3%	89.9%
Abandoned calls:							
Less than 5 minutes	12,558	20,328	25,003	28,189	14,171	27,549	13,521
5 minutes or more	4,411	8,922	11,750	12,242	4,518	15,292	10,457
Total	<u>16,969</u>	<u>29,250</u>	<u>36,753</u>	<u>40,431</u>	<u>18,689</u>	<u>42,841</u>	<u>23,978</u>
Abandoned call rate	3.7%	5.6%	6.7%	7.1%	3.9%	7.7%	10.1%

Source: The OAG prepared this exhibit based on data extracted from NICE CXone.

SELECTED ACTIVITIES RELATED TO PROVIDING CUSTOMER SERVICE

Bureau of Quality and Customer Experience
Department of State

Schedule of Average Call Time by Category
October 1, 2024 Through April 30, 2025

Category	Average Length of Call Time in Minutes	
	Abandoned	Completed
Appointments	4.78	8.55
Business License	7.95	15.35
Driver's License	8.53	13.82
Driver Related Records	8.07	13.83
Enhanced ID	8.40	12.97
FAQs	6.62	12.33
IVR	16.52	1.87
MiLogin Access Issues	7.78	14.97
Vehicle Title	8.58	14.08
Vehicle Registration	8.82	13.83

Source: The OAG prepared this exhibit based on data extracted from NICE CXone.

SELECTED ACTIVITIES RELATED TO PROVIDING CUSTOMER SERVICE
 Bureau of Quality and Customer Experience
 Department of State

Information on Call Center Technology in Other States' Motor Vehicle Agencies
As of July 10, 2025

State	Facebook	X (formerly known as Twitter)	IVR Route Calls by Topic	YouTube	Instagram	Live SMS Text	AI Chatbot	Translation Services	LinkedIn	Live Agent Webchat
California	✓	✓	✓	✓	✓	✓	✓	✓	✓	
Connecticut	✓	✓	✓	✓					✓	
Delaware	✓	✓		✓	✓		✓	✓		✓
Florida	✓	✓		✓	✓		✓			
Georgia	✓	✓	✓		✓		✓			
Illinois	✓	✓	✓	✓	✓	✓				
Indiana	✓	✓	✓	✓	✓					
Kentucky	✓	✓	✓		✓		✓	✓		
Maine	✓	✓	✓	✓		✓				
Maryland	✓	✓	✓	✓	✓	✓	✓	✓		
Massachusetts			✓				✓			
Michigan	✓	✓	✓	✓	✓				✓	
Minnesota	✓	✓	✓	✓	✓	✓			✓	
New Hampshire	✓	✓	✓			✓				
New Jersey	✓	✓	✓	✓		✓		✓		
New York	✓	✓	✓	✓	✓		✓	✓		
North Carolina	✓	✓	✓	✓	✓	✓		✓		
Ohio	✓	✓	✓	✓	✓		✓			
Pennsylvania	✓	✓	✓	✓	✓	✓		✓		
Rhode Island	✓		✓				✓			
South Carolina	✓	✓				✓				
Tennessee	✓	✓	✓	✓	✓	✓	✓		✓	✓
Virginia	✓	✓	✓	✓	✓	✓			✓	
West Virginia	✓		✓			✓				
Wisconsin	✓	✓	✓	✓	✓	✓		✓	✓	

Source: Auditor prepared based on information from each state's website.

AGENCY DESCRIPTION

DOS's mission* is to engage the people of Michigan in the State's democracy, to deliver excellent customer service, and to strengthen government transparency and integrity.

In support of this mission, the Bureau's CID manages and operates the DOS public-facing call center and provides internal support to the branch offices. Also, the Bureau's Employee Engagement and Quality Division (EEQD) creates and updates the DOS customer e-mail submission website and works closely with CID call center agents to resolve complex customer issues.

Between October 1, 2023 and April 30, 2025, CID and EEQD expenditures totaled \$15.2 million, of which 99% represented payroll costs. As of May 2025, CID and EEQD had approximately 100 employees, which included approximately 65 call center agents.

* See glossary at end of report for definition.

AUDIT SCOPE, METHODOLOGY, AND OTHER INFORMATION

AUDIT SCOPE

To examine the records and processes of selected activities related to the Bureau's customer service operations, focusing on call center operations, customer communication methods, and safeguarding selected Bureau assets. We conducted this performance audit* in accordance with generally accepted government auditing standards. 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 objectives.

As part of the audit, we considered the five components of internal control* (control environment, risk assessment, control activities, information and communication, and monitoring activities) relative to the audit objectives and determined all components were significant.

