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**AUDITOR-GENERAL
SPECIAL REPORT No. 76**

Complaint handling in local government

November 2008

*Presented to both Houses of Parliament in accordance with the provisions of section 57 of the
Financial Management and Audit Act 1990*

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20 November 2008

President
Legislative Council
HOBART

Speaker
House of Assembly
HOBART

Dear Mr President
Dear Mr Speaker

SPECIAL REPORT NO. 76
Complaint handling in local government

This report has been prepared consequent to examinations conducted under section 44 of the *Financial Management and Audit Act 1990*, for submission to Parliament under the provisions of section 57 of the Act.

The performance audit examined processes used by councils in handling external complaints about services provided or decisions made by councils.

Yours sincerely

H M Blake
AUDITOR-GENERAL

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Foreword

This Report details the outcome of a performance audit that examined the handling of complaints received by councils.

In Tasmania, councils are required by the *Local Government Act 1993* to have procedures to deal with complaints. This audit assessed whether six councils were complying with legislative complaint-handling requirements and with a complaint-handling best practice international standard.

Councils have developed charters containing high-level principles and procedures that were generally accessible to the public and, in the main, they handled complaints efficiently and effectively. However, we were not confident that their systems were able to ensure compliance with legislation, were capable of ensuring that all complaints were actioned or facilitated systemic review and identification of emerging issues. We were also concerned that general managers had failed to report annual complaint information to councils. Importantly, there was no evidence that councils had systematically used complaint information to improve products, services and decision making, with current systems being incapable of supporting such analysis.

The report makes 12 recommendations aimed at ensuring councils comply with their complaint handling obligations under the *Local Government Act 1993* and that information regarding complaints be collected in such a way as to assure its use in improving internal reporting and service provision.

H M Blake

Auditor-General

20 November 2008

List of acronyms and abbreviations

The Act	<i>Local Government Act 1993</i>
Australian standard	Standards Australia AS ISO 10002 – 2006, <i>Customer satisfaction – Guidelines for complaints handling in organizations</i>
Complainant	Person, organisation or its representative, making a complaint
Charter	Customer Service Charter
LGD	Local Government Division of the Department of Premier and Cabinet

Executive summary

Executive summary

In Tasmania, councils are required by the *Local Government Act 1993* (the Act) to have procedures to deal with complaints. The Act also requires councils to develop a customer service charter (Charter) that must ‘... specify a procedure for dealing with complaints relating to services provided by the council’¹.

Whilst the Act is silent as to what constitutes a complaint, most councils have adopted a common definition. For this audit, we have defined a complaint as dissatisfaction caused by:

- a council product or service
- unsatisfactory conduct of a council employee
- a council decision.

The objective of this audit was to assess whether councils were complying with the complaint-handling requirements of the Act and its associated regulations. In addition, we assessed councils against a complaint-handling best practice international standard².

We audited the following six councils:

- Derwent Valley
- Devonport City
- Kentish
- Kingborough
- Meander Valley
- West Tamar.

Audit opinion

As to whether councils complied with the complaint-related provisions of the Act.

Councils had developed charters that contained high-level principles and procedures that were generally accessible as required by the Act. However, we were not confident that the systems were able to ensure compliance with the Act, in that:

- Charters for Derwent Valley, Meander Valley and West Tamar councils had not been reviewed within the legislated two-year period.

¹ Section 339F(2)(b) *Local Government Act 1993*

² AS ISO 10002 – 2006 *Customer satisfaction – Guidelines for complaints handling in organizations*

- Procedures were inadequate or incomplete at Devonport City, Kentish, Kingborough, Meander Valley and West Tamar.
- Kentish Council had not provided a definition of a 'complaint'.
- Training was not always up to date.
- General managers had failed to report annual complaint information to councils as required by the legislation.

As to whether councils had effectively captured and actioned all complaints received in a timely manner.

Complaint-handling systems were incapable of ensuring that all complaints were actioned in that they failed to facilitate follow up of complaints, systemic review and identification of emerging issues or creation of useful reports.

As to whether complaint handling was efficient and effective.

Councils examined during this audit generally handled complaints efficiently and effectively. However:

- Adequacy of initial response times could not be determined because of deficiencies in information management.
- For the same reason, time of initial response could not be effectively monitored.
- Possible breaches of the Act were being dealt with at a council level rather than referred to the Local Government Division of the Department of Premier and Cabinet.

As to whether councils have effectively used complaint information to improve products, services and decision making.

There was no evidence that councils had systematically used complaint information to improve products, services and decision making. Moreover, their complaint-handling systems were incapable of supporting such analysis.

List of recommendations

The following table reproduces the recommendations contained in the body of this Report.

