



Internal Audit Report
Chief Executive's Service
Complaints 15-03
August 2015

Final Report

Chief Executive's Service
Finance Division
Perth & Kinross Council
Blackfriars Development Centre
North Port
Perth PH1 5LU

Internal Audit Report

Internal Audit

In March 2013, the Audit Committee approved the Public Sector Internal Audit Standards (PSIAS) as the relevant standard for its Internal Audit activity. The definition given in the PSIAS is as follows:

“Internal Audit is an independent, objective assurance and consulting activity designed to add value and improve an organisation’s operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes”.

Background and Introduction

This audit was carried out as part of the audit plan for 2015/16, which was approved by the Audit Committee on 1 April 2015.

Since 2012, the Scottish Public Services Ombudsman (SPSO) has been working with all 32 Scottish local authorities to produce a model Complaints Handling Procedure. As a result of the above, the Council launched its new complaints process on 1 April 2013. This consists of a number of new and updated documents including a revised Complaints Handling Procedure a new complaints leaflet for customers and employee guidance. This process splits complaints into two stages, with Stage 1 being Frontline Resolution and Stage 2 being Investigations.

The Corporate Complaints Team, part of the Chief Executive’s Service, is the designated contact for enquiries from the SPSO.

Each Service has a Complaints Co-ordinator who can provide advice and support throughout a complaints investigation and who monitors the complaints handling process in their Service. The Corporate Complaints Team has overall responsibility for quality control of Stage 2 responses.

The assignment included discussions with members of the Corporate Complaints Team, Service Complaints Co-ordinators and Service based staff responsible for dealing with complaints.

Scope and Limitations

Members of the Corporate Complaints Team, Service Complaints Co-ordinators and a sample of staff responsible for dealing with complaints were interviewed by the Auditor. The Complaints procedures were tested as appropriate.

The audit did not review the arrangements in place for social work and care complaints, which are covered by other procedures.

Control Objectives and Opinions

This section describes the purpose of the audit and summarises the results. A ‘control objective’ is a management objective that requires the maintenance of adequate and effective internal controls to ensure that it is achieved. Each control objective has been given a rating describing, on the basis of the audit work done, the actual strength of the internal controls found to be in place. Areas of good or poor practice are described where appropriate.

Control Objective: To ensure the adequacy of the systems within Services and corporately that identify and resolve complaints

Auditor's Comments:

Audit testing confirmed that processes are in place to log complaints. For example, complaints made by telephone answered by the Customer Service Centre are logged by staff with their systems prompting the procedure that should be followed. However, it is difficult to explicitly provide assurance that all complaints have been identified and logged where they have not been received through the Customer Service Centre. Discussions with auditees evidenced that the risk of not doing so was managed by having in place the existing routines such as the Complaint Handling Procedure (CHP) guidance and complaints information on the intranet. The Complaints and Governance Officer also advised that for example, in the last financial year the Council did not receive any Stage 2 complaints regarding complaints that had not been previously logged.

Audit testing evidenced that the Council's complaints processes had been adhered to and a decision issued detailing whether the complaint was upheld, partly upheld, not upheld or further information required.

The Council's CHP identifies "what is a complaint" and informs staff how to identify such. There are minor differences in the definition of a complaint in these procedures and other related documents.

ECS maintain their own guidance notes regarding the recording of school Frontline Resolution complaints. There is benefit in aligning these with the CHP. There is also scope to review school handbooks to ensure consistency in the reference to complaints routines.

Service Co-ordinators carry out complaints awareness training sessions and monitor complaints by a variety of means including the reporting of complaints information to their relevant Senior Management Team (SMT). The Scheme of Administration authorises the Scrutiny Committee to review and oversee the operation of the Council's Complaint procedures. Testing confirmed that this Committee receive the relevant reports. As per the CHP, certain items such as routine requests for service are excluded from the complaints figures reported to Scrutiny Committee. There is therefore benefit in the relevant report detailing such exclusions to help ensure there are no misinterpretations.

A report to Scrutiny Committee in June 2014 stated that a questionnaire will be issued over the next 6 months to complainants to obtain their view of their experience during the life of the complaint. At the date of testing this had not taken place and as such makes it less easy to demonstrate the percentage of complaints that are resolved to the complainant's satisfaction.

