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OXFORD CITY COUNCIL

INTERNAL AUDIT PROGRESS REPORT

March 2018/19

BDO

PROGRESS AGAINST PLAN

Internal Audit

This report is intended to inform the Audit and Governance Committee of progress made against the 2018/19 internal audit plan, which has been approved by Audit and Governance. It summarises the work we have done, together with our assessment of the systems reviewed and the recommendations we have raised. Our work complies with Public Sector Standards. As part of our audit approach, we have agreed terms of reference for each piece of work with the risk owner, identifying the headline and sub-risks, which have been covered as part of the assignment. This approach is designed to enable us to give assurance on the risk management and internal control processes in place to mitigate the risks identified.

Internal Audit Methodology

Our methodology is based on four assurance levels in respect of our overall conclusion as to the design and operational effectiveness of controls within the system reviewed. The assurance levels are set out in section 2 of this report, and are based on us giving either "substantial", "moderate", "limited" or "no". The four assurance levels are designed to ensure that the opinion given does not gravitate to a "satisfactory" or middle band grading. Under any system we are required to make a judgement when making our overall assessment.

Overview of 2018/19 work to date

The following 2018/19 audit reports have now been issued in Final and the executive summaries included in this report:

- Audit 3. ICT Service Desk

- Audit 11. Customer Service

The following report has attracted a limited Opinion and therefore have been issued in full separately:

- Audit 12. Fusion

We are also presenting separately to this Committee:

- Follow up of recommendations report

- Internal Audit Plan 2019-2022 and Internal Audit Charter.

INTERNAL AUDIT OPERATIONAL PLAN 18/19

Audit Area	Audit Days	Executive Lead	Planning	Fieldwork	Reporting	Opinion Design	Opinion Effectiveness
Audit 1. Car Parking	15	Stephen Clarke	✔	✔	✔	Substantial	Substantial
Audit 2. Data Analytics	15	Nigel Kennedy	✔	✔	✔	N/A	N/A
Audit 3. ICT Service Desk	15	Helen Bishop	✔	✔	✔	N/A	N/A
Audit 4. Risk Management	15	Nigel Kennedy	✔	✔	✔	N/A	N/A
Audit 5. General Ledger	12	Nigel Kennedy	✔	✔	✔	Substantial	Moderate
Audit 6. Accounts Receivable	15	Nigel Kennedy	✔	✔	✔	Moderate	Limited
Audit 7. Project Management (Capital)	15	Helen Bishop	✔	✔	✔	Moderate	Moderate
Audit 8. Members Allowances and Budgets	12	Anita Bradley	✔	✔	✔	Moderate	Moderate
Audit 9. Investment Properties	12	Nigel Kennedy	✔	✔	✔	Moderate [draft]	Moderate [draft]
Audit 10. Retention	12	Helen Bishop	✔	✔	✔	Moderate	Limited
Audit 11. Customer Service	12	Helen Bishop	✔	✔	✔	Substantial	Moderate
Audit 12. Fusion Partnership	15	Ian Brooke	✔	✔	✔	Moderate	Limited
Audit 13. Companies Oversight Review	15	Nigel Kennedy	✔	✔	✔	Moderate [draft]	Moderate [draft]
Audit 14, 15 and 15. Capital Pooling Return, DFG Claim and Innovate UK	13	Nigel Kennedy	✔	✔	✔	N/A	N/A

RETENTION AUDIT FOLLOW-UP

We were asked to bring back an update on appraisal and exit survey information.

Please note these are unaudited.