Rec No.	Section	We recommend ...
1	1.2	... that councils review their customer service charters as required by the <i>Local Government Act 1993</i> .
2	1.3	... a definition for complaints be contained in a council's customer service charter.
3	1.4	... that all councils develop complaint-handling procedures to guide and support staff.
4	1.4	... that councils follow their documented complaint-handling procedures once developed.
5	1.5	... that all staff who regularly deal with the public receive appropriate customer service training.
6	1.6	... that councils implement complaint-handling systems that allow correct identification and logging of complaints as defined in their charters.
7	1.7	... that councils implement complaint-handling systems that allow the General Manager to comply with section 339F(5) of the <i>Local Government Act 1993</i> .
8	1.8	... that councils publish complaint-handling information annually.
9	2.3	... that councils monitor performance in meeting response and resolution times of complaints.
10	2.4	... councils develop systems that allow complaints to be analysed to identify systemic weaknesses and underlying problems.
11	2.5.1	... that external complaint mechanisms be contained within a council's charter.
12	2.5.3	... that all complaints that claim that a breach of the <i>Local Government Act 1993</i> has occurred be referred to the Local Government Division of the Department of Premier and Cabinet.

Management responses

Devonport City

Devonport City Council is committed to the provision of timely, efficient, consistent and quality service which meets our customers' expectations.

Work commenced, prior to this audit, to review our Customer Service Charter and the procedures in place. Staff work diligently to satisfy customer requests and address any complaints received.

However improvements to our systematic approach to complaint-handling were identified and work commenced to explore refinements to our electronic records management system.

The definitions contained in our Customer Service Charter are in line with the audit report's recommendation and provides staff a clear interpretation of complaints. It also provides the community with an understanding of the process they can expect and further avenues for review if they feel their complaint is not satisfactorily resolved.

Devonport City Council has identified the need to update staff training. Some sessions have already been completed, with further sessions scheduled to coincide with the completion of procedural improvements. Comprehensive information will also be included as part of the site specific induction of new employees. Reinforcement of procedures is required consistently to ensure compliance with our published commitment to service and resolution of any complaints, within the prescribed timeframes.

Implementation of improved processes has begun and will continue over the next six months as system enhancements allow. Electronic systems, once fully developed, will allow tracking and reporting on complaint category, response and resolution timeframes achieved and will facilitate more comprehensive information analysis to guide Council's plans for future improvements.

The recommendation to refer all complaints regarding a breach of the *Local Government Act 1993* to the Local Government Division is acknowledged and will be incorporated into complaint-handling procedures.

In summary, Devonport City Council accepts the findings and recommendations of the *Complaint Handling in Local Government Audit Report* and notes it confirms the opportunity for improvements identified in Council's earlier review.

Kentish

The draft report provides some valuable input and raises various matters, many of which were not unexpected. I consider the organisation has been able to respond well to complaints via a multitude of means. The systems we use are more fragmented than we would seek, yet given the complexity of complaints to be managed by Council and the sector as a whole, these complaints have been managed well.

The audit brief was whether Councils complied with the complaint-related provisions of the Act.

Kentish has established sound complaint management processes that are continuing to be improved. At the same time, there are severe

resource constraints placed on small rural Councils. This relates not only to technology capability, but has major implications on limited staff resources. I consider Kentish has processes in place that provide quality responses to complaints, albeit those systems being capable of improvement.

There are no issues identified in the draft report and the list of recommendations that the Council should not seek to comply, or cannot be addressed with improved technology, staff training and staff resources. I suspect that the smaller councils who are currently dealing with vital issues relating to overall financial sustainability will continue to struggle in this regard.

Kingborough

Council will be provided with a report for 2006–07 and 2007–08 of the number and nature of complaints received through the Annual Report process and every year thereafter.

A customer complaints management system will be implemented to ensure that complaints will be escalated to a higher level if not finalised within the stipulated timeframes.

Council captures written complaints through Dataworks, its electronic Records management system. Currently divisional managers are responsible for responding to complaints. A review of this system has resulted in Council implementing a complaints handling register and escalation process through a dedicated Council Officer. This new procedure will identify and process complaints whilst ensuring appropriate monitoring is in place.

Further improvements will also be made to the capturing and classification of genuine complaints within the records management system.

Improvements will be made to the capturing and classification of genuine complaints within the records management system.

This will improve the way Council records complaints, allows for appropriate retrieval of documents, tracks response times and progress, easier reporting and analysis of the complaints register. Reporting from the complaints register will be included in Council's Annual Report which is available to the public.

Introduction

Introduction

Background

Local government councils are committed to providing timely, efficient, consistent and quality customer service. Inevitably, there will be times when that objective is not attained, particularly from the viewpoint of residents or ratepayers. As a result, some of those situations will trigger complaints from individuals or organisations.

On a positive note, information obtained through dealing with complaints can lead to improvements in products, services and processes. Moreover, proper handling of complaints can improve the reputation of an organisation.

An effective and efficient complaint-handling process reflects the needs of both the organisation supplying products and services and those who are the intended recipients. Best practice guidance on the design and implementation of complaint-handling processes is available from Standards Australia³.

In Tasmania, councils are required by the *Local Government Act 1993* (the Act) to have procedures to deal with complaints. The Act also requires councils to develop a customer service charter (Charter) that must ‘... specify a procedure for dealing with complaints relating to services provided by the council’⁴.