The SPSO also expects local authorities to publicise complaints information and performance indicators. The CHP states that the Council will publicise complaints outcomes, trends and actions taken on the Council website. At the date of audit testing this was not happening. The Complaints and Governance Officer advised these will be used going forward and reported to Scrutiny Committee in September 2015.

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Strength of Internal Controls:	Moderately Strong
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Management Action and Follow-Up

Responsibility for the maintenance of adequate and effective internal controls rests with management.

Where the audit has identified areas where a response by management is required, these are listed in Appendix 1, along with an indication of the importance of each 'action point'. Appendix 2 describes these action points in more detail, and records the action plan that has been developed by management in response to each point.

It is management's responsibility to ensure that the action plan presented in this report is achievable and appropriate to the circumstances. Where a decision is taken not to act in response to this report, it is the responsibility of management to assess and accept the risks arising from non-implementation.

Achievement of the action plan is monitored through Internal Audit's 'follow up' arrangements.

Management should ensure that the relevant risk profiles are reviewed and updated where necessary to take account of the contents of Internal Audit reports. The completeness of risk profiles will be examined as part of Internal Audit's normal planned work.

Acknowledgements

Internal Audit acknowledges with thanks the co-operation of interviewed staff during this audit.

Feedback

Internal Audit welcomes feedback from management, in connection with this audit or with the Internal Audit service in general.

Distribution

This report has been distributed to:

B Malone, Chief Executive

J Fyfe, Executive Director (Education & Children's Services)

J Valentine, Executive Director (Environment)

J Walker, Executive Director (Housing & Community Care)

L Simpson, Head of Legal Services

J Symon, Head of Finance

G Boland, Senior Business and Resource Manager (Education & Children's Services)

D Henderson, Information Compliance Manager, Chief Executives - Legal Services

G. Taylor, Head of Democratic Services

P Dickson, Complaints & Governance Officer

External Audit

Authorisation

The auditor for this assignment was D McCreddie. The supervising auditor was M Morrison.

This report is authorised for issue:

Jacqueline Clark
Chief Internal Auditor
Date: 21 August 2015

Appendix 1: Summary of Action Points

No.	Action Point	Risk/Importance
1	Complaint Handling Procedures	Low
2	Procedural Guidance	Medium
3	School Handbooks	Low
4	Questionnaire	High
5	Recorded Information	Low
6	Reporting of Complaints	Medium
7	Performance Information	Medium
8	Policy and Governance Group	Low

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Appendix 2: Action Plan

Action 1 - Complaint Handling Procedures

The current Complaint Handling Procedure would benefit from a system of version control as it is undated and doesn't state the author or the body that approved or amended the routines. For example, the Strategic Policy & Resources Committee approved the process for complaints handling in February 2013 with the procedures evolving over time.

There are also minor differences in the definition of a complaint between the Complaint Handling Procedure, the relevant Eric page, the leaflet for customers and the update to the Policy and Governance Group of the 6 March 2015. There may therefore be a risk of misinterpretation in the identification of a complaint if the definitions are not consistent.

Management Action Plan

- 1) The Complaints and Governance Officer will arrange for the Complaint Handling Procedure to include a system of version control. This will record the author and the body approving or amending routines.
- 2) The Complaints and Governance Officer will identify all media detailing the Council's definition of 'What is a complaint' and ensure that the definition is per the Complaint Handling Procedure. The Complaints leaflet will be reprinted as and when operationally viable.

Importance:	Low
Responsible Officer:	P Dickson, Complaints and Governance Officer
Lead Service:	Chief Executive's Service
Date for Completion (Month / Year):	1) and 2) December 2015
Required Evidence of Completion:	1) Extract from version control for CHP documents 2) Updated Draft Complaints Leaflet

Auditor's Comments

Satisfactory

Action 2 - Procedural Guidance

The report to the Strategic Policy and Resources Committee included a paragraph which stated that “All expressions of dissatisfaction should be captured by the complaints handling process, including some that were previously classed as ‘service requests’.” These requirements are further detailed in a CHP flow chart which stipulates “ensure all complaints logged.”

