Midlothian

Internal Audit Report

Complaints

Issued: 22 February 2018

Report

Level of Assurance	The overall control framework is of an average standard. Some weaknesses have been identified in the controls and improvements are possible.

Executive Summary

1.0 Introduction

This Audit was carried out as part of the audit plan for 2017/18, which was approved by the Audit Committee on 21 March 2017. The audit reviewed the Council's policies, procedures, and systems in place to support the Council's complaints process.

Background
All local authorities are legally required to comply with the Scottish Public Services Ombudsman's (SPSO) Complaints Handling Procedure (CHP). The model CHP was published under section 16B of the SPSO Act 2002 (as amended by the Public Sector Reform (Scotland) Act 2010). All local authorities were required to adopt the model CHP from 2012-13 onwards.

The Social Work Model Complaints Handling Procedure (CHP) was published on 15 December 2016 under section 16B of the Scottish Public Services Ombudsman Act 2002 (as amended by the Public Services Reform (Scotland) Act 2010). The Social Work Model CHP applies to all local authorities with effect from 1 April 2017. These changes include provision for the Ombudsman to consider the merits of social work decisions as part of the SPSO's independent investigation of complaints.

The aim of the model CHP is to simplify and improve complaints handling through a standardised system for complaints across all local authorities. Midlothian Council has adopted and implemented the SPSO's model Complaints Handling Process. Midlothian Council's Corporate Complaints Handling Procedure was approved by the Corporate Management Team in March 2013. The Council's Social Work Complaints Procedure was distributed to relevant management by the Head of Adult Services in March 2017, and the Midlothian Integrated Joint Board (MIJB) approved the MIJB complaints procedure in June 2017.

Procedure
Complaints can be made in person through any of the Council's frontline services, by phone, by email, or by post. Complaints are recorded on the Council's in-house developed Customer Relationship Management System (CRM). The majority of the Council's complaints are received via the Contact Centre within Customer and Housing Services, and then allocated on to the relevant service to take forward as required.

Midlothian Council follows the SPSO's classification model of complaints: Stage 1 complaints which should be responded to in 5 working days, and Stage 2 complaints which should be responded to in 20 working days. Stage 1 complaints are typically more straightforward in nature and require little or no investigation. Stage 2 complaints are often complex or require a detailed investigation. Customers can escalate a complaint from Stage 1 to Stage 2 where they remain unsatisfied with the response from the Council. Similarly, if a complex complaint has been

received, management can elect to have this Complaint immediately classified as Stage 2. If the customer remains dissatisfied with the Council's decision, or if they are unhappy with the way their complaint has been handled, then the customer can refer the issue to the SPSO. Investigation response letters are generic and must include a correctly detailed signpost to the SPSO so that customers are informed about what they can do next should there be a need.

Complaints that can be immediately addressed by the Contact Centre can be closed in the system as '1st point resolutions'. In these cases the Contact Centre Officer will listen to and document the customer's complaint, including the outcome given to the customer and any actions taken as a result of the complaint. Actions logged against a complaint could include details such as: an update email has been sent (to a service area officer); or that a specific job has been raised with the service using established processes. This is the standard practice for routine and simple complaints.

Complaints that cannot be treated as 1st point resolutions are called 'service resolutions'. Both of these categories are reported internally and externally as stage 1 complaints. A service resolution is where the Contact Centre worker will allocate a complaint to a service area and subsequently a 'feedback officer' (normally a manager within the service concerning the complaint) via the CRM system. The feedback officer will review the customer's complaint, and provide a response to the customer that includes an outcome. Responses can be verbal or written, there is no stipulation.

Outcomes are categorised as upheld, partially upheld, or not upheld. Some complaints have more than one issue that needs addressed, and all issues within the overarching complaint are given an outcome. This is also the case for stage 2 complaints.

The CRM system allows a detailed audit log of the complaint to be held and reported on. This includes, the date the complaint was received, the employee who logged the complaint, the assigned feedback officer, the customer's complaint, action taken including the outcome allocated to the complaint, the stage of the complaint, and correspondence received by, and submitted to the customer can be uploaded to the system securely ensuring only those required to view it can do so. The system is also enabled to forecast the 'respond by' date, by considering the pre-determined time limits for each stage from date of receipt, and excludes weekends/public holidays as it should. It also generates auto-emails to notify feedback officers and sends reminders out on the days leading up to the approaching time limitation.

Complaints performance information is submitted quarterly to the Performance Review and Scrutiny Committee, and is published on the Council's website. This information details, by service, the cumulative number of complaints received: the number complete at stage 1 and at stage 2; average time taken to respond to complaints for both stage 1 and stage 2; and the number and percentage completed within the appropriate timeframe for both stage 1 and stage 2. Management review complaints, the process, and provide oversight through the Divisional Management Team (DMT) meetings.