ACTUS Management Information Summary

User Category			
Description	**Code**	**Jan-19**	**%**
Number of Live Accounts	1	646	
Number of people who have never logged on	2	43	6.7%
Number of people with No Appraisals & No Objectives	3	54	8.4%
Number of people with No Appraisals but have Objectives	4	133	20.6%
Number of people with Appraisal but no Objectives	5	1	0.2%

EXIT INTERVIEW DATA (DEC 2018 & JAN 2019)

Service Area	No. Leavers	Exit Interviews	% Leavers
Business Improvement	3	0	0%
Community Services	3	1	33%
CPPC	1	3	300%
Financial Services	4	2	50%
Housing Services	1	1	100%
PSDRS	2	2	100%

	14	9	64%

Leavers over 12 month period to end Jan 2019: 70

EXECUTIVE SUMMARY – ICT SERVICE DESK

EXECUTIVE SUMMARY

LEVEL OF MATURITY (SEE APPENDIX III FOR DEFINITIONS)

BDO Assessment 2018	4	Managed - Processes are measured by collecting detailed data on the processes, their quality and are appropriately improved.
BDO Assessment 2016	1	Ad-hoc – Processes and activities are ad-hoc or undefined.
Council Assessment 2016	2	Repeatable – Basic processes and activities are established and there is a level of discipline and adherence.

SUMMARY OF RECOMMENDATIONS: (SEE APPENDIX III FOR DEFINITIONS)

High	0
Medium	2
Low	1

TOTAL NUMBER OF RECOMMENDATIONS: 3

BACKGROUND:

This review has been carried out to assess the current maturity of Oxford City Council's (the Council) ICT Service Desk based on the ITIL standard and to identify the actions required for the Council to achieve better standards. In April 2016, the Council brought the provision and management of the ICT Service Desk in-house having previously been managed by Oxfordshire County Council.

A maturity assessment was carried out in August 2016, and this current audit was undertaken to establish the extent to which the ICT Service Desk's maturity has progressed.

The maturity of the ICT Service in general and the ICT Service Desk in particular will directly affect the level of service provided to the Council and the experiences of the end-user.

From our assessment we identified the following areas of good practice:
- The Council has approved an ICT timeline which incorporates strategic roadmaps for 2019-2021 for ICT Technology & Applications, Digital Solutions and Customer Services
- The Council has documented a Service Delivery Development Plan 2018-19, and this is monitored and reviewed on a monthly basis
- ICT Service Desk and end-user support is provided to staff who have undergone a skills matrix whereby specialist skills are identified and training needs assessed and addressed. The standard operating model ranks staff expertise per technology/application
- The Applications Team has built in resilience with staff being skilled for a range of specialisms. All members of the ICT Service Desk have completed ITIL Foundation training and are aware of the principles of Service Management.
- Staff rotas are managed via Timetastic to ensure that Service Desk resources are adequately scheduled
- Service Desk performance is reported to the Head of Services on a weekly basis
- The vFire IT Service Desk application has been configured in line with ITIL best practice
- An ICT forward plan has been communicated to Council staff which advises of the ICT design principles, ICT horizon scanning, ICT interactions and ICT project gateway process
- A detailed ICT Communications Plan has been provided to all Council staff.

KEY FINDINGS:

However, we noted the following areas for improvement:

Finding	Recommendation	Management Response
There is no clearly defined process for problem management (e.g. slow computers) (Medium – finding 1)	Management should implement a defined procedure to review and report on the performance tools it maintains, in particular vFire. The procedure should include how to identify, review and communicate problem areas that are reported by multiple users, in order that an action plan can be discussed and established for presentation to CAB.	Agreed. We will implement this procedure. ICT Service Delivery Manager May 2019
The Access Control Guide does not require the Service Desk to confirm that a request for access has been approved by the user's line manager (Medium – finding 2).	Management should review the Access Control Guide and update as necessary, regarding the approval of system access requests and the requirement and responsibility for periodically reviewing access controls. All users and managers should be aware and accountable for their responsibilities in user's access control.	Agreed. We will review the Guide. ICT Service Delivery Manager May 2019

ADDED VALUE

We have provided an update of findings raised in August 2016 to report the progress of these findings in detail. The results of this are provided at appendix I. Appendix II provides a visual summary of the maturity progress since April 2016.