Audit testing revealed that the ECS guidance notes for schools are not fully aligned to the above as these notes state that it is down to each Head Teacher’s professional judgement as to when a Frontline Resolution complaint is recorded in a school. This arrangement is not included within the CHP which may result in a reader of the CHP misinterpreting the Council’s procedures.

In addition, the ECS guidance lists six categories of complaints but these are not referred to in the Council’s CHP. The Complaints & Governance Officer advised that these categories are used by the Corporate Complaints Team.

Management Action Plan

The Complaints and Governance Officer will arrange for the CHP document to be revised to include a paragraph describing the operational arrangements within ECS.

The Complaints and Governance Officer will also update the CHP document with details of the six categories of complaint as agreed with the SPSO and the other 31 Local Authorities.

Importance:	Medium
Responsible Officer:	P Dickson, Complaints and Governance Officer
Lead Service:	Chief Executive’s Service
Date for Completion (Month / Year):	December 2015
Required Evidence of Completion:	Updated CHP

Auditor’s Comments

Satisfactory

Action 3 - School Handbooks

Audit testing of ten randomly selected school handbooks revealed scope to improve the reference to the Council's Complaints Handling Procedures in six of these handbooks as some handbooks did not refer to the current procedures or quoted historic procedural timescales.

Management Action Plan

- 1) The Team Leader will write to all schools to remind them of the need to ensure consistent and up to date information regarding the Council's Complaints Handling Procedures is included within the School's Handbook. Sample wording as per the Local Authority's handbook information will be referred to in this message.
- 2) The Complaints Handling procedures in the six referred to handbooks will be updated to reflect the correct information. This will be actioned in line with the next statutory publication date for the annual review of school handbooks.

Importance:	Low
Responsible Officer:	S Watson, Team Leader, Business Services
Lead Service:	Education & Children's Services
Date for Completion (Month / Year):	1) October 2015 2) December 2015
Required Evidence of Completion:	1) Copy of correspondence 2) Extract from the 6 updated handbooks

Auditor's Comments

Satisfactory

Action 4 - Questionnaire

A report to Scrutiny Committee in June 2014 stated that during the next six months a questionnaire will be issued to complainants regarding their experience during the life of the complaint. At the date of testing this has not occurred.

The Complaints and Governance Officer advised it was envisaged that the questionnaire would have been issued and the plan was for all Stage 2 complainants to receive a questionnaire along with a percentage issued to Stage 1 complainants.

The lack of a questionnaire makes it less easy to evidence whether a complaint was fully resolved to the customer's satisfaction.

Management Action Plan

The Complaints and Governance Officer has modified the draft questionnaire to ensure that it follows the requirements of the SPSO/Complaints Handlers Group. The draft questionnaire is currently being reviewed by Services.

The questionnaire will be introduced to Stage 2 complainants and thereafter a percentage to Stage 1 complainants.

Importance:	High
Responsible Officer:	P Dickson, Complaints and Governance Officer
Lead Service:	Chief Executive's Service
Date for Completion (Month / Year):	September 2015
Required Evidence of Completion:	Copy of questionnaire

Auditor's Comments

Satisfactory

Action 5 - Recorded Information

A log of recommendations/improvement actions details the actions taken by a Service to help mitigate the risk of similar complaints arising. There is benefit in adding this template to the relevant Eric page.

Also, there is scope for the Complaint Resolution Section on the Frontline Resolution form to include a drop down box which records the means of communication when responding to the customer for example, face to face, email, or letter.

The recording of the above information currently relies on free format notes within the summary which are manually input. One of the tested cases did not record this information which makes it less easy to evidence that contact was made.

Management Action Plan

The Complaints and Governance Officer will ensure that the recommendations/improvement actions template is added to the relevant Eric page.

The Complaints and Governance Officer/Complaints Officer has also requested that modifications be made to the Complaint Resolution Section on the Frontline Resolution form. Information Technology staff are reviewing this request.

