

INTERNAL AUDIT REPORT

FROM: Audit and Risk Manager **SUBJECT:** Customer Access Facilities
TO: Head of Finance **DATE:** 12 July 2018
Benefits and Fraud Manager
C.C. Chief Executive
Deputy Chief Executive (AJ)
Portfolio Holder – Cllr Whiting

1 Introduction

- 1.1 In accordance with the Audit Plan for 2018/19, an examination of the above subject area has been completed recently and this report is intended to present the findings and conclusions for information and action where appropriate.
- 1.2 Wherever possible, results obtained have been discussed with the staff involved in the various procedures examined and their views are incorporated, where appropriate, in any recommendations made. My thanks are extended to all concerned for the help and co-operation received during the audit.

2 Background

- 2.1 There is clearly a much-changed landscape in the field of customer access since previous audit coverage. The last audit in 2015 was focused principally on the Customer Services Centre when proposals were already in hand to repatriate customer telephony access back under direct Warwick District Council management (subsequently approved by the Executive and implemented in 2016).
- 2.2 Prior to that, the most recent audit had been in 2012 before the 'digital by default' principles introduced under the Government Digital Strategy were making themselves felt. At that time, a draft Channel Strategy had been formulated pending approval and was based on a series of principles that included some emphasis on continuing face-to-face services.
- 2.3 This emphasis was being re-thought alongside the Customer Services Centre question with the adoption in 2015 of ICT and Digital Strategy and initiation of a review of the One-Stop Shops. The latter has only recently, at the time of this report, started to bear fruit with some scaling down of Warwick District's resource contribution to the One-Stop Shops having been approved.
- 2.4 The ICT and Digital Strategy 2015-2019 was the culmination of a process to update the former ICT Strategy while subsuming elements of customer access.

- 2.5 While it has been indicated that this Strategy was intended to subsume the provisions of the Channel Strategy, it is not entirely clear whether the latter is now a 'dead document' especially since it is still published on the Council's website at the time of this report. That said, the two are evidently at odds with each other on the future form of face-to-face services. As the One-Stop Shops review progressed, a set of key principles were formally established, one of which was for removal of face-to-face services where they are not providing value for money (to be replaced by digital access).
- 2.6 The audit was scoped on a similar review structure to that of the 2012 audit, while taking account of the changed strategic and operational environments as applicable.

3 Scope and Objectives of the Audit

- 3.1 The audit examination was undertaken for the purpose of reporting a level of assurance on the adequacy of management systems in developing and operating facilities for customer interaction with the Council economically, efficiently and effectively to meet relevant priority objectives.
- 3.2 The examination to the form of an evidential risk-based examination of management systems governing customer access channels focusing on the following themes:
- strategies and policies
 - roles and responsibilities
 - processes and procedures
 - monitoring and review.
- 3.3 On day-to-day operational aspects, the examination focused principally on telephone and face-to-face access channels, with overview coverage of the Council's website management.
- 3.4 The examination also considered post-implementation review and benefits realisation aspects arising from:
- the project to repatriate telephone contact services from the joint Customer Services Centre back to the Council;
 - the recent review of the One-Stop Shops.
- 3.5 While aspects of the ICT and Digital Strategy that influence customer access have been considered, review of the Strategy itself was not within the scope of the audit. This would normally be covered under planned audits of IS/IT strategy (the most recent of which was in 2016).
- 3.6 The audit was carried out primarily through examination of relevant documentation and records supplemented by brief consultation with relevant staff. While the principal contact was Andrea Wyatt, Benefits and Fraud Manager, other consultees included:
- Graham Folkes-Skinner, Policy and Performance Officer
 - Ruth Jones, Team Leader (One-Stop Shops)
 - Scott Hobday, Team Leader (Customer Advice).

4 Findings

4.1 Recommendations from previous report

- 4.1.1 The recommendations from the 2012 and 2015 reports have been substantially (if not completely) overtaken by events. The only recommendation that still has any relevance relates to the formalisation of governance arrangements in respect of the Warwickshire Direct partnership raised in 2012.
- 4.1.2 This is discussed further under Section 6 (Roles and Responsibilities) below.

5 Strategies and Policies

- 5.1 The ICT and Digital Strategy 2015-2019 was approved by the Executive in December 2015, setting the stage for the Digital Transformation agenda. Of the five strategic themes (defined as 'workstreams'), the first in order presented ('Digital Customer') is of most relevance to the audit examination.
- 5.2 A key premise of the Strategy is a watershed having been reached where face-to-face and telephony are supplanted going forward by web/digital services as customers' preferred channels. The Strategy's aims and objectives send a clear signal that a scaling down of face-to-face and telephony services over time is the order of the day. The principles behind the One-Stop Shop review, along with recent outcomes, serve to reinforce that view.
- 5.3 Following examination of the review history of the Channel Strategy since its adoption in 2012, it was decided to disregard this document for the purpose of the audit.

