

## INTERNAL AUDIT REPORT

**FROM:** Audit and Risk Manager

**TO:** Head of Neighbourhood  
Services

**C.C.** Chief Executive  
Head of Finance  
Policy & Performance Officer

**SUBJECT:** Customer Access Facilities

**DATE:** 30 September 2015

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### **1 Introduction**

1.1 In accordance with the Audit Plan for 2015/16, an examination of the above subject area has been undertaken and this report presents the findings and conclusions drawn from the audit for information and action where appropriate. This topic was last audited in March 2012.

1.2 Wherever possible, findings have been discussed with the staff involved in the procedures examined and their views are incorporated, where appropriate, into the report. My thanks are extended to all concerned for the help and cooperation received during the audit.

### **2 Background**

2.1 The Customer Service Centre (CSC) is currently located at Shire Hall, with a shared service being operated by Warwickshire County Council. However, it is proposed that the service, in a form yet to be finalised, will return to the council as the current, joined-up, service is no longer sustainable. This proposal is due to be put to the Executive on 30 September 2015 for a decision to be made.

2.2 Management of the service used to fall under the remit of the Head of Corporate & Community Services. However, following the abolishment of that department, it now comes under Neighbourhood Services.

### **3 Scope and Objectives of the Audit**

3.1 The audit was undertaken to test the management and financial controls in place, as at the time of the audit, before the final decision as to whether to terminate the shared arrangement has been taken.

3.2 As a review of the future of the CSC was imminent at the commencement of the audit, the scope was limited to this 'contact channel', with the other facilities, i.e. the One Stop Shops and the council's website, not being reviewed as part of this audit, although some aspects which were common to other services were touched upon where appropriate.

3.3 In terms of scope, the audit covered the following areas:

- Staffing, training and resource allocation
- Performance monitoring
- Financial planning and monitoring.

3.4 The audit programme identified the expected controls. The control objectives examined were:

- Sufficient, trained, staff are available to deal with 'service requests'
- The CSC are able to deal with new or amended services when they 'go live'
- Staff performance is monitored to ensure that customers receive the best service
- Customers can access the services at the first attempt
- Budget variances are limited as the budgets are set appropriately in line with known areas of income and expenditure
- The council is aware of any potential budget variances
- Payments are valid and accurate and processed in accordance with the agreed terms and conditions
- The costs of these services are appropriately recharged to service areas.

## **4 Findings**

### **4.1 Staffing, Training & Resource Allocation**

- 4.1.1 The Customer Service Manager – Telephones North (CSM) from Warwickshire County Council (WCC) advised that a workforce management system (QMax) is in place alongside the new telephony system (CTalk), which has been in place for approximately 18 months.
- 4.1.2 There is a facility for call data to be extracted from CTalk into QMax that will allow for historical data, relating to call volumes by service, to be matched to the skill sets of the CSC Advisers to help resource planning for anticipated maximum call volume flows and demands. However, this functionality has not been utilised to date, pending the implementation of the upgrade to QMax.
- 4.1.3 Instead, the CSM highlighted that the experience of the Resource Coordinator is used to match the available staff to the shifts, taking into account the fairly stable call volumes. He advised that each shift should have sufficient numbers of staff trained in each service to deal with these anticipated call volumes plus one person skilled in all services to keep the lines open.
- 4.1.4 Where specific events are known to be coming up (e.g. Council Tax bills or summonses are being issued), the Team Leaders will talk to their service leads to get an idea of how much of an issue this is expected to create and this will be fed into the planning.
- 4.1.5 The CSM advised that, in the majority of instances, new staff are trained in three main (WCC) services first, namely highways, libraries and registrars. This is because they are short training courses, they take up a lot of the call volume and the calls are generally short in duration.