Support and oversight for the complaints process is undertaken by the Customer Service Improvement Officer within Policy and Scrutiny. This support includes provision of expert internal briefing and intelligence based on relevant legislation; influencing national forums on Midlothian Council's behalf; staff training; developing corporate approaches to the national procedure; support for all complaint queries; support for Stage 2 investigations; preparation of performance information and reporting to management, elected members and SPSO; retrieval, preparation and reporting of lessons learned; external research on corporate benchmarking and sharing best practice internally; system development; and preparation of the annual complaints report for internal and external viewing.

For 2016/17, Midlothian Council reported a total of 5,799 closed Stage 1 complaints and 86 closed Stage 2 complaints.

The Council is planning to upgrade the existing CRM system, jointly with East Lothian Council, during 2018.

2.0 Objectives of the Audit

The audit objective is to provide assurance on the adequacy of the Council's processes and internal controls in place for complaints handling. A copy of the terms of reference for the review is attached at Appendix 2**.**

3.0 Conclusion

Our audit identified that management implemented a number of systems, internal controls, and procedures for complaints. During the course of the audit we noted the following strengths:
- complaints procedures, in line with the SPSO's requirements, are in place;
- systems are in place to allow a detailed log of the complaint to be recorded along with the complaint acknowledgement and response;
- the right to complain is publicised through various means including the Council's website, leaflets at centres, schools handbooks and the tenant's handbook;
- complainants can contact the Council in a number of ways to have their issues heard;
- from the sample of complaints reviewed, feedback officers adequately respond to customer complaints;
- resource is now in place to provide training and support to relevant staff on the complaints process; and
- regular reporting to the Performance Review and Scrutiny Committee is in place in terms of statistics and benchmarking, an annual report of complaints data to the SPSO, and a public Annual Complaints Report detailing the 8 SPSO performance indicators has been prepared, submitted to senior management, and is available for the public to view on the Council's website.

Some areas were identified with scope for improvement. These included:
- a full training programme for the complaints process needs to be established, which outlines the staff that require training and their attendance recorded;
- a review of the recording of complaints within social work services and schools should be undertaken to ensure that Stage 1 complaints can be easily identified and reported on;
- management should ensure complaints correspondence is uploaded to the CRM system, or where correspondence is not available or was not required, ensure sufficient supporting notes evidencing the action taken are input into CRM;
- performance reports indicate the Council is not achieving its targets for closing complaints within timescale;
- staff should only have access to the complaints and complaint correspondence they are permitted to view;
- complaints procedures and Contact Centre staff guidance should be subject to ongoing review;
- management should further review with the Customer Service Improvement Officer late complaints to establish the reasons for the delay and to establish methods to improve performance;
- now that a 'lessons learned' feature has been added to CRM, more work can be done in assisting management in establishing the root cause of complaints;
- the complaints quality assurance process should be further developed; and
- the following improvements were noted in relation to performance reporting: working days in CRM should be in line with the SPSO definition, quarterly reporting of complaints information to CMT should be in place, SPSO recommendations should be tracked in Pentana Performance, and Management should consider also reporting on compliments in the Complaints Annual Report, PRSC, and periodic complaints updates to senior management.

As noted above, some weaknesses have been identified in the controls and improvements are required in certain parts of the Council to ensure compliance with the SPSO's model. However, a complaints framework, with associated procedures and systems, is in place to manage complaints.

Therefore, we have on this occasion rated the review as **average** as per the definitions on page 18. We have raised a number of recommendations which are detailed in the Audit Issues and Management Action Plan to reduce risk further and these recommendations have been agreed by Management.

4.0 Audit Issues and Management Action Plan

4.1   Procedures and Governance Arrangements

Approval of CHP and Elected Member Oversight
It was noted during the audit that the current version of the Corporate Complaints Handling Procedure (CHP) was approved by the Council's Corporate Management Team (CMT), but was not subsequently submitted to elected members. Similarly, the Social Work Complaints Procedure was not submitted to a Council committee or to CMT (although the MIJB CHP was submitted to the MIJB for approval). A high level review of other Scottish Local Authorities noted that approval of the CHP had elected member oversight. However, it was noted this issue has been partly addressed through submission of the Annual Complaints Report to elected members which sets out the Council's obligations in relation to Complaints.

Review of Complaints Handling Procedures
The Corporate CHP has not been updated since March 2013. The legislation has been updated since the procedure was last published with Social Work complaints now being treated similarly to all other Council complaints. An appendix in the Corporate CHP refers to the old Social Work complaints arrangements and requires to be updated. Regular reviews and updates of the Corporate CHP will ensure that the procedure reflects current practice.

