

# ARGYLL & BUTE COUNCIL

## Internal Audit Section

### INTERNAL AUDIT REPORT

CUSTOMER DEPARTMENT	CUSTOMER SERVICES
AUDIT DESCRIPTION	RISK BASED AUDIT
AUDIT TITLE	REVIEW OF CUSTOMER SERVICE CENTRE
AUDIT DATE	NOVEMBER 2014

2014/2015



## 1. BACKGROUND

This report has been prepared as a result of the Internal Audit review of the Customer Service Centre (CSC) within Customer Services as part of the 2014/15 Internal Audit programme. The CSC promotes good customer service throughout the Council but is not responsible for Departmental responses to service requests and queries.

Poor customer service can have detrimental effect on the Council's reputation. While excellent customer service will enhance the Council's standing, providing a platform for growth and development.

Good customer service can also reduce costs by minimising the time needed for handling customer complaints and re-work. This is likely to result in increased customer satisfaction.

In 2010 the council launched its [Customer Service Charter](#) as part of a programme of activities aimed at further improving customer service standards across the Council. The Charter informs customers of the standards of response they can expect from Council employees. Its pledges were designed following consultation with the Citizens' Panel as part of the Process for Change efficiency initiative. The Charter is currently under review and will be updated in the near future.

The outcomes of the 5<sup>th</sup> annual mystery shopping exercise undertaken in the summer of 2014 that focused on customer contacts to the Customer Service Centre and Services have been issued to the Customer Service Board (CSB). Actions resulting from this exercise have been reported to the board and are in the process of being cascaded across the council. The headline results are shown below:

Department	Telephone	Email	Letters	Face To Face
Customer Services	85% (76)	89% (83)	94% (79)	88% (88)
D&I	88% (62)	66% (84)	13% (88)	83% (81)
Community Services	86% (51)	79% (76)	61% (73)	91% (87)
CSC	87% (90)	82% (66)	N/A	92% (92)
<b>Council Score</b>	<b>86% (84)</b>	<b>78% (73)</b>	<b>52% (59)</b>	<b>88% (90)</b>

## **2. AUDIT SCOPE AND OBJECTIVES**

The scope and objectives of the audit are limited to:

- Review performance and compliance against the Customer Charter.
- Review communication protocols and follow up between CSC and departments.
- Review the Service Level Agreement process.

The audit will be conducted by reviewing current practice against policy documentation including walk-through testing of control systems and procedures.

The officers and service which will be involved in this audit and main contacts will be:

- Judy Orr – Head of Department;
- Mhairi Renton, Customer Service Centre Manager; and
- Bob Miller, Development and Support Manager.

## **3. RISKS CONSIDERED**

- Operational Risk Register (ORR): Customers can access Council services more easily and these services are of better quality.
- Failure to meet customer promises within the charter.
- Failure to manage customer expectations.

#### 4. AUDIT OPINION

The level of assurance given for this report is Substantial.

Level of Assurance	Reason for the level of Assurance given
<b>High</b>	Internal Control, Governance and the Management of Risk are at a high standard with only marginal elements of residual risk, which are either being accepted or dealt with.
<b>Substantial</b>	Internal Control, Governance and the Management of Risk have displayed a mixture of little residual risk, but other elements of residual risk that are slightly above an acceptable level and need to be addressed within a reasonable timescale.
<b>Limited</b>	Internal Control, Governance and the Management of Risk are displaying a general trend of unacceptable residual risk and weaknesses must be addressed within a reasonable timescale, with management allocating appropriate resource to the issues.
<b>Very Limited</b>	Internal Control, Governance and the Management of Risk are displaying key weaknesses and extensive residual risk above an acceptable level which must be addressed urgently, with management allocating appropriate resource to the issues.

This framework for internal audit ratings has been developed and agreed with Council management for prioritising internal audit findings according to their relative significance depending on their impact to the process. The individual internal audit findings contained in this report have been discussed and rated with management.

A system of grading audit findings, which have resulted in an action, has been adopted in order that the significance of the findings can be ascertained. Each finding is classified as High, Medium or Low. The definitions of each classification are set out below:-

<p><b>High</b> - major observations on high level controls and other important internal controls. Significant matters relating to factors critical to the success of the objectives of the system. The weakness may therefore give rise to loss or error;</p> <p><b>Medium</b> - observations on less important internal controls, improvements to the efficiency and effectiveness of controls which will assist in meeting the objectives of the system and items which could be significant in the future. The weakness is not necessarily great, but the risk of error would be significantly reduced if it were rectified;</p> <p><b>Low</b> - minor recommendations to improve the efficiency and effectiveness of controls, one-off items subsequently corrected. The weakness does not appear to affect the ability of the system to meet its objectives in any significant way.</p>
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## 5. FINDINGS

The following findings were generated by the audit:

### REVIEW OF COUNCIL PERFORMANCE AND COMPLIANCE AGAINST THE CUSTOMER CHARTER

- Performance measures are in place and reported via a customer services scorecard.
- Collation and preparation processes relating to performance measures were reviewed with supporting information and data found to be accurate.
- An error was identified within the Pyramid Performance system where an anomaly was found regarding the rollup of information against an incorrect higher level target this led to the misreporting of a red traffic light.
- Two of the indicators within the Customer Charter scorecard were consistently performing higher than the target set.
- Compliance with the Charter Standards is tested by Mystery shopping exercises. Mystery shopping exercises supply data for all Council services, the data are easily tracked and the latest exercise was analysed to ensure accuracy.
- Telephone performance is measured by the Phonex call logging system that provides accurate management information for individual service areas.
- Performance is reported quarterly to CSB and Strategic Management Team (SMT), the reports accurately reflect the data collected.
- The mystery shopping exercises are based on the framework for Customer Service Benchmarking from which reports are produced covering the whole of the UK. Argyll and Bute Council carries out an exercise to identify comparable Scottish Local Authorities with whom to benchmark. The results of the exercise are reported to the CSB and SMT however there was no corporate cascade article of the 2013 results highlighting areas of excellence or areas for improvement.

## REVIEW OF COMMUNICATION PROTOCOLS AND FOLLOW UP BETWEEN CSC AND DEPARTMENTS

Two services were tested:

- It was evidenced that effective communication protocols and follow up procedures are in place between CSC and Roads and Amenity Services. Staff within the service have access to the Lagan system (CSC system) to pick up tasks recorded by staff at the CSC via the golden number for Roads and Amenity Services requests and queries. The system is updated to reflect status or completion of the allocated task.
- Enquiries received by the CSC for Council Tax queries in relation to incorrect addresses are currently being transferred to the Corporate Address Gazetteer (CAG) team. The CAG team are not included within the Service Level Agreement for Planning and Regulatory Services; therefore, there are no communication protocols or follow-up procedures in place between CSC and CAG.

Communication protocols:

- It was evidenced that actions identified as a result of the mystery shopping exercise are followed up. The follow up actions are submitted to SMT and once agreed these are taken forward as follow:
  - Department specific actions are allocated to appropriate management.
  - General improvement advice is cascaded through DMT's and Customer Service Board members to relevant Council employees.
- A standard guide for e-mail composition and letter writing both internal and external is not readily available.
- The guidance regarding employees email signatures is contained within IT guidance on how to set your signature, however it does not require inclusion of the Service or Department, but this is an element scored within mystery shopping exercise.
- Not all employees in Council departments are using their automatic signature settings for both sending and replying to e-mails. The CSC staff use a generic signature which excludes their name as agreed.

## **SERVICE LEVEL AGREEMENTS (SLAS)**

- There is no corporate approach to the format of Internal SLA's. Those pertaining to the Customer Service Centre showed minor variations in the content however, this is necessary to distinguish between the differing demands from Services.
- A review process is in place in respect of Service Level Agreements. Minutes of Quarterly meetings were reviewed and found to cover relevant areas with actions assigned to staff members.

## **6. CONCLUSION**

This audit has provided a substantial level of assurance. There were a number of recommendations for improvement identified as part of the audit and these are set out in Appendix 1 and 2. There were 3 medium recommendations set out in Appendix 1 which will be reported to the Audit Committee. There are 4 low recommendations which are not reported to the Audit Committee. Appendices 1 sets out the action management have agreed to take as a result of the recommendations, the persons responsible for the action and the target date for completion of the action. Progress with implementation of actions will be monitored by Internal Audit and reported to management and the Audit Committee.

Thanks are due to the Customer Service Centre staff and management for their co-operation and assistance during the Audit and the preparation of the report and action plan.

## APPENDIX 1

## ACTION PLAN

Findings	Risk Impact	Rating	Agreed Action	Responsible person agreed implementation date
<b>1. Follow up</b>		<b>High/ Medium or Low</b>		
Council Tax queries in relation to incorrect addresses are currently being transferred to the Corporate Address Gazetteer (CAG) team.	Customers may not receive the information or actions they are requesting.	Medium	<b>Queries will be forwarded to Council Tax Team by email to ensure that they can be tracked.</b>	<b>Customer Services Centre Manager 31 December 2014</b>
<b>2. Follow-up</b>				
Council Tax queries in relation to incorrect addresses are currently being transferred to the Corporate Address Gazetteer (CAG) team.	Customers may not receive the information or actions they are requesting.	Medium	<b>Staff will be issued guidelines on treatment of Council Tax address queries</b>	<b>Revenues and Benefits Manager 31 March 2015</b>
<b>3. Automatic e-mail signatures</b>				<b>High/ Medium or Low</b>
The guidance regarding employees email signatures does not require inclusion of the Service or Department.	Scores may not improve in this area if guidance does not include all areas scored.	Medium	<b>Guidance within IT guide “How to set your signature” will be updated to include Service/Department/Team. Also to be included in the Communication teams guide.</b>	<b>Development and Support Manager and Communications Manager 31 March 2015</b>



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