Whilst the Act is silent as to what constitutes a complaint, most councils have adopted a common definition. For this audit, we have defined a complaint as dissatisfaction caused by:

- a council product or service
- unsatisfactory conduct of a council employee
- a council decision.

There are occasions when council-related complaints may involve an external body such as the Ombudsman. In addition, complaints concerning a legislative breach should be referred directly to the Local Government Division (LGD) of the Department of Premier and Cabinet. In some instances, an unresolved complaint may result in legal action.

³ AS ISO 10002 – 2006 *Customer satisfaction – Guidelines for complaints handling in organizations*, Standards Australia, 2006

⁴ Section 339F(2)(b) *Local Government Act 1993*

Audit objective

The objective of this audit was to assess whether councils were complying with the complaint-handling requirements of the Act and its associated regulations. In addition, we assessed councils against the Australian standard as, in our view, it provides an appropriate benchmark for best practice.

Audit scope

The audit examined public complaints in relation to perceived problems with council products, services or decisions.

To obtain a representative sample, we audited the following six councils:

- Derwent Valley
- Devonport City
- Kentish
- Kingborough
- Meander Valley
- West Tamar.

In addition, we sought information on complaints concerning these councils from the Ombudsman's office. Also, the LGD supplied us with information on complaints concerning the above councils.

The audit did not consider requests for service unless there was evidence of inaction on the part of a council. Further, the audit excluded internal complaints such as employee grievances.

The audit looked at complaints dating back to early 2006.

Audit criteria

The audit criteria that we applied were whether councils:

- complied with the Act
- actioned all complaints received
- handled complaints efficiently and effectively
- used complaint information to improve products, services and decision making.

Additionally, we examined the number of complaints referred to external bodies, such as the Ombudsman and LGD, and other mechanisms for resolution.

Audit methodology

To conduct the audit we:

- reviewed council charters, reports and documents
- assessed the adequacy of complaint data and recording systems
- conducted limited sampling of complaints and assessed action taken
- held discussions with council management and staff
- sought complaint data from the Ombudsman and the LGD.

Timing

Planning for this performance audit began in February 2008. Fieldwork was completed in August and the report was finalised in October 2008.

Resources

The total cost of the audit excluding production costs was \$93 000.

1 Complaint-handling systems

1 Complaint-handling systems

1.1 Background

In this Chapter, we examine complaint-handling systems that councils had in place to assess the extent to which the systems ensured:

- compliance with the Act
- all complaints were actioned.

1.2 Customer service charter

Under the legislation, councils must:

- adopt a customer service charter [date of effect: 1 January 2006] and review it at least every two years
- specify in the charter principles and procedures relating to the products or services provided
- provide adequate public access to the charter⁵.

Table 1 shows the level of legislative compliance for the councils included in the audit.

Table 1: Council compliance with the *Local Government Act 1993*

Charter	Derwent Valley	Devonport City	Kentish	Kingborough	Meander Valley	West Tamar
Adopted?	✓	✓	✓	✓	✓	✓
Reviewed?	✗	✓	✓	✓	✗	✗
Contained principles and procedures?	✓	✓	✓	✓	✓	✓
Readily accessible?	✓	✓	✓	✓	✓	✓

All councils had adopted a charter, although only three councils, Devonport City, Kentish and Kingborough, had reviewed them within the required two-year period.

We were satisfied that all charters contained principles and external complaint-handling procedures. Also included were staff

⁵ *Local Government Act 1993* section 339F.

responsibilities and response-time targets. Section 1.4 examines the implementation of internal policies and procedures.

All councils provided adequate open access to their charters through websites or by making hard copies available. Some councils published information concerning their charters through community newspapers and local information directories.

Recommendation 1

We recommend that councils review their customer service charters as required by the *Local Government Act 1993*.

1.3 *What is a complaint?*

Whilst the Act requires councils to adopt a charter, it is not prescriptive beyond those requirements examined in Section 1.2. The legislation does not define what a complaint is, other than requiring procedures for dealing with complaints relating to services⁶.

With the exception of Kentish, all councils defined a complaint in their charter. The following definition used by Devonport City was typical:

A complaint is an expression of dissatisfaction with a decision, level or quality of service, or behaviour of an employee or agent, which can be investigated and acted upon where no right of appeal or review is available under any other legislation.⁷

The omission of a clear definition could create difficulties, such as whether a referred issue is a complaint or a request for service. That difference becomes important where a council treats service requests and complaints differently. In their charters, all councils with the exception of Kentish made a clear distinction between a request for service and a complaint.

Recommendation 2

We recommend a definition for complaints be contained in a council's customer service charter.

1.4 *Complaint-handling process*

In order for a council's complaint-handling system to work efficiently and effectively, it must have policies, procedures and systems in place to ensure clarity and consistency in receiving, storing and resolving complaints.