The Council's Social Work Model Complaints Handling Procedure has had minimal changes when compared to the published SPSO model. Although the policy is in line with the SPSO's model, it could better reflect the Council's internal processes, relevant staff contacts, and systems used to record complaints. Improvements in this area should ensure that the procedure is relevant to staff by detailing how employees should document complaints, how they respond to complaints, and any relevant authorisations or assistance they should seek.

Whilst the Council's website provides a good summary of the Council's complaints process, the Council's Corporate CHP and Social Work Model Complaints Handling Procedure are not available in full on the Council's website.

Reporting to the CMT and the Annual Complaints Report
It is noted that from 2013/14 the SPSO has had a requirement to publically report on Complaints performance annually. Midlothian Council prepared an Annual Complaints Report for the first time in 2016/17, and this was reported to CMT and Cabinet. It has been advised that part of the reason for the delay was due to the post of Customer Service Improvement Officer being filled on various short term basis, but this issue has now been resolved.

The report updating CMT on the Complaints process along with the Annual Complaints Report was submitted to CMT in November 2017. This report recommended that, going forward, quarterly update reports should be submitted to CMT to comply with the Corporate CHP, in addition to the quarterly performance reporting to Cabinet and the Performance Review and Scrutiny Committee.

The Corporate CHP states*:*
- *we must publicise on a quarterly basis complaints outcomes, trends and actions taken;*
- *use case studies and examples to demonstrate how complaints have helped improve services; and*
- *this information should be reported regularly (and at least quarterly) to the Corporate Management Team.'*

For the first time, Midlothian Council will have to report on the Social Work Model Complaints Handling Procedure for 2017/18. This can be done as a separate section of the 2017/18 Annual Complaints Report, or as an entirely separate report.

No	Recommendation	Priority	Manager	Target Date
1	Senior management should review the oversight role elected members' committees and senior management committees should have in the scrutiny of the Council's Complaints Handling Procedure and review of the Council's Annual Complaints Report.	Medium	Directors	31/12/2018
2	The Corporate Complaints Handling Procedure should be subject to ongoing review and update. The full CHP should then be added to the relevant section of the Council's website.	Medium	Policy and Scrutiny Manager	31/12/2018
3	The Social Work Model Complaints Handling Procedure should be subject to ongoing review and update to reflect internal processes, key contacts, and systems used to record complaints. The full SW CHP should then be added to the relevant section of the Council's website. It is important that the Council ensures all social work complaints are captured as the SPSO will require separate reporting on social work complaints from 2017/18.	Medium	Health and Social Care Joint Director / Director, Education Communities & Economy	31/12/2018
4	The quarterly reporting of complaints information to CMT should include an update on complaints outcomes, trends and actions taken, along with case study examples as required by the CHP.	Medium	Policy and Scrutiny Manager	30/06/2018

4.2   Training and Awareness of Complaints Handling Procedures

<u>Face-to-Face Training</u>
The Customer Service Improvement Officer Post has been filled on various short-term basis over the past few years. This issue was fully resolved in August 2017 with an employee returning to the post on a permanent basis and the complaints function being incorporated into the Policy and Scrutiny team. Although a full program of training has not yet been implemented, various update sessions have been held with Head Teachers and senior teaching staff, the Contact Centre, and Divisional Management Teams. It has been advised that training has previously been provided by the SPSO to supplement in-house training. A training program needs to be fully developed and a process in place to identify the staff requiring training and to record their attendance at the training.

<u>E-Learning</u>
Although an E-learning package is in place, staff have not been required to complete this course since the launch of the learning package in 2013. The package itself focuses on the legislation, and does not detail how employees should record complaints in the system or who to report complaints to. This will be reviewed to support the identified training programme.

<u>Complaints Leaflet at Council Offices</u>
A printed leaflet summarising the Council's complaints process was available at all Council offices included in the audit review. Additionally, staff interviewed were aware of the correct process to follow to log a customer's complaint using the leaflet. The leaflet distributed at Council offices and buildings (receptions, libraries, leisure centres, etc.) is not up to date and includes phone numbers that no longer work, references to posts that no longer exist, and refers to the out of date social work complaints process.

No	Recommendation	Priority	Manager	Target Date
5	A complaints training programme should be established and implemented. This could include liaising with the SPSO to review any training that they provide. Training needs to be fully mapped (in terms of who needs to receive training) and their attendance/completion recorded. This should include update of the E-Learning packages as required.	High	Policy and Scrutiny Manager	31/12/2018
6	The Complaints leaflet distributed to Council services should be reviewed and updated. **Management Comment:** Policy and Scrutiny is awaiting confirmation of details from social work before this can be updated.	Medium	Policy and Scrutiny Manager	31/12/2018

4.3   Recording of Complaints

Contact Centre Guidance and Logging of Complaints
The process for recording complaints and guidance available to staff at the Contact Centre was reviewed. It was noted that the operational process guidance needs to be refreshed to reflect current practices between the Contact Centre and the services they support. Procedures in the Contact Centre need to provide further clarity on when a complaint should be dealt with as a first point within the Contact Centre, passed to the service, or dealt with as a Stage 2 investigation.