PERIOD

Our audit procedures, which included a preliminary survey, audit fieldwork, report preparation, analysis of agency responses, and quality assurance, generally covered October 1, 2023 through April 30, 2025 with branch office site visits, customer e-mail reviews, and call log reviews occurring between March 27, 2025 and August 13, 2025.

METHODOLOGY

We conducted a preliminary survey to gain an understanding of the Bureau's operations and to establish our audit objectives, scope, and methodology. During our preliminary survey, we:

- Interviewed key Bureau management and employees to obtain an understanding of the Bureau's organizational structure, operations, responsibilities, and activities related to its customer service.
- Reviewed applicable *Michigan Compiled Laws*, DOS Employee Handbook, CID policies and procedures, and selected federal requirements.
- Analyzed CID and EEQD expenditures data from October 1, 2023 through April 30, 2025.
- Placed 20 calls to the DOS call center between June 24, 2025 and June 30, 2025 to determine the functionality of the IVR system and if we reached a call center agent.
- Randomly selected 10 business days from October 1, 2023 through April 30, 2025 and reviewed 20 daily LEIN

* See glossary at end of report for definition.

desk logs from a population of approximately 780 to determine LEIN desk activities.

- Reviewed applicable sections of DOS's biennial internal control evaluation report for the period ended September 30, 2024.

OBJECTIVE 1

To assess the sufficiency of the Bureau's efforts to provide efficient and convenient customer service.

To accomplish this objective, we:

- Reviewed the annual nondisclosure agreements from July 1, 2024 through July 15, 2025 for a random sample of 10 of 62 call center agents employed as of April 30, 2025.
- Reviewed 100 random call recordings from a population of approximately 77,700 calls placed to the DOS call center on 36 random dates between March 24, 2025 and July 18, 2025. We randomly selected 36 business days and then randomly selected between 1 and 4 calls for each date. We performed tests to determine if the call center agents properly identified the caller's identity and provided quality customer service.
- Conducted research to identify call center industry performance metrics and selected benchmarks to measure performance outcomes to established call center standards.
- Reviewed weekly Bureau performance reports for an understanding of the metrics used to assist in making management decisions related to balancing staffing levels with self-service options.
- Analyzed DOS call center data from October 1, 2023 through April 30, 2025 (see Exhibits 3 and 4).
- Compared use of call center technology at the Bureau with the use of call center technology at 24 other states' motor vehicle agencies (see Exhibit 5).
- Conducted research on the impact of reduced call wait time from leveraging call center technology such as chatbots, virtual assistants, SMS texting technology, etc. and compared this with the Department of State Information Center's current use of technology and efforts to update its technology for efficiencies (see Observation 1).
- Reviewed 100 random customer e-mails from a population of approximately 191,000 e-mails submitted through the DOS website between October 1, 2023 and August 13,

2025. Customers received an auto-generated response from the help desk application without manual intervention for 50 e-mails. We reviewed the remaining 50 e-mails requiring manual intervention to determine if the Bureau accurately and timely responded to the e-mails.

- Conducted on-site visits at 8 of 131 branch offices to obtain an understanding of the branch office employees' experience and satisfaction with the customer service provided by the Bureau. We judgmentally selected the branch offices based on geographic location. Therefore, we could not project our results to the entire population.
- Reviewed training records for a judgmental sample of 2 of 7 call center agents hired between October 1, 2023 and April 30, 2025 to determine if the Bureau provided adequate training.
- Reviewed all eight Bureau staff with LEIN access as of July 1, 2025 to determine whether the staff received proper training, certification, and recertification, if applicable.
- Compared the Bureau's methods to collect customer feedback after a call with industry best practices.
- Reviewed the IVR system menu paths for system accuracy and functionality (broken menu options, outdated information, technical issues).

Our random samples were selected to eliminate bias and enable us to project the results to the respective populations.

OBJECTIVE 2

To assess the effectiveness of the Bureau's efforts to properly safeguard assets.

To accomplish this objective, we:

- Conducted on-site visits at 8 of 131 branch offices between July 14, 2025 and July 15, 2025 to obtain an understanding of the quarterly credit card terminal audit process and review the completeness and accuracy of the Bureau master equipment list. We judgmentally selected the branch offices based on geographic location. Therefore, we could not project our results to the entire population.
- Reviewed 137 quarterly inspection forms completed at 20 of 131 randomly selected branch offices between October 2023 and April 2025 to determine if the Bureau monitored the branch offices' compliance with the credit card terminal inspection requirements.

- Tested 1 randomly selected point-of-sale credit card terminal from a population of 18 terminals, as of June 13, 2025, stored at the Bureau's central inventory warehouse to verify security access related to authorization restrictions, transaction processing, and personally identifiable information data.

Our random samples were selected to eliminate bias and enable us to project the results to the respective populations, except where noted.