⁶ See section 339F(2)(b)

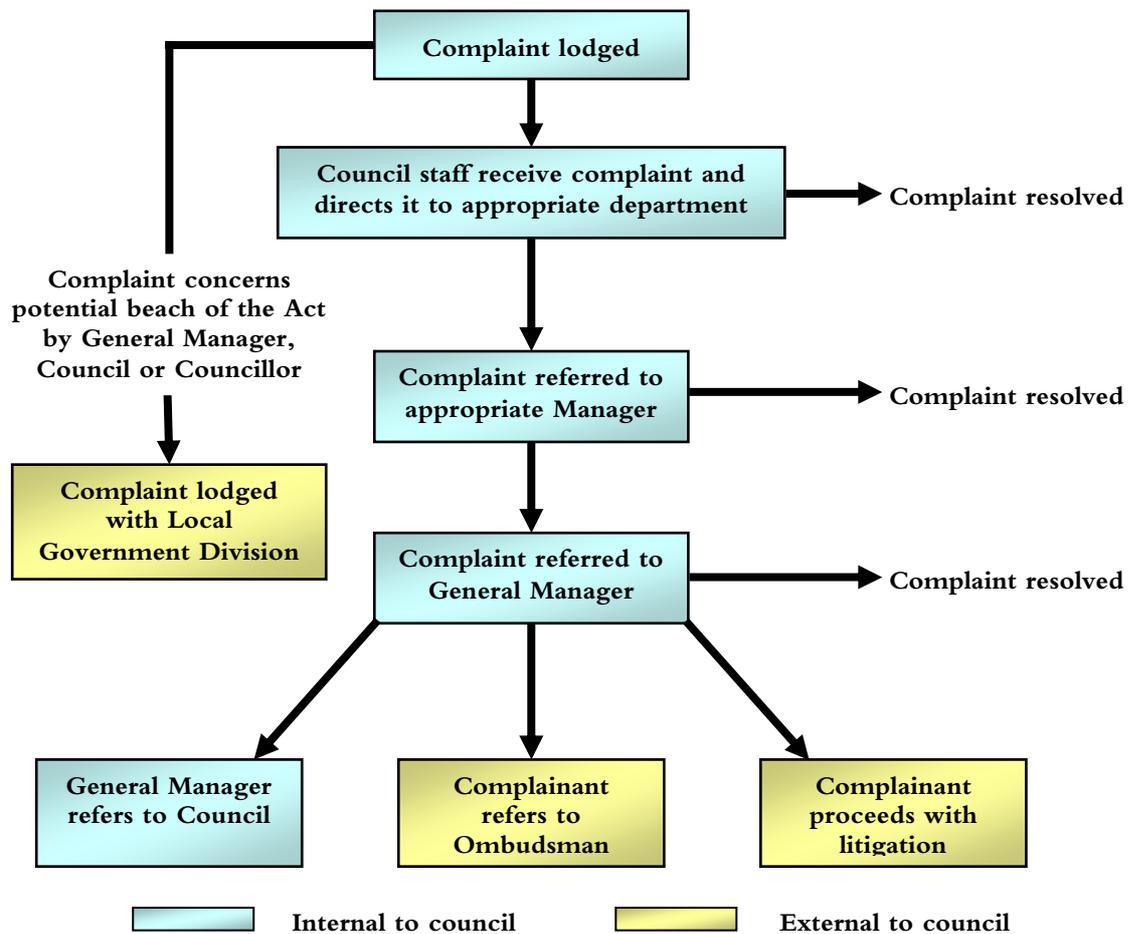
⁷ Devonport City Council, *Customer Service Charter*, p.2

To assess the above criteria we examined:

- policies and procedures
- training
- complaint information management.

Complaints need to be referred to the right person within a reasonable timeframe and for that to occur councils have to have a structured approach. We found that councils dealt consistently with complaints. Figure 1 illustrates our interpretation of how the complaint-handling process operated.

Figure 1: Administrative complaint-handling process



We were satisfied that enquiry staff understood their responsibilities, knowing when to refer issues to a more appropriate or senior person. Chapter 2 has details of individual complaints.

The Australian standard states that an organisation should have an explicit customer-focused complaint-handling policy that should be supported by procedures.⁸ As noted in Section 1.2, all councils had

⁸ AS ISO 10002 – 2006 Customer satisfaction – Guidelines for complaints handling in organizations, Standards Australia, 2006, p.4.

adopted a charter and we took those charters to be the complaint-handling policy. More problematic was identifying whether councils had developed and were using complaint-handling procedures. We expected to see documentation containing complaint-handling procedures that would guide staff in interpreting council policy. The results of our assessment are summarised in Table 2.

Table 2: Were there complaint-handling procedures?