Education (Schools) Complaints
Midlothian's CHP states in relation to the recording of schools' complaints: *'Stage 1 complaints about schools should be directed to and dealt with directly by the school concerned'* and *'Stage 1 complaints will be recorded and monitored within each school, utilising a uniform method of recording. Stage 2 complaints will be recorded and monitored via the Corporate CRM system.'*

A limited sample of schools (2 secondary and 1 primary) were selected to review their arrangements for logging complaints as part of the audit. Although through discussion with the schools we were satisfied that customers would be directed to the correct staff and receive an appropriate response from the school, none of the schools sampled had a central record of stage 1 complaints for Internal Audit to review. It has been advised that complaints documentation is held in individual pupil files. Therefore, it is difficult to demonstrate that Stage 1 complaints have been responded to in these schools in line with the CHP, and similarly this means that the majority of Stage 1 complaints dealt with at a school are currently excluded from the quarterly complaints statistics.

Schools complaints at Stage 2 should be recorded in CRM as the procedure states that the Head Teacher should inform the Schools Group Managers / Head of Education (who have access to CRM) of the complaint. There is a risk that Stage 2 complaints may not be managed in line with the CHP if there is no record of the Stage 1 complaint. 19 Stage 2 complaints were recorded for Education in 2016/17, but only 2 were recorded in Q1 and Q2 of 2017/18 which could suggest potential underreporting.

Midlothian Council's Schools are on a separate IT network and require a program called Citrix to securely access the Council's CRM system. At the time of the audit review, the Citrix link for Education was not operational. However, Digital Services have advised that they plan to have the Citrix link between the networks working again in the coming months.

A sample of schools handbooks were reviewed as part of the audit. It was noted during the review that some of the Secondary school handbooks did not adequately outline the Council's complaints procedure.

Social Work Complaints
Stage 2 complaints for Social Work are submitted to the Head of Service or Director, and added to the CRM system by the service's personal assistants. Discussion with various managers and team leaders within Health and Social Care identified that Stage 1 complaints directly received by the service are responded to by the relevant manager, but are generally not logged in CRM. Instead these complaints have been recorded as a 'Case Note' on the Mosaic social work case management system. Therefore, these complaints are not included in the quarterly complaints statistics.

Children's Services advised that when a client writes in then this is recorded in the CRM system, or if a complaint via phone call is received by a service manager and it is not possible to resolve the issue, then the complaint should be logged. This is logged at Stage 2 normally. However, routine phone call complaints received are not formally logged by the service.

Some managers within Health and Social Care advised during the audit their intention to log Stage 1 complaints in CRM going forward. However, a review of current users indicates that many social work employees do not currently have access to record complaints on CRM and these staff will need training on the system before being granted access.

Complaints from the public submitted to Councillors and Directors
The audit identified that complaints raised by Councillors and referred to Directors on behalf of constituents are not logged in CRM. In addition, complaints sent by customers directly to senior management are not consistently recorded across all Directorates.

Complaints via Social Media
Although there is evidence in place that complaints received through social media are addressed, these complaints are not formally logged and reported on through the CRM system. Additionally, no separate record is maintained of complaints received through social media, making it difficult to quantify the number of complaints received through this channel. This issue was noted in the Council's Annual Complaints Report.

No	Recommendation	Priority	Manager	Target Date
7	Operational process guidance for the Contact Centre needs to be refreshed to reflect current practices between the Contact Centre and the services they support. Procedures in the Contact Centre need to provide further clarity on when a complaint should be dealt with as a first point within the Contact Centre, passed to the service, or dealt with as a Stage 2 investigation.	Medium	Customer Service Manager / Policy and Scrutiny Manager	31/12/2018