CONCLUSIONS

We base our conclusions on our audit efforts and any resulting material conditions* or reportable conditions.

When selecting activities or programs for audit, we direct our efforts based on risk and opportunities to improve State government operations. Consequently, we prepare our performance audit reports on an exception basis.

AGENCY RESPONSES

Our audit report contains 4 findings and 4 corresponding recommendations. DOS's preliminary response indicates it agrees with 3 of the recommendations and partially agrees with 1 recommendation.

The agency preliminary response following each recommendation in our report was taken from the agency's written comments and oral discussion at the end of our fieldwork. Section 18.1462 of the *Michigan Compiled Laws* requires an audited agency to develop a plan to comply with the recommendations and submit it to SBO upon audit completion. The State of Michigan Financial Management Guide (Part VII, Chapter 3, Section 100) requires the audited agency to develop the plan as early as practicable and within 60 days after report issuance and submit the plan to OIAS, SBO. Within 30 days of receipt, OIAS will either accept the plan as final or contact the agency to take additional steps to finalize the plan.

SUPPLEMENTAL INFORMATION

Our audit report includes supplemental information presented as Exhibits 1 through 5. Our audit was not directed toward expressing a conclusion on the information in Exhibits 1 through 4. The information presented in Exhibit 5 was used to provide context for Observation 1.

* See glossary at end of report for definition.

GLOSSARY OF ABBREVIATIONS AND TERMS

AI	artificial intelligence.
ASA	average speed of answer.
ASR	automated speech recognition.
auditor's comments to agency preliminary response	Comments the OAG includes in an audit report to comply with <i>Government Auditing Standards</i> . Auditors are required to evaluate the validity of the audited entity's response when it is inconsistent or in conflict with the findings, conclusions, or recommendations. If the auditors disagree with the response, they should explain in the report their reasons for disagreement.
BOD	Branch Operations Division.
CID	Customer Information Division.
ComBoxes	communication boxes.
DOS	Department of State, also referred to as MDOS.
DPPA	Driver's Privacy Protection Act.
DSIC	Department of State Information Center.
DTMB	Department of Technology, Management, and Budget.
EEQD	Employee Engagement and Quality Division.
effectiveness	Success in achieving mission and goals.
efficiency	Achieving the most outputs and the most outcomes practical with the minimum amount of resources.
FAQs	frequently asked questions.

FMG	State of Michigan Financial Management Guide.
FSTU	Field Support Technology Unit.
internal control	The plan, policies, methods, and procedures adopted by management to meet its mission, strategic plan, goals, and objectives. Internal control includes the processes for planning, organizing, directing, and controlling program operations. It also includes the systems for measuring, reporting, and monitoring program performance. Internal control serves as a defense in safeguarding assets and in preventing and detecting errors; fraud; violations of laws, regulations, and provisions of contracts and grant agreements; or abuse.
IT	information technology.
IVR	interactive voice response.
LEIN	Law Enforcement Information Network.
material condition	A matter, in the auditor's judgment, which is more severe than a reportable condition and could impair the ability of management to operate a program in an effective and efficient manner and/or could adversely affect the judgment of an interested person concerning the effectiveness and efficiency of the program. Our assessment of materiality is in relation to the respective audit objective.
mission	The main purpose of a program or an entity or the reason the program or the entity was established.
NICE CXone	A cloud-based platform consisting of a suite of call center and customer experience (CX) software. CXone is used to streamline the routing of calls and host data (call recordings contact history, etc.). Also, CXone offers tools for analytics and reporting.
NLP	natural language processing.
observation	A commentary highlighting certain details or events which may be of interest to users of the report. An observation may not include all of the attributes (condition, effect, criteria, cause, and recommendation) presented in an audit finding.

OIAS	Office of Internal Audit Services.
PCI	payment card industry.
performance audit	An audit which provides findings or conclusions based on an evaluation of sufficient, appropriate evidence against criteria. Performance audits provide objective analysis to assist management and those charged with governance and oversight in using the information to improve program performance and operations, reduce costs, facilitate decision-making by parties with responsibility to oversee or initiate corrective action, and contribute to public accountability.
reportable condition	A matter, in the auditor's judgment, less severe than a material condition and falls within any of the following categories: a deficiency in internal control; noncompliance with provisions of laws, regulations, contracts, or grant agreements; opportunities to improve programs and operations; or fraud.
SBO	State Budget Office.
skimming	When devices are illegally installed on or inside point-of-sale terminals, in order to capture card data and record cardholders' personal identification number (PIN) entries.
SMS	short message services.
Treasury	Michigan Department of Treasury.
VIN	vehicle identification number.
XM	experience management.



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