Council	Complaint procedures exist?
Derwent Valley	✓
Devonport City	Partial
Kentish	Partial
Kingborough	✗
Meander Valley	Partial
West Tamar	✗

Table 2 shows that:

- Derwent Valley was the only council to have a separate set of procedures coupled with a clearly set out complaint-handling process. However, we found it was not following its own complaint-handling procedures; managers often dealt with complainants personally and failed to log them.
- Devonport City, Kentish, and Meander Valley had developed some documented procedures that partially satisfied audit requirements. But, the documents inspected were incomplete.
- Kingborough and West Tamar had no separate complaint-handling procedures aside from their charters.

Documented internal complaint-handling procedures would assist council staff in providing a consistent approach.

Recommendation 3

We recommend that all councils develop complaint-handling procedures to guide and support staff.

Recommendation 4

We recommend that councils follow their documented complaint-handling procedures once developed.

1.5 Training

An important part of complaint handling is having staff trained to deal with complaints effectively and efficiently. Individuals who display a high degree of professionalism and empathy are more likely to resolve a complaint or achieve a better outcome. The requirement for all personnel who have contact with the public to be trained in complaint handling is contained in the Australian standard⁹.

We examined council training records and staff development programs to determine whether front-line staff were receiving training to assist them in dealing with complaints. We found varying degrees of training received in regard to:

- customer service
- complaint handling
- dealing with difficult customers.

All councils had engaged external consultants to train staff in the above areas. However, we found that training in complaint handling was not always up-to-date. For example, at Devonport City there had not been any complaint-related training since 2004. At other councils, training records were found to be patchy with some individuals receiving recent training, while others were overdue.

Recommendation 5

We recommend that all staff who regularly deal with the public receive appropriate customer service training.

1.6 Complaint information management

Councils can receive complaints in a number of ways, including:

- in person
- in writing — letter, email or facsimile
- by telephone.

Once a complaint is made, council systems require records to be retained in either a paper-based system (Derwent Valley) or electronic document systems. We found that none of the systems facilitated follow-up of complaints, systemic review, identification of emerging issues or creation of useful reports.

We also noted difficulty locating complaint records amongst other information retained. For example, Derwent Valley had recorded only one complaint in its complaint register but our inquiries

⁹ Ibid.

identified 41 complaints amongst requests for service. Similar problems were evident at other councils.

Councils had recognised some of the above shortcomings. For instance, Kentish was in the process of developing a new template capable of better capturing complaint information. However, it would not overcome all of our reporting concerns. Similarly, Meander Valley had moved to implement a system to give it better reporting capability. Also, Devonport City planned to develop specific complaint-management software.

Recommendation 6

We recommend that councils implement complaint-handling systems that allow correct identification and logging of complaints as defined in their charters.

1.7 *General Manager reporting*

The Act stipulates that general managers have to provide a report to council, at least annually, on the number and nature of complaints received.¹⁰ All charters that we examined contained a commitment to report annually, mirroring the legislative requirement. However, we found that no general manager was complying with the legislation.

This is indicative of a number of problems in the application of their charters within councils' data systems. Complaints, as defined by the charters in five of the councils, were not logged or tracked to allow effective reporting. Council systems and service request databases failed to provide easy answers to questions such as:

- total number of complaints received in a given time period
- how many complaints were resolved
- the number of complaints that remain unresolved
- whether response times in the charter had been met.

In conclusion, we found current information management systems were incapable of assisting general managers to meet their legislative responsibilities.

¹⁰ Section 339F(5) *Local Government Act 1993*

Recommendation 7

We recommend that councils implement complaint-handling systems that allow the General Manager to comply with section 339F(5) of the *Local Government Act 1993*.

1.8 *Publication of complaint information*

Complaints originate from the public and so we were interested to establish whether councils published complaint-handling information in their annual reports. None of the councils published details of complaints as defined in their charters. Kentish, Meander Valley and West Tamar councils reported service request information only.

Two councils, Meander Valley and West Tamar, conducted annual satisfaction surveys of residents regarding councils' performance. Their findings were publicly reported.

Recommendation 8

We recommend that councils publish complaint-handling information annually.

1.9 *Conclusion*

Councils had developed charters that contained high-level principles and procedures that were generally accessible as required by the Act. However, we were not confident that the systems were able to ensure compliance with the Act, in that:

- Charters for Derwent Valley, Meander Valley and West Tamar councils had not been reviewed within the legislated two-year period.
- Procedures were inadequate or incomplete at Devonport City, Kentish, Kingborough, Meander Valley and West Tamar.
- Kentish Council had not developed a definition of a 'complaint'.
- Training was not always up to date.
- General managers had failed to report annual complaint information to councils as required by the legislation.

Systems were also incapable of ensuring that all complaints were actioned because they failed to facilitate follow-up of complaints, systemic review and identification of emerging issues or creation of useful reports.

2 Complaint outcomes

2 Complaint outcomes

2.1 *Background*

In this Chapter, we assess the extent to which councils:

- handled complaints efficiently and effectively
- used complaint information to improve products, services and decision making.

We examined 228 complaints across all six councils, for the period January 2006 to early 2008. However, as noted in Section 1.6, it was likely that there were additional complaints that we could not identify.