No	Recommendation	Priority	Manager	Target Date
8	A review of the process for recording complaints within schools should be undertaken to ensure that Stage 1 complaints can be easily identified and reported on. This should also include a review of the CHP to ensure that the practices undertaken in schools are aligned with the CHP and to provide more specific guidance to staff on the identification of a complaint and when/what to record.	High	Head of Education	31/12/2018
9	Schools' Handbooks should be reviewed and updated to ensure they adequately detail the Council's complaints procedure.	Low	Head of Education	31/12/2018
10	A review of the process for recording complaints within Health and Social Care and Children's Services should be undertaken to ensure that Stage 1 complaints can be easily identified and reported on. This should also include a review of the CHP to ensure that the practices undertaken are aligned with the CHP and to provide more specific guidance to staff on the identification of a complaint and when/what to record.	High	Head of Adult Services / Head of Primary Care / Head of Children's Services	31/12/2018
11	Complaints referred to Directors by Councillors and those received directly by Directors and senior management should be logged on the CRM system and dealt with in accordance with the CHP.	High	Directors	31/12/2018
12	Complaints received from customers via social media should be identified, logged on the CRM system and dealt with accordingly through the CHP.	Medium	Communications Team Lead	31/12/2018

4.4   Response to Complaints

Complaints Documentation
A sample of complaint responses were reviewed as part of the audit. It was noted that correspondence relating to the complaint was often not added to the CRM system. This includes both the complaint acknowledgement and the response to the customer. In a sample of 17 stage 2 complaints reviewed (excluding Children's Services complaints), 12 did not have correspondence or appropriate notes added to CRM.

Reassuringly, in almost all cases, management were able to provide a copy of the complaint response for Stage 2 complaints and were able to demonstrate that the customer had received a satisfactory response in line with the Council's CHP. However, there is a risk that responses to

complainants may go missing if it is not attached to the complaint system (for example, if staff leave and the correspondence is held in the Outlook email system). This could impact on the SPSO's review of evidence if a complaint is escalated from Stage 2 to the SPSO, and if responses are not maintained, it could impact customer service.

For Stage 1 complaint 'service resolutions' it was noted that although there may not always be a formal letter (as a short email or telephone call may be sufficient) from the sample reviewed instances were noted where insufficient notes had been added to the CRM system detailing the action taken as a result of the complaint (e.g. what was said to the customer and how the complaint was resolved). Again, when contacted, management were able to provide additional details.

Integration of Letter Templates into CRM
The process of adding correspondence into CRM is complex and requires files to be saved with a particular reference into a specific folder. The complexity of this process is one of the reasons why correspondence is rarely uploaded and some feedback officers when asked were not sure how to upload correspondence to CRM. For the new system, management should review if it is possible for letter templates to be further integrated into the system to ease this process.

Children's Services Correspondence
It has been advised that complaints correspondence relating to Children's Services is not uploaded to the CRM system as it is perceived that the system is not sufficiently restricted given the sensitivity of the information included in the correspondence. Complaints correspondence is instead managed by the Personal Assistants to the Director and Head of Service but it was noted that this is not specifically tied to the call reference in the CRM system, making some correspondence harder to locate and increasing the risk that correspondence could go missing. The Customer Service Improvement Officer requires sight of correspondence to assist in supporting the Stage 2 complaint process. Similarly, the service has removed information from the 'notes section' on CRM. There have been instances where the complaint has been re-logged without the notes, but then not requested that the original be deleted, resulting in an additional complaint being logged. If the complaint is re-logged on a later date it will also affect complaints time indicators. The notes within the complaints system are needed in order for the Customer Service Improvement Officer to provide their quality assurance role over complaints.

Access Issues and Structure of Council within CRM
Digital Services advised that access was limited by service, with feedback officers generally only being able to access their own service. Access is wider for the Customer Service Improvement Officer, the Contact Centre, and some Digital Services staff. User access rights information provided to Internal Audit by Digital Services was at a high level and did not fully detail what users could access. Testing identified that one employee in Customer and Housing Services could access Communities and Economy correspondence and one employee within Education was unable to open Education correspondence. For the new system, access should be reviewed to ensure staff can only access the

correspondence they are permitted to view. Also, all feedback officers can access the front screen for complaints from any part of the Council, but it has been advised that this cannot be changed due to how the system has been designed.

<u>Timeliness of the Response</u>
The Council's complaints target is to respond to 95% of complaints within the appropriate timescale of 5 days for Stage 1 and 20 days for Stage 2.   Response to Stage 1 complaints within the appropriate timescale shows that almost all services are not achieving their service's target for completion of Stage 1 complaints within timescale. For Q1 and Q2 of 2017/18, 94% of complaints were responded to within 5 days. In 2016/17 98% of Stage 1 complaints were closed within the target timescale.

A review of 2017/18 performance information shows that the Council has significantly improved in responding to Stage 2 complaints within the appropriate timescale, with almost all services except two managing to respond to Stage 2 complaints in 20 days. For Q1 and Q2 of 2017/18, 87% of complaints were responded to within 20 days. In 2016/17 only 64% of Stage 2 complaints were closed within the target timescale.