6 Roles and Responsibilities

- 6.1 The governance arrangements for delivering the ICT & Digital Strategy involve Senior Management Team as 'designated owner' and the ICT Steering Group in its familiar role of approving and overseeing relevant proposals/projects in alignment with the relevant IS/IT strategy and underlying principles.
- 6.2 The Strategy is being delivered via a Digital Programme of Works consisting of projects initiated on approval by the ICT Steering Group and re-launched annually with Executive ratification.
- 6.3 The role of the Warwickshire Direct Partnership, at least from the Warwick District perspective, is a somewhat diminished one as a result of the withdrawal from the joint Customer Services Centre.
- 6.4 An absence of formal governance arrangements for delivery of the Partnership services was raised in the 2012 audit, and also in an internal audit by Warwickshire County Council on the One-Stop Shops around that time. While it was advised at the time that a Memorandum of Understanding and a Service Level Agreement were being drafted, they were clearly never formally adopted and no recorded follow-up is in evidence since 2013.

- 6.5 It is thought that the matter was left to languish following the departure of the former Head of Corporate and Community Services and subsequent reorganisations.
- 6.6 In reconsidering the 2012 recommendation on a risk basis in the light of the changed landscape, it has been determined that reinstatement of the recommendation would not be justified.
- 6.7 From review of financial data, the nature and scale of the Council's resource contributions to the One-Stop Shops show little change since the 2012 audit, although it is noted that:
- the overall management of face-to-face customer access was transferred from Neighbourhood Services to Finance from April 2018, bringing it structurally into line with the central telephone call-handling services under the Benefits and Fraud Manager.
 - recently approved reductions in One-Stop Shops staffing are due to be implemented by the end of June 2018.
- 6.8 The staffing arrangements for call-handling post-CSC repatriation were approved by the Employment Committee in 2015 and the actual arrangements now in place show as duly consistent with the approved structure. These arrangements were not intended to be based around a dedicated call centre in the usually-accepted sense, but to combine cover for calls to the switchboard with direct processing of respective service enquiries within individual staff duties. Initially this combination only applied to the Customer Advice Team (Finance) but was extended on a trial basis to designated staff in Housing Services and Neighbourhood Services.
- 6.9 Management of the website comes under the marketing and communication functions of HR and Media with a Website Manager post in place and support from a Digital Content and Social Media Officer.

7 Processes and Procedures

- 7.1 To facilitate the call repatriation, the underlying technology was procured as an IP telephony package under the Crown Commercial Services framework agreement for Network Services. This has only recently been extended to absorb what had previously been separate contracts with other suppliers for traditional telephony, broadband and connectivity services – a move expected to yield savings in the region of £20,000 annually.
- 7.2 The underlying technology serving Riverside House telephony uses a solution called 'SIP trunking'. With the benefit of a little technical research, it was ascertained that this is a version of the better known term VoIP (Voice over Internet Protocol). It can be simply described as the facility to carry calls made and received by the Council's telephone phone system over the internet as a lower cost alternative to traditional dedicated phone lines.
- 7.3 It has been advised that the transition to SIP trunking was initiated as an independent project prior to the decision to repatriate the Council's telephony, with the two projects becoming subsequently merged.

- 7.4 From examination of documentation from the merged project, the move to SIP trunking shows as a key dependency due especially to capacity and life-span limitations in the existing ISDN telephony platform. BT have set a timetable to close off ISDN products to new customers and to shut down ISDN altogether in 2025.
- 7.5 In preparation for the repatriation, Senior Management Team ratified a Telephone Protocols document for all staff which is published on the Intranet. As well as call-handling, the Protocol also deals with measures to steer callers towards using on-line services and away from calling the switchboard number.
- 7.6 Specialist call-handlers in Finance, Housing Services and Neighbourhood Services are served by an appropriate combination of on-line system user guides and internal guidance and instructions. A hosted software facility on the telephone system is used for call-handling supervision and reporting.
- 7.7 It was confirmed in consultations that day-to-day operation of the One-Stop Shops has not significantly changed since the 2012 audit and that staff have access to appropriate procedural resources. While some measure of on-site self-service facilities have become available, the all-embracing facilities envisaged in the ICT and Digital Strategy have yet to materialise at the time of this report (initially to be trialled at Riverside House).
- 7.8 Day-to-day management of the Council's website is based on a well-established core of designated Website authors and editors combined with training, procedural and technical guidance resources accessible on the Intranet.
- 7.9 The development of structured and intelligent web forms integrated with back-office systems, as specified in the Digital Customer delivery model under the ICT and Digital Strategy, is primarily addressed in the form of discrete projects under the approved ICT Digital Work Programme.