Although we were unable to analyse response times we were able to see whether complaints were being handled efficiently and effectively by looking at resolution times.

2.2 *Types of complaints*

Drawing on the common definition of a complaint used by councils in their charters, we noted that dissatisfaction arose regarding the following:

- council decisions
- level or quality of existing service provided
- action or behaviour of an employee or agent of the council
- rates or a financial issue
- councillors.

Figure 2 provides a break-down of these complaint types.

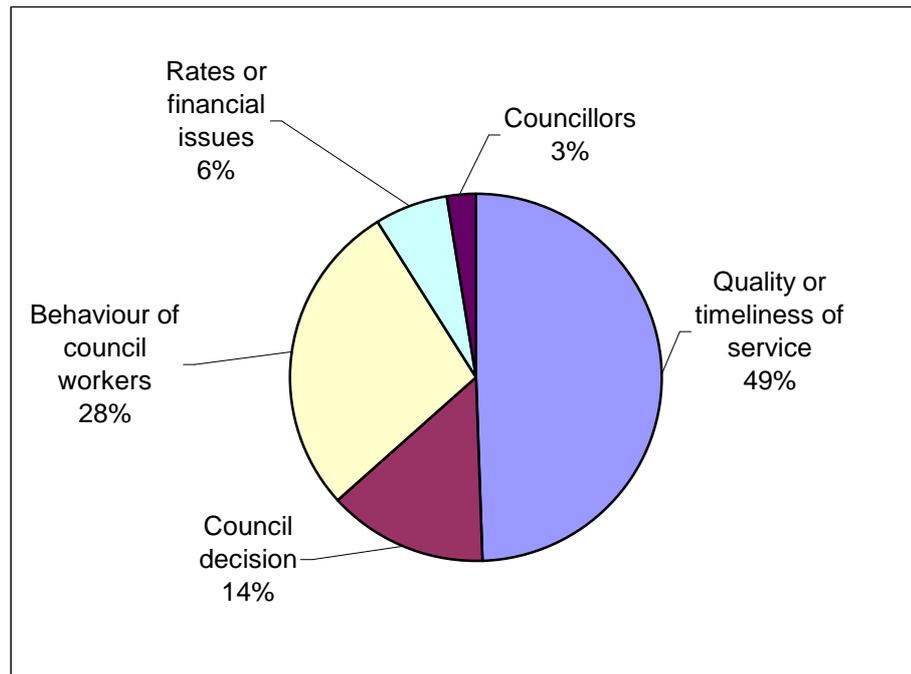
Figure 2: Types of complaints received by councils

Figure 2 shows that nearly half of the complaints sampled concerned the quality or timeliness of a service. When examining service request systems, we found that numerous complaints stemmed from repeated requests for a service to take place. An example might be where a ratepayer rang to ask for a pothole to be filled and was promised repair within a month and then rang back repeatedly when no work was done.

The next largest category, accounting for 28% of our sample, concerned complaints regarding an action or behaviour of council workers. These ranged from ratepayers observing inappropriate behaviour, such as driving a vehicle while using a mobile phone, to more protracted disputes lasting months.

Figure 2 clearly illustrates an opportunity for councils to improve services or address systemic weaknesses and underlying problems by identifying the types and number of received complaints.

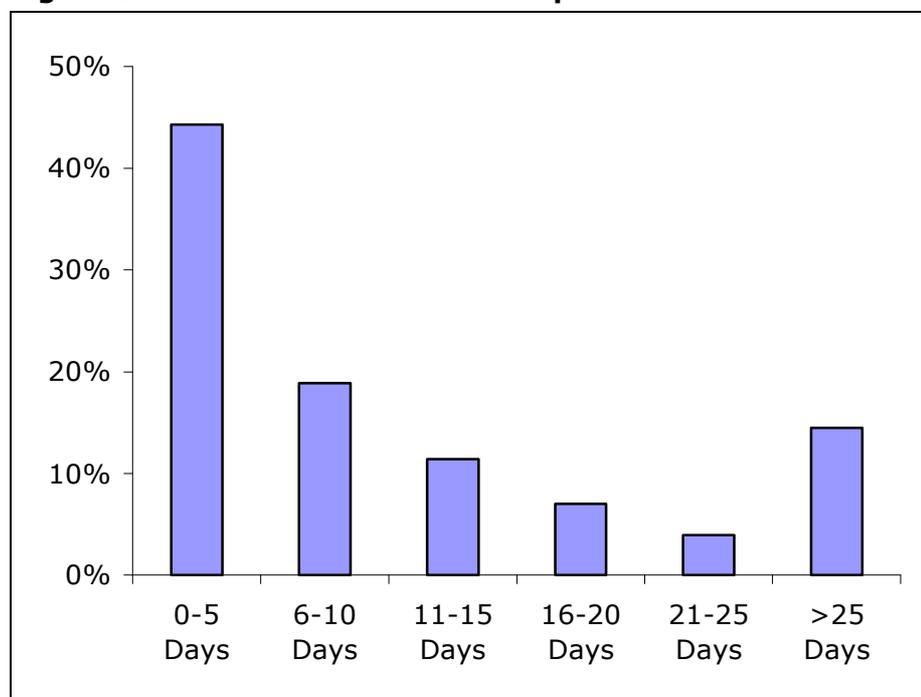
A related recommendation (i.e. No. 10) is included at the end of Section 2.4.