No	Recommendation	Priority	Manager	Target Date
13	Management should advise 'feedback officers' to ensure complaints correspondence is uploaded to the CRM system, or where correspondence is not available or was not required, ensure sufficient supporting notes evidencing the action taken are input into CRM. Assistance in uploading correspondence to the current system should be provided by relevant staff within the services (PAs, Customer Services and Policy and Scrutiny).	Medium	Directors / Policy and Scrutiny Manager	30/06/2018
14	Children's Services' complaints correspondence and complaints notes should be recorded on the new CRM system once sufficient assurances have been obtained from Digital Services on the access to Children's Services' correspondence and complaint notes.	Medium	Director, Education, Communities and Economy / Head of Children's Services	31/12/2018
15	For the new CRM system, staff should only have access to the complaints and complaint correspondence they are permitted to view.	High	Customer Service Manager	31/12/2018

No	Recommendation	Priority	Manager	Target Date
16	For the new CRM system, management should review if it is possible for letter templates to be further integrated into the system to make the process more user friendly.	Medium	Customer Service Manager	31/12/2018
17	Management should further review with the Customer Service Improvement Officer late complaints to establish the reasons for the delays and to establish methods to improve performance.	High	Policy and Scrutiny Manager / Heads of Service	31/12/2018

4.5   SPSO Recommendations

It was identified during the audit that the Council is adequately informed of SPSO recommendations and action plans as part of the annual report to Cabinet on the Complaints about Midlothian Council Services handled by the Scottish Public Services Ombudsman. However, it is noted this could be further improved by liaising with the Customer Service Improvement Officer for SPSO recommendations and tracking the recommendations in Pentana Performance.

No	Recommendation	Priority	Manager	Target Date
18	Management should liaise with Policy and Scrutiny for SPSO recommendations so these can be tracked in Pentana Performance.	Low	Directors	30//06/2018

4.6   Performance Information

It was noted during the review that currently the process for preparing performance information is quite complex, and requires preparation of queries to the complaints database with specific criteria, and significant spreadsheet manipulation. Due to the complexity, there is a higher risk of error. A minor issue identified was that some minor discrepancies in the number of complaints reported were noted when comparing one report of Complaints received over a year compared with the preparation of the latest quarterly return at the time (2017/18 Q2). A procured CRM system should allow for less complicated performance reporting.

Target date for Complaints within CRM

A review of the compilation of the complaints performance information identified that the way Midlothian calculates the target date for complaints is not exactly in line with the SPSO definition of 'working days'. It was identified that Midlothian grants 1 additional day to the 5 and 20 working days as the Council is not counting the day the complaint is received as a 'working day'. SPSO defines the first working day as the day the complaint was received, unless the complaint was received close to the end of the working day. This will affect the reporting of performance information for complaints.

Customer Satisfaction with the Complaints Procedure

As noted in the Annual Complaints Report, Indicator 7 – Customer Satisfaction about the Complaints Procedure, was not adequately reported on in 2016/17. As outlined in the Annual Complaints Report, in the past there has been poor uptake in responses regarding satisfaction with the process, but the intention is to develop a new survey with a wider reach to ensure this indicator can be reported on in future years.

Lessons Learned

Lessons learned were formally reported to Senior Management as part of the Annual Complaints Report. It is noted that a lessons learned facility was recently added to the Council's CRM system in November 2017. Therefore, there is scope for more improvements to be identified through use of this feature as noted in the Annual Complaints Report.

Compliments

The Council's CRM system is used to record compliments as well as complaints. Management should consider reporting on compliments in the Complaints annual report, PRSC, and periodic complaints updates to senior management.

No	Recommendation	Priority	Manager	Target Date
19	Management should record working days in CRM in line with the SPSO definition. **Management Comment:** This will be in place by 1 April 2018. We will not change the method of recording during the year so all complaints reported on in the 2017/18 annual complaints report will have been recorded on the same basis.	Medium	Policy and Scrutiny Manager	30/06/2018
20	Now that a 'lessons learned' feature has been added to CRM, more work should be undertaken to provide quality assurance over Complaints and assist management in establishing the complaint's root cause. Similarly, for the 2017/18 Annual Complaints report more steps should be taken to report on Customer Satisfaction with the	Medium	Policy and Scrutiny Manager	31/12/2018

No	Recommendation	Priority	Manager	Target Date
	Complaints procedure.			
	Management Comment: The method of conducting satisfaction surveys is being looked at nationally by the SPSO. Midlothian Council will act on the SPSO's recommendation for this.			
21	Management should consider also reporting on compliments in the Complaints annual report, PRSC, and periodic complaints updates to senior management.	Low	Policy and Scrutiny Manager	31/12/2018

4.6   System Issues

Deputies for Feedback Officers
There is a facility within Microsoft Outlook to establish shared folders for Feedback officers. This allows other delegated officers to also receive the alert if a complaint is received by a feedback officer, and ensures that complaints can still be responded to if staff are absent. However discussions with management revealed that this is not being widely used. Management should ensure for the new CRM system that adequate deputies for feedback officers are in place at the outset.