8 Monitoring and Review

- 8.1 Telephony monitoring uses the aforementioned hosted software facility which allows designated users to exercise real-time supervision over call activity and generate reports ranging from individual call detail to period summaries. Access to the facility is restricted to the Customer Advice Team Leaders and designated officers representing Housing Services and Neighbourhood Services respectively, entailing logon to an individual user ID with password.
- 8.2 Instructions and guidelines on report generation are available to staff as electronic documents.
- 8.3 Extrapolation of output from these reports produces volume and performance analyses for management review within the applicable Service Areas and for the quarterly Management Information reports to Senior Management Team. Examples were seen of those analyses produced for Finance, which cover all switchboard and Revenues/Benefits calls (performance measures include call waiting times and abandonment rates).

- 8.4 Records of Senior Management Team meetings over the twelve months prior to the audit show the already high profile of telephony performance afforded by the Management Information reports being raised even further as a result of issues being raised in separate reports in August and September 2017.
- 8.5 The issues, relating to the higher than expected volumes of switchboard calls, were initially addressed by having designated operators in Housing Services and Neighbourhood Services assist in switchboard call-handling on a trial basis, along with a re-invigoration of wider measures aimed at reducing the volume of these calls. Hitherto, switchboard call-handling had been the exclusive role of the Revenues and Benefits Customer Advice Team.
- 8.6 It has been advised in discussions during the audit that issues connected to call-handling capacity and performance are still being experienced and that further reporting to Senior Management Team was envisaged. Subsequent to the audit the report from Neighbourhood Services was presented to the Senior Management Team as envisaged, although a decision on the recommendations was deferred and remains outstanding at the time of this report.
- 8.7 With the One-Stop Shops only just coming out of a major review that had been initiated as far back as 2015, routine monitoring and ongoing performance arrangements were not deemed a priority for review in this audit. From discussions with the Customer Services Team Leader, it was confirmed that the basic processes are unchanged with visits being logged in the customer relationship management system from which Warwickshire County Council compiles and forwards monthly visit statistical returns.
- 8.8 Enquiries showed that no returns have been received since October 2017. This is being followed up by management.
- 8.9 The current year's Service Area Plan refers to One-Stop-Shop customer satisfaction survey outcomes reported annually, although this has not been specifically tested. Service Area Performance Statements over the past two years have focused solely on the One-Stop Shops review and changes arising.
- 8.10 For telephony, the Service Area Plan limits performance measures to Benefits and Revenues calls only. References to an envisaged staff review for the One-Stop-Shops/Front Line and investigation into telephony enhancements are also noted.
- 8.11 Looking at post-implementation and benefits realisation aspects (per Paragraph 3.4), there was nothing that could be realistically examined regarding the One-Stop Shop review given its recent completion and implementation of resource changes ongoing at the time of the audit.
- 8.12 In the absence of any known formal post-implementation review of the call repatriation project, a retrospective overview was conducted based on accessible documentation. From this it was observed that the decision to repatriate calls to Riverside House was motivated by a combination of:
- poor service delivery performance;

- prospects of further financial investment required to 'prop up' a continued joint Customer Service Centre;
- projected annual £170,000 savings in staffing costs from proceeding with the repatriation.

8.13 In benefits realisation terms the key observations are that:

- whatever improvements there were to service delivery performance, these were below expectations (there is no evidence of actual comparisons between pre- and post-repatriation outturns);
- the projected annual savings amount was reported as exceeded by £10,000 (this has been verified from financial data analysis).

9 **Conclusions**

9.1 Following our review, in overall terms we are able to give a SUBSTANTIAL degree of assurance that the structures and processes underlying the management and development of customer access facilities are appropriate and are working effectively.

9.2 The assurance bands are shown below:

Level of Assurance	Definition
Substantial Assurance	There is a sound system of control in place and compliance with the key controls.
Moderate Assurance	Whilst the system of control is broadly satisfactory, some controls are weak or non-existent and there is non-compliance with several controls.
Limited Assurance	The system of control is generally weak and there is non-compliance with the controls that do exist.

9.3 The report makes no recommendations.

Richard Barr
Audit and Risk Manager