CONCLUSION:

Based on our assessment of the ICT Service Desk, we have concluded that the current maturity of the ICT Service Desk is Level 4 – Managed. This is an improvement of 3 steps from the previous review which was assessed as Level 1 – Ad-hoc. This provides assurance that the ICT Service Desk is mature enough to support

the Council's operations, and that adequate resources have been made available to support the development and improvement of the ICT Service Desk.

We have raised two medium risk and one low risk finding. We have set out the actions required to achieve the Council's desired maturity levels within our recommendations. Appendix I provides a summarised update of the findings raised in August 2016.

EXECUTIVE SUMMARY – CUSTOMER SERVICE

EXECUTIVE SUMMARY		
LEVEL OF ASSURANCE: (SEE APPENDIX I FOR DEFINITIONS)		
Design	Subtantial	There is a sound system of internal control designed to achieve system objective
Effectiveness	Moderate	Evidence of non-compliance with some controls, that may put some of the system objectives at risk
SUMMARY OF RECOMMENDATIONS: (SEE APPENDIX I FOR DEFINITIONS)		
High	0	
Medium	2	
Low	1	

TOTAL NUMBER OF RECOMMENDATIONS: 3

CRR/BAF REFERENCE:

Efficient Council

BACKGROUND:

The Council have a Customer Service Desk who manage calls for all first points of contact with the Council. They have trained personnel who then route calls to the relevant teams or answer the queries or direct callers to other organisations/websites.

The target of percentage of calls answered by the Customer Service Officers without the customer deciding to hang up is 95% in 2017/18, and the Council achieved 93% from April 2018 to January 2019. The % of customers that rated the Contact Centre service as Average or Good when they completed a survey after a telephone call with one of the Customer Service Officers was 99.3% (target 98%).

There are four parts to Customer Service: 1 – Contact Centre (telephony); 2 – Customer Service Centre (face-to-face); 3 – Applications Team (applications); and 4 – Print, Post and Scanning Team. This review is focusing on the first and second part of the Customer Service Team.

To deliver these services the Customer Service Team have an SLA with the different Council Service Areas and staff delivering customer service are multi-skilled so they can manage all queries.

GOOD PRACTICE:

We have identified the following areas of good practice:

- A clear vision '**Making every customer contact count**' has been established in the Council's Customer Service (CS) Centre. The CS staff are endeavouring to contribute to the joint customer experience statement combining 'Trust', 'Care' and 'Please'.
- In 2018/19, the CS Centre has been achieving:
  - 99.3% customers are satisfied at the first point of contact – telephone (target 99%)
  - 90% customers are satisfied at the first point of contact – face to face (target 87%)
  - 94% calls are solved at first point of contact (target 90%)
  - 98% customers are seen within 5 minutes (target 95%)
  - 94% calls were answered (slightly behind the target of 95% - due to vacancies and sickness absence in the CS Centre).