Authorisation of Extensions and Allocation of Complaint to Stage 2
In relation to extensions, the Corporate CHP states: *'This decision must be taken by the Head of Service or Complaints Coordinator and must only happen when an extension will make it more likely for the complaint to be resolved at the frontline resolution stage.'* It was noted during the review that non-senior management staff appeared to have the access to grant an extension. However, there is little evidence of this being misused as so few extensions have been granted for 2016/17 (9) and Q1 (1) and Q2 (0) of 2017/18. There is in fact scope to increase the use of extensions for complex service resolutions or for reasons when there is a valid delay.

Management should review the access list in the new version of CRM to ensure management have adequately delegated access to grant extensions and staff are adequately trained to understand their use.

Complaints Recorded with the Incorrect Status
During the review complaints were identified that started as a '1st point resolution' but proceeded to a 'service resolution'. In these cases it was noted that the status of the complaint was locked at the point the Contact Centre worker took the complaint (eg as upheld, partially upheld, or

not upheld) and the service manager was not able to update the complaint's status after reviewing the complaint. The Customer Service Improvement Officer has advised that this is not the correct approach and is the result of 'service resolutions' being incorrectly classified as '1st point resolutions'. Therefore, Internal Audit views this as a system limitation that we recommend should be addressed in the new CRM system.

GDPR Compliance
It was noted during the review that management have identified that the existing CRM system will not be compliant with the General Data Protection Regulation which will be effective from 25 May 2018. This issue is being addressed through procurement of a new CRM system which should be in place in 2018.

Double Keying
The Contact Centre out-of-hours service managed by East Lothian does not have access to Midlothian's CRM system. Therefore, these calls have to be retrospectively input into CRM by Midlothian staff. Also, the online complaints e-form does not integrate with the system, and Contact Centre staff have to input customer details into CRM. These issues are being addressed through procurement of a new CRM system.

Multiple Unique Customer Reference Numbers
The Council's CRM system uses the Councils Open Revenues (Council Tax system) to obtain details of addresses of residents in Midlothian and individuals living there. A unique customer reference number is in place giving each customer their own account in CRM. It was noted during the audit that some customers have multiple UCRNs (approximately 80). Multiple UCRNs for the same customer means the customers record of complaints may be split between two accounts meaning staff may not have a full audit trail of all complaints if only one is reviewed. These have been passed to Digital Services to review.

Input of Complaint Closing Date
It is possible for managers to input any closing date when closing off a complaint. Ideally the system should block feedback officers from inputting a date before the date the complaint was received or from the date it was last delegated to a feedback officer. Therefore, there is a risk that managers could overstate the target date that they complete a complaint, although no evidence to suggest this is being done was noted in the audit review.

No	Recommendation	Priority	Manager	Target Date
22	Management should ensure for the new CRM system that adequate deputies for feedback officers are in place at the outset.	Medium	Customer Service Manager	31/12/2018

No	Recommendation	Priority	Manager	Target Date
23	The access list in the new version of CRM should be reviewed to ensure that management have adequately delegated access to grant extensions and staff are adequately trained to understand their use.	Medium	Customer Service Manager	31/12/2018
24	Management should review the reasons for some customers having multiple UCRNs and if there is scope for these to be combined.	Medium	Customer Service Manager / Digital Services Manager	31/12/2018
25	For the new CRM system, management should ensure that '1st point resolutions' do not progress into 'service resolutions' as this is not the correct escalation procedure (as these are both Stage 1 complaints). This should be addressed either through training or the system preventing this course of action.	Medium	Customer Service Manager / Policy and Scrutiny Manager	31/12/2018
26	For the new CRM system, feedback officers should be prevented from inputting a closing date for a complaint before the date received, date of the complaint and the date the complaint was delegated to a feedback officer.	Medium	Customer Service Manager	31/12/2018

APPENDIX 1

Definitions of Ratings

Audit Opinion

Level of Control	Reason for the level of Assurance given
Excellent	The control framework is of a high standard with no unacceptable risks identified.
Good	The control framework is of a good standard with only minor elements of risk identified which are either accepted or being dealt with by management.
Average	The overall control framework is of an average standard. Some weaknesses have been identified in the controls and improvements are possible.
Weak	The control framework is weak and requires improvement as significant issues exist with the adequacy and effectiveness of the Internal Control arrangements. These control deficiencies could result in delivery of poor service or disruption to service to the residents of Midlothian, financial loss or reputational damage to the Council.
Poor	The control framework is inadequate or ineffective and the issues identified require immediate attention to prevent the delivery of poor service or disruption to service to the residents of Midlothian, financial loss or reputational damage to the Council.