Importance:	Low
Responsible Officer:	P Dickson, Complaints and Governance Officer
Lead Service:	Chief Executive's Service
Date for Completion (Month / Year):	December 2015
Required Evidence of Completion:	Updated template on Eric Page and modified Stage 1 FLR form

Auditor's Comments

Satisfactory

Action 6 - Reporting of Complaints

The report to Scrutiny Committee in June 2014 reported 878 Frontline Resolution Complaints and 95 Stage 2 investigations.

The Chief Executive's Service Business Management and Improvement Plan presented on the same date to Scrutiny Committee reports different figures from the above of 838 and 83 instances of such complaints. Differences were also found when comparing the breakdown of actual time taken to resolve complaints in these reports. The Complaints and Governance Officer stated that these differences have been discussed with management and appear to be timing issues. The development of automated complaint reporting information will assist in ensuring the accuracy of such.

Also, the Complaints Handling Procedures states that a complaint does not include routine requests for service such as action on anti-social behaviour. The report does not explain such exclusions from these figures.

Furthermore, a Roads Asset Management Plan 2015-2020 presented to SP&R in June 2015 reports 4849 customer contacts for 2013/14 relating to for example, carriageway defects and street lighting faults. Whilst it is appreciated that some of these cases relate to work that may not be the Council's responsibility there is benefit in clarifying exclusions from the complaints figure reported to Scrutiny Committee to help minimise the risk of any misinterpretations.

Management Action Plan

The Complaints and Governance Officer will ensure that a paragraph explaining exclusions to the CHP report will be detailed in the 2014/2015 Annual Complaints Report.

The Complaints and Governance Officer will also oversee the introduction of an automated complaint reporting system which will assist in ensuring the accuracy of statistical information.

Importance:	Medium
Responsible Officer:	P Dickson, Complaints and Governance Officer
Lead Service:	Chief Executive's Service
Date for Completion (Month / Year):	September 2015
Required Evidence of Completion:	Extract from 14/15 Annual Complaints Report. Automated complaints reports.

Auditor's Comments

Satisfactory

Action 7 - Performance Information

The report to Scrutiny Committee in June 2014 advised of a Scottish Public Services Ombudsman (SPSO) requirement regarding the publication of performance information in connection with the Council's complaints procedure. The requirements were further detailed in an SPSO letter of 8 October 2014 and in their performance indicators publication which details eight indicators.

The above report advised that it was proposed to start publishing this information on a quarterly basis during 2014-15 and also that performance measures had been agreed with the SPSO and other Scottish Local Authorities.

The CHP also states that the Council will publicise complaints outcomes, trends and actions on the website quarterly.

At the date of audit testing, the above had not commenced. The Complaints and Governance Officer advised that a draft report had been written in June 2015 and reviewed by the Corporate Complaints Group, the Policy and Governance Group and the Executive Officer Team. Various changes were requested by each Group with further changes to be made.

Management Action Plan

The Complaints and Governance Officer will ensure that complaints performance indicators in line with the Scottish Public Services Ombudsman requirements will be published as soon as agreement on the format/content of the report is agreed. This information will be presented to Scrutiny Committee and published on the PKC website and updated on a quarterly basis thereafter.

Importance:	Medium
Responsible Officer:	P Dickson, Complaints and Governance Officer
Lead Service:	Chief Executive's Service
Date for Completion (Month / Year):	September 2015
Required Evidence of Completion:	Extract from complaints performance indicators information on the PKC website. Report to Scrutiny Committee

Auditor's Comments

Satisfactory

Action 8 - Policy and Governance Group

The Policy and Governance Group receive regular information relating to Complaints but their remit doesn't include the review of complaints.

Their published remit is dated 31 October 2006. There is an updated remit dated the 08 March 2013 which also doesn't include the review of complaints. Nor has the later version been published on their sharepoint site.

Management Action Plan

The Complaints and Governance Officer will ensure that both Policy and Governance Group remits are presented to the next meeting of the Policy and Governance Group in September 2015. The Group will be asked to review both remits and to decide if Complaints should be included in any revised version.

Importance:	Low
Responsible Officer:	P Dickson, Complaints and Governance Officer
Lead Service:	Chief Executive's Service
Date for Completion (Month / Year):	December 2015
Required Evidence of Completion:	Updated P&G remit

Auditor's Comments

Satisfactory