2.3 *Time taken to respond to and resolve complaints*

We found that council systems did not indicate the time taken to fully resolve a complaint although it was generally possible to ascertain the initial response time. By contrast, complaints misclassified within service request systems provided us with some usable audit data for resolution times.

Although no resolution information was available for many complaints in our sample, we did obtain sufficient information to assess councils' complaint-handling effectiveness. Response times were not retained by complaint handling systems. Figure 3 analyses complaint resolution times.

Figure 3: Time taken to resolve complaints



An examination of Figure 3 indicates that:

- more than 40% of complaints were resolved quickly — in five days or less
- over 75% were resolved in 15 days or less
- 14% took longer than 25 days to be resolved.

Reasons why resolution of some complaints can be prolonged included:

- the need for lengthy negotiations
- issues requiring investigation before a resolution can be reached
- the involvement of external parties
- complexity of matters, e.g. planning and ownership disputes.

We concluded that, in general, councils had resolved complaints efficiently and effectively. We were unable to assess the timeliness of initial responses or whether response times were in accordance with charters.

Recommendation 9

We recommend that councils monitor performance in meeting response and resolution times of complaints.

2.4 *Systemic complaints*

Complaints afford an organisation the opportunity to implement improvements. Therefore, review mechanisms should exist to support a cycle of continuous improvement. The Australian standard highlights the importance of analysing and evaluating complaints, stating that:

All complaints should be classified and then analysed to identify systemic, recurring and single incident problems and trends, and to help eliminate the underlying causes of complaints.¹¹

Some councils had recognised the value of reviewing complaints received. For instance, Kentish’s charter stated:

Council is committed to using complaints data to improve decision-making and customer service. Reports will be generated from Council’s Customer Request System that will provide the basis for analysis of the complaints received. A report on complaints received, their management and any emerging trends will be considered by the Senior Management Team on a regular basis, and by Council on an annual basis.¹²

Unfortunately, we found no evidence that any council had actually reviewed its complaint data with the intention of identifying emerging trends or underlying problems. As identified at section 1.6, the current information handling systems used by councils limit what can be achieved. None were capable of going beyond basic word searches and all were largely incapable of performing specific queries or reports.

Notwithstanding those restrictions, some individual managers and general managers used keyword searches to examine correspondence relating to specific topics like ‘ombudsman’. We also found that some councils discussed unresolved complaints at management meetings. We accept that such meetings may provide a forum where staff may discuss unresolved public complaints.

On the whole, councils were unable to deliver on some of the statements contained in their charters. Councils need to develop the capability to identify and analyse complaint clusters as they emerge.

¹¹ *AS ISO 10002 – 2006 Customer satisfaction – Guidelines for complaints handling in organizations*, Standards Australia, 2006, p.8

¹² *Customer Service Charter*, Kentish Council Version 2, 2007, p.4

Developing this capability is likely to allow enhancements to service delivery.

Recommendation 10

We recommend councils develop systems that allow complaints to be analysed to identify systemic weaknesses and underlying problems.

2.5 *Complaints handled externally*

One determinant of whether councils have effectively handled complaints is the number of complaints referred to external parties:

- The Ombudsman has jurisdiction to investigate the administrative actions of local councils.
- Complaints related to actions by a council, councillor or general manager that are contrary to the legislation can be referred to the LGD.
- Litigation is another avenue open to complainants unhappy with an issue handled by a particular council.

2.5.1 *Charters and external complaint information*

Our expectation was that council charters would provide external contact information for complainants who were not satisfied with a council's own response. With the exception of Kentish, all councils included details of outside bodies such as the Ombudsman, the LGD and other external complaint mechanisms. We consider it important that external complaint mechanisms be contained within every council's charter.

Recommendation 11

We recommend that external complaint mechanisms be contained within a council's charter.

2.5.2 *The Ombudsman*

As part of our testing, we asked the Ombudsman's office to provide us with details of all complaints received during the period 1 July 2005 to 30 June 2008. This information is summarised in Table 3.