- 4.1.6 Training will subsequently be given in the other, more complex, services, such as housing and revenues services. These are considered more difficult as they are not embedded services on the Customer Relationship Management (CRM) system (Firmstep).
- 4.1.7 However, in some circumstances (e.g. the loss of a number of experienced Advisers), training may be given in these services first, to ensure that the right skill mix is available within the teams. It may also depend on the 'recruitment window' (e.g. if the new staff start in time for known peaks for certain services). Training is, however, limited as there are only two trainers to cover all staff.
- 4.1.8 The training needs in relation to each service are recorded on the skills matrix that is maintained. This was seen during the audit.
- 4.1.9 The CSM highlighted that there are no set training plans as such, but weekly training group meetings are held at which point the training needs of individual staff members will be discussed, along with details of training sessions that are planned. Sample details were provided to confirm that these discussions were being held.
- 4.1.10 As well as the needs of the service, the capacity of each staff member, in terms of their ability to take on more services, will also be taken into account when training is being considered.
- 4.1.11 He also highlighted that the system for allocating the calls is fairly straightforward in that the system will allocate the call to the Adviser who has the relevant skill set recorded and has been in the 'Ready' state the longest.
- 4.1.12 Each Team Leader has specific service responsibility, with a balance between district and county services. The Team Leaders will correspond with the relevant service managers, with quarterly meetings being held to identify if there are any planned changes in relation to the service or forthcoming events that may affect the calls being taken. Following these meetings, briefing notes will be prepared and distributed to staff and sample details were provided as evidence.
- 4.1.13 General management meetings were also being held between WCC staff (including the CSM) and the WDC Policy & Performance Officer (PPO) to provide any updates around the general running of the CSC.
- 4.1.14 The PPO raised some general concerns regarding the timeliness of the council informing the CSC of planned events and also the performance of certain sections within the council that lead to customers having to make repeated calls, which has an obvious knock-on effect in the amount of resources required and performance levels.

## **4.2 Performance Monitoring**

- 4.2.1 The performance of individual staff members is monitored by listening to samples of the calls that they have taken. Team Leaders will make judgement calls on who to focus on, which could be as a result of the

Adviser being a new member of staff, someone new to their team or if issues have been flagged.

- 4.2.2 When the calls are listened to, call coaching forms are completed and the calls are scored. Where the call quality level is lower than expected it will be flagged and refresher training would subsequently be provided.
- 4.2.3 Documentation relating to a specific staff member was provided as an example of this, with sample call monitoring forms along with one-to-one performance reviews and development plans being provided to evidence the additional training that had been provided.
- 4.2.4 The CSM also highlighted that the Team Leaders have weekly team meetings and suggested that the Adviser quality monitoring would be raised fairly frequently. An extract from meeting minutes was provided to evidence that the training needs of the individual had been covered as part of meetings held.
- 4.2.5 As part of the discussions during Team Leader meetings, feedback may be provided to ascertain whether any common themes were emerging which may indicate that something had been missed from the training.
- 4.2.6 In terms of overall monitoring of the service, monthly reports are produced from the system, detailing summary figures down into calls relating to the different services as well as total figures.
- 4.2.7 The main performance indicators used are the grade of service and the number of abandoned calls. The grade of service is shown as the percentage of calls that are answered within the target time (20 seconds). The sample report provided covering April and May 2015 showed that this was only just above 50%.
- 4.2.8 The CSM highlighted that this was a known issue and that the main focus for the current year was the abandoned call rate. This stood at over 13% for the first two months.
- 4.2.9 Whilst this level of performance is considered unacceptable, there is no service level agreement in place between the two councils which sets out the expected performance levels or any actions that can be taken as a result of this.
- 4.2.10 If the service was to continue in its current form, then this would lead to a recommendation. However, there may still be a need for a service level agreement to be drawn up in relation to any continuing services (e.g. if any of the systems are to be shared etc.).

### **4.3 Financial Planning & Monitoring**

- 4.3.1 The PPO advised that he had not been involved in the setting of the budget for the current financial year. Neighbourhood Services only took over responsibility for the service in September 2014 and the budget had been pretty much left to roll over, as nobody had taken responsibility for it for a while.