- The CS Centre handles customer phone calls and face to face appointments in relation to all services provided by the Council, including Housing Benefit, Council Tax, Waste and Recycling, Repairs, Planning, Business Rates, etc. Each service has different software systems which the CS Officers (CSOs) use to resolve customers' requests. All new starters are required to complete a 10-day induction training and another 2-week practice period before they can start answering calls independently. New starters can take calls within 2/3 weeks dependant on the service they are 1st trained in. Data Protection is mandatory training all CSOs must complete during the induction period. Service specific training is provided regularly throughout the year for all untrained CSOs, aiming for an 80% overall coverage (76% was achieved in the CS Centre).
- The CS Training Team spent time at each service of the Council and developed service specific training materials. Services continue to communicate updates and changes to the CSOs to ensure accurate information is provided to customers. Most scripts and guidance are built into the relevant system for CSOs to follow during the phone call/appointment. A SharePoint webpage is also available to seek new updates and relevant information. Refresher training is provided to all CSOs on an annual basis – 4 weeks in November 2018.
- A Skills Matrix is maintained by the Training Team to record the training completion status for each CSO under each individual service. The skills of each CSO are entered onto the telephony system, where each phone call is routed directly to the trained CSO based on the enquiry option made by the customer.
- The CS Centre receives over 17,000 phone calls and over 2,000 face to face appointments per month, and only 19 valid/justified complaints have been raised against the CSOs from April to November 2018. All complaints are investigated by the team managers as well as the Quality Team and resolved normally within a week. Feedback is given to the CSO involved directly for future improvement.
- A comprehensive performance framework has been defined at the CS Centre, by the team and by individuals. It is monitored on a weekly basis and non-compliance is discussed at each individual's monthly 1-2-1 meetings and the bi-monthly appraisal meetings. We noted that there are a number of CSOs who continued to under achieve the minimum requirement on adherence to shift (<90%) and wrap up time limit (>4.21 minutes) from April to September 2018. They have all been put on Performance Improvement Programmes and improvement has been evidenced from the October – December 2018 results.
- The Quality Team developed a quality control process, which requires each CS Team Manager or Assistant Manager (six in total) to listen to three phone calls answered by each team CSO on monthly basis. A Quality Check Form which contains a list of quality monitoring criteria, is checked against for each phone call by the Team Manager. The forms with scores and development points feed into one Quality Check Excel Sheet on the Quality Control SharePoint page. It is a private page with access invite only. Graphs of trends can be seen clearly in the Excel Sheet, which also contains the 3Cs (Complaints, Compliment and Comment), feedback from services and training checks towards each CSO.
- The Quality Team have presented the quality control results to the management team meeting on a monthly basis since September 2018. Development areas are identified against each quality control criteria including Data Protection, Building Rapport, Showing Professionalism, etc. The results are broken down to each CSO so under performance can be identified clearly.
- Prior to monthly 'One to One' meetings, the Excel Sheet is reviewed by the Manager to extract the performance of the individual CSO. We reviewed the appraisal records of three CSOs who had development points raised in the month, and confirmed with the Team Manager that development areas are discussed and complaints fed back to the CSO to identify future improvement plans.
- As part of the Customer Experience Program, Web Chat has been used since October 2017. Over 50% of CSOs are trained to use Web Chat and shifts are allocated accordingly. CSOs continue to encourage the customers to use on-line services for future contact and offer a variety of on-line options to promote channel shift and reduce avoidable calls, as one of the minimum requirements which are monitored as part of the quality control process. The CS Team is also working on improving the online tool for Repair and Waste & Recycling. A text messaging service has been introduced to confirm and remind of repair appointments, and will be introduced for waste collection bookings.

KEY FINDINGS:

Finding	Recommendation	Management Response
CS Team Managers are not meeting the target of listening to three phone calls answered by the CSOs on a monthly basis, which is a key part of the quality monitoring process (medium – finding 1)	A. The CS team managers should be reminded via email to flag up workforce pressures in early stages whenever they feel the quality monitoring process could not be completed in the month B. The Quality Control Process should be updated to define the sample calls selection timeframe and methodologies to ensure the effectiveness of quality control C. The monthly quality control report should include data analysis to confirm the sample selection is reasonable	A. Agreed. Due to sickness of 2 Managers we have been stretched this year. We will continue to monitor the completion of monthly management call checks and remind all managers to flag up issues in early stages. In addition to the recommendations stated the number of calls listened to will be monitored in 1-1 meetings with the Managers B. We will update the Quality Control Process to ensure the quality checks are completed based on reasonable sample selection methodology. We are also looking to review the whole quality management process for the coming year which may result in us moving to more of a "coaching" system rather than listening to calls Assistant Customer Service Manager June 2019
'Not updating all systems', and 'not resolving calls' are the quality issues in the CS Centre (19% and 21% respectively of calls checked in October). This can lead to incorrect/incomplete information being recorded in the system, repeated calls received and/or jobs not passed effectively to the relevant service, which could result in additional cost to the Council (low – finding 2)	Additional training (via refresher talking points or monthly appraisal/one to one meeting) should be provided to CSOs to ensure systems are updated and calls are resolved effectively at the first point of contact.	Agreed. We will provide training to those who failed to meet the requirements, and continue to monitor the quality check results and provide additional training and guidance to improve CSOs performance. This has been involved in our action log, which we monitor the completion progress every month. We are also looking to procure a more user friendly system that could talk to the other systems so duplicate of work could be reduced. In addition to these areas being picked up in 1-1s we will also discuss with the Training Team how we can tackle the development areas on a wider scale and put a plan in pace to address them. Assistant Customer Service Manager June 2019
A number of SLAs are outdated and the CS Manager is in the process of reviewing them (medium – finding 3).	The SLAs should be updated in timely manner (review period should be no more than every two years) and regular quality monitoring timescale (at least half yearly) should be defined in accordance with the nature of the service and followed by the CS Centre.	Agreed. Agreed. SLAs have been updated. We are just waiting for sign off from the service areas. We will make sure that SLA reviewed as per the recommendations. We will ensure adequate review and quality monitoring process is put in place Assistant Customer Service Manager September 2019