Recommendation Rating

Priority	Risk Definition
High	Legal / regulatory issues would normally be regarded as high risks. Strategic risks would normally be regarded as high risks. Financial impact - £50K plus and / or national press interest
Medium	£5K - £49K and / or local press interest
Low	Under £5K and / or no press interest.

Distribution

- Members of the Audit Committee
- Kenneth Lawrie, Chief Executive
- John Blair, Director, Resources
- Mary Smith, Director, Education, Communities and Economy
- Allister Short, Joint Director of Midlothian Health and Social Care Partnership
- Gary Fairley, Head of Finance and Integrated Service Support
- Garry Sheret, Head of Property and Facilities Management
- Ricky Moffat, Head of Commercial Operations
- Grace Vickers, Head of Education
- Ian Johnson, Head of Communities and Economy
- Joan Tranent, Head of Children's Services
- Alison White, Head of Adult Services
- Morag Barrow, Head of Primary Care
- Kevin Anderson, Head of Customer and Housing Services
- Jane Milne, Customer Service Manager
- Myra Forsyth, Policy and Scrutiny Manager
- Claire Butters, Customer Service Improvement Officer

Audit Team
Author: James Polanski, Auditor
Reviewer: Elaine Greaves, Principal Internal Auditor

APPENDIX 2

TERMS OF REFERENCE:

Audit Objective and Scope

Audit Background:

All local authorities are legally required to comply with the Scottish Public Services Ombudsman's Complaints Handling Procedure (CHP). The model CHP was published under section 16B of the SPSO Act 2002 (as amended by the Public Sector Reform (Scotland) Act 2010). All local authorities were required to adopt the model CHP from 2012-13 onwards.

The Social Work Model Complaints Handling Procedure (CHP) was published on 15 December 2016 under section 16B of the Scottish Public Services Ombudsman Act 2002 (as amended by the Public Services Reform (Scotland) Act 2010). The Social Work Model CHP applies to all local authorities with effect from 1 April 2017. These changes include provision for the Ombudsman to consider the merits of social work decisions as part of the SPSO's independent investigation of complaints.

The aim of the model CHP is to simplify and improve complaints handling through a standardised system for complaints across all local authorities. This audit will cover both the Corporate CHP and the Social Work CHP.

Audit Objective:
The audit objective is to provide assurance on the adequacy of the Council's processes and internal controls in place for complaints handling. The audit will include a review of the following:
- the policies, procedures, roles, and responsibilities, in place for complaints handling and adherence to the requirements of the SPSO model CHP;
- the adequacy of the training for employees involved in the complaints handling process;
- the processes in place to ensure that all complaints are adequately recorded and allocated to the appropriate service / officer;
- the adequacy of action taken in relation to complaints received, including escalation of complaints, timeliness of the response (within the SPSO time limits), adequacy of the response, and the opportunities for lessons learned;
- communication with the SPSO and implementation of any relevant SPSO recommendations; and
- the adequacy of complaints performance information reported to management and Council, including quarterly management information on outcomes, trends, and action taken, and the reporting of the 8 SPSO performance indicators.

Exclusions and Limitations	
No specific exclusions.	
Potential Risks	
Potential risks include: • non-compliance with the SPSO's model code(s) of conduct including the requirement to demonstrate compliance through quarterly reporting and the reporting of the 8 SPSO performance indicators, which could result in reputational damage; • management information / performance indicators are inaccurate / incomplete; • failure to learn from complaints and improve customer service and implement appropriate corrective action; • lack of staff training leading to the mismanagement of complaints received; • complaints are not adequately recorded or monitored, which results in delays in responding to customer complaints, an inappropriate response to customer complaints, or a failure to respond to customer complaints; • complaints are not escalated to the appropriate Council officer in order to ensure their successful resolution; and • failure to adequately respond and / or resolve complaints in a timely manner leading to a negative reputational impact and poor customer satisfaction.	
Audit Approach	
The audit approach consists of: • fact finding interviews with key employees; • review of appropriate documentation which includes any risk reviews that have been conducted and risk registers that are in place; • interrogation of any relevant systems and sample testing as required; • closure meeting with local management to discuss the findings and any recommendations from the review; • draft and final reporting; and • presentation of the final report to Midlothian Council's Audit Committee.	
Timescales & Reporting	
The Audit will commence in October 2017 and once complete, the report will be submitted to the next available Audit Committee.	
Information Requirements	
Access to all relevant systems, documentation and employees.	
Audit Resource	
Auditor: **James Polanski** **0131 270 5646** **Reviewer:** **Elaine Greaves** **0131 271 3285**	