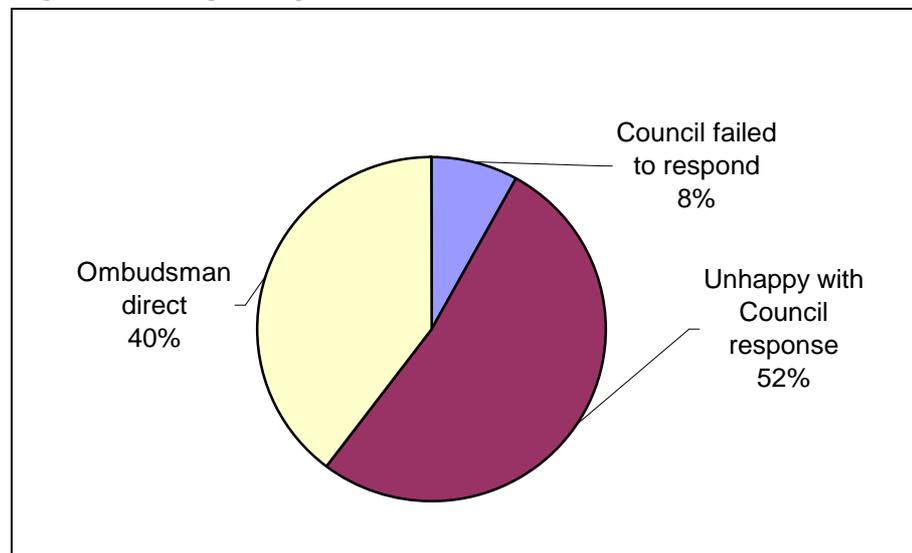
Table 3: Council-related complaints received by the Ombudsman

Council	2005–06	2006–07	2007–08	Total
Derwent Valley	4	1	0	5
Devonport City	4	3	0	7
Kentish	5	3	1	9
Kingborough	6	2	1	9
Meander Valley	8	0	2	10
West Tamar	3	2	1	6
Total	30	11	5	46

We found that there was a clear downward trend in complaints received. However, the numbers were too low to draw meaningful conclusions as to relative complaint-handling performance.

Broadly, there were three reasons why a complaint was referred to the Ombudsman, namely:

- The council failed to respond to a complaint lodged.
- The complainant was unhappy with the way in which the complaint was dealt with by council.
- The complainant bypassed the council to lodge the complaint directly with the Ombudsman.

Figure 4: Why complaints are referred to the Ombudsman

Our focus was on cases where the councils had failed to respond. Figure 4 shows that only a small percentage of referrals were in that category indicating that councils were, in the main, dealing with complaints received.

That observation supports the conclusion made in Section 2.3 that ‘in general councils had resolved complaints efficiently and effectively’.

2.5.3 *Local Government Division*

We also contacted the LGD to obtain details of any complaints received from January 2006 to early 2008. There was just one complaint and it had been referred to the Director of Public Prosecutions although the matter was not taken before the courts.

During this audit we examined a number of complaints handled internally by councils that, in our view, satisfied the criteria of being best dealt with by the LGD. Where a person believed that a council, councillor, general manager or council employee breached the Act, the matter should be referred. We found five instances where such matters were not forwarded to the LGD but were handled internally.

Recommendation 12

We recommend that all complaints that claim that a breach of the *Local Government Act 1993* has occurred be referred to the Local Government Division.

2.6 *Conclusion*

Councils examined during this audit generally handled complaints efficiently and effectively. However:

- Adequacy of initial responses times could not be determined because of deficiencies in information management.
- For the same reason, time of initial response could not be effectively monitored.
- Possible breaches of the Act were being dealt with at a council level rather than referred to the LGD.

There was no evidence that councils had systematically used complaint information to improve products, services and decision making. Moreover, their complaint-handling systems were incapable of supporting such analysis.

3 Recent reports

3 Recent reports

Year	Special Report No.	Title
2005	53	Follow-up audits
2005	54	Compliance audits
2005	55	Gun control in Tasmania
2005	56	TT-Line: Governance review
2005	57	Public housing: Meeting the need?
2005	58	FBT Payment of accounts Asset management: Bridges
2006	59	Delegations in government agencies Local government delegations Overseas Travel
2006	60	Building security Contracts appointing Global Value Management
2006	61	Elective surgery in public hospitals
2006	62	Training and development
2006	63	Environmental management and pollution control act by local government
2006	64	Implementation of aspects of the <i>Building Act 2000</i>
2007	65	Management of an award breach Selected allowances and nurses' overtime
2007	66	Follow-up audits
2007	67	Corporate credit cards
2007	68	Risdon Prison: Business case
2007	69	Public building security
2007	70	Procurement in government departments Payment of accounts by government departments
2007	71	Property in police possession Control of assets: Portable and attractive items
2008	72	Public sector performance information
2008	73	Timeliness in the Magistrates Court
2008	74	Follow up of performance audits April – October 2005
2008	75	Executive termination payments

4 Current projects

4 Current projects

Performance and compliance audits that the Auditor-General is currently conducting:

Management of threatened species	Examines the measures in place to protect native species and biodiversity in Tasmania.
Hydro hedges	Examines processes for approving currency and interest hedges.
Profitability, and economic benefits to Tasmania, of Forestry Tasmania	Evaluates Forestry Tasmania's long-term financial and economic performance.
Contract management	Examines the effectiveness of contract management processes of a number of selected contracts.
Follow-up of previous performance audits	Examines the degree of implementation of recommendations in selected performance audits tabled in 2006.