ADDED VALUE

We analysed the volume of quality checks undertaken in the period of August to October 2018 and the volume of development points raised to determine if poor performance could be identified from the quality control process. This resulted in the findings above.

CONCLUSION:

The CS Team has been endeavouring to maintain and improve customer experience, and promote channel shift to reduce future telephone/face to face contact. We have raised two medium level findings mainly on SLA updates and the quality monitoring process, noting that the CS Manager was in the process of addressing the issues during the time of the audit visit. We have therefore provided substantial assurance on control design and moderate on operational effectiveness.

APPENDIX I – DEFINITIONS

APPENDIX III – DEFINITIONS				
LEVEL OF ASSURANCE	**DESIGN OF INTERNAL CONTROL FRAMEWORK**		**OPERATIONAL EFFECTIVENESS OF CONTROLS**	
	FINDINGS	DESIGN	FINDINGS	EFFECTIVENESS
Substantial	Appropriate procedures and controls in place to mitigate the key risks.	There is a sound system of internal control designed to achieve system objectives.	No, or only minor, exceptions found in testing of the procedures and controls.	The controls that are in place are being consistently applied.
Moderate	In the main there are appropriate procedures and controls in place to mitigate the key risks reviewed albeit with some that are not fully effective.	Generally a sound system of internal control designed to achieve system objectives with some exceptions.	A small number of exceptions found in testing of the procedures and controls.	Evidence of non compliance with some controls, that may put some of the system objectives at risk.
Limited	A number of significant gaps identified in the procedures and controls in key areas. Where practical, efforts should be made to address in-year.	System of internal controls is weakened with system objectives at risk of not being achieved.	A number of reoccurring exceptions found in testing of the procedures and controls. Where practical, efforts should be made to address in-year.	Non-compliance with key procedures and controls places the system objectives at risk.
No	For all risk areas there are significant gaps in the procedures and controls. Failure to address in-year affects the quality of the organisation's overall internal control framework.	Poor system of internal control.	Due to absence of effective controls and procedures, no reliance can be placed on their operation. Failure to address in-year affects the quality of the organisation's overall internal control framework.	Non compliance and/or compliance with inadequate controls.

RECOMMENDATION SIGNIFICANCE	
High	A weakness where there is substantial risk of loss, fraud, impropriety, poor value for money, or failure to achieve organisational objectives. Such risk could lead to an adverse impact on the business. Remedial action must be taken urgently.
Medium	A weakness in control which, although not fundamental, relates to shortcomings which expose individual business systems to a less immediate level of threatening risk or poor value for money. Such a risk could impact on operational objectives and should be of concern to senior management and requires prompt specific action.
Low	Areas that individually have no significant impact, but where management would benefit from improved controls and/or have the opportunity to achieve greater effectiveness and/or efficiency.

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