- 4.3.2 He highlighted that, as part of the review of the service this year, he has found a couple of budget lines that are too high, specifically around some of the IT charges, and that these will be taken into account going forward.
- 4.3.3 The PPO advised that he has monthly meetings with the Assistant Accountant to go through the budget position. These cover all of the relevant budgets and not just the CSC and he produces reports from TOTAL to show all of the relevant budgets. A sample copy was provided.
- 4.3.4 For the main CSC budget, the only material non-staff budget is for computer equipment costs. This is used for WDC's share of the CTalk and Firmstep costs which are initially paid by the council on behalf of all of the relevant authorities.
- 4.3.5 The Assistant Accountant processes the recharges in respect of these systems, based on actual invoices, on a quarterly basis and she provided spreadsheets that set out how these recharges are calculated. These are provided by the Warwickshire Direct Partnership Manager (WDPM) who calculates the apportionment of the bills.
- 4.3.6 However, it was noted that the figures on the apportionment spreadsheet for CTalk did not tie in with the corresponding figures on the invoicing schedule sheet.
- 4.3.7 The figures were queried with the WDPM who confirmed that an error had been made. A new spreadsheet was subsequently provided with the correct figures included, along with an updated invoicing schedule that includes an adjustment line to correct the error when the next recharges are processed.
- 4.3.8 It was also confirmed that the council is not currently paying anything towards the call charges invoices as they were encompassed in the single CSC charge, although this was not reflected in discussions with the PPO and the CSM (see below), which suggested that the CSC charge to the council was only in respect of staff costs.
- 4.3.9 Upon review of the cost centre used for the initial system payments it was noted that commitments have been raised for the annual costs of the two systems. However, it was noted that orders had also been raised for one month's costs before the annual orders were raised, so the budget is overcommitted by £26,500.

## **Risk**

**Budget monitoring may not be accurate.**

## **Recommendation**

**The annual orders for CTalk and Firmstep should be amended to reduce the outstanding commitment.**

- 4.3.10 Actual costs are below the amounts included on the order, so a saving may be realised on the council's share of these costs compared to the budgeted figures.

- 4.3.11 Payments in respect of the CSC are made in relation to staff costs, for the equivalent of ten staff employed by WCC as opposed to the staff that the council still directly employs.
- 4.3.12 Payments have previously been made on an annual basis and an invoice for 2014/15 was found to be in place. The PPO advised that the payments were to be made on a quarterly basis going forward, although no payment had been made for the current financial year at the time of audit testing.
- 4.3.13 Payments to CTalk and Firmstep are made on a monthly basis, and invoices were found to be in place. The invoices sampled had all been appropriately signed by the PPO who is an authorised signatory.
- 4.3.14 As previously highlighted, call statistics are recorded on the system at the CSC and these are made available to the council for recharge purposes. These statistics included the number of calls recorded against each service along with the average duration of these calls, to allow for weighting to be applied. Some calls had not been directly attributed to individual services, so these were further apportioned across the codes.
- 4.3.15 The total cost for each relevant cost centre was then calculated, based on the nominal budget figure. The figures provided by the Assistant Accountant were checked against the figures allocated to each code as per the TOTAL ledger system. This highlighted discrepancies against each cost centre.
- 4.3.16 The Assistant Accountant explained that this would have been due to the apportionment of the actual costs, and advised that the figures would have been entered into a template maintained by the Strategic Finance Manager, with some rounding then taking place.

## **5 Summary & Conclusion**

- 5.1 Following our review, we are able to give a MODERATE degree of assurance that the systems and controls in place in respect of the operation of the Customer Service Centre are appropriate and are working effectively.
- 5.2 A number of issues were identified during the course of the audit:
- No service level agreement between the council and WCC regarding the running of the CSC had been in place
  - General performance levels were below the targets set
  - Costs relating to the CTalk system had not been correctly apportioned
  - Orders had been incorrectly raised in relation to the IT systems.
- 5.3 Only one recommendation is included in the report, as some of the other issues were rectified when they were highlighted during the course of the audit, and others may not be relevant going forward due to the possible termination of the shared service. However, these issues need to be noted as some may be relevant regardless of the form that the service takes in the future.

## **6 Management Action**

- 6.1 The recommendation arising above is reproduced in the Action Plan for management attention.

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