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Internal Audit Report 2017/2018

Complaints Process

*Hinckley & Bosworth
Borough Council*

December 2017

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Distribution list

For action: Julie Kenny - Director, Corporate Services
Rebecca Owen - Democratic Services Officer

For information: Audit Committee

Executive summary (1 of 2)

Report classification



Low Risk
(No findings identified)

Total number of findings

	Critical	High	Medium	Low	Advisory
Control design	-	-	-	-	-
Operating effectiveness	-	-	-	-	-
Total	-	-	-	-	-

Executive summary (2 of 2)



Headlines/summary of findings

Hinckley & Bosworth Borough Council has in place a Complaint Policy and Procedure which set out the details of the process for responding to complaints. The latest version is available to all staff and the public to keep them updated with the process should they wish to submit a complaint.

The Council has a two-stage complaints procedure which deals with any complaints which are made, the details of which are provided on the next page. From the testing we performed, we did not identify any issues in either the stage one or stage two process and the results show that the defined complaints process is being adhered to.

A report is issued annually to the Ethical Governance & Personnel Committee to communicate the number of complaints made and actions taken.

We identified that there have been 113 complaints made since April 2017, of which 15 went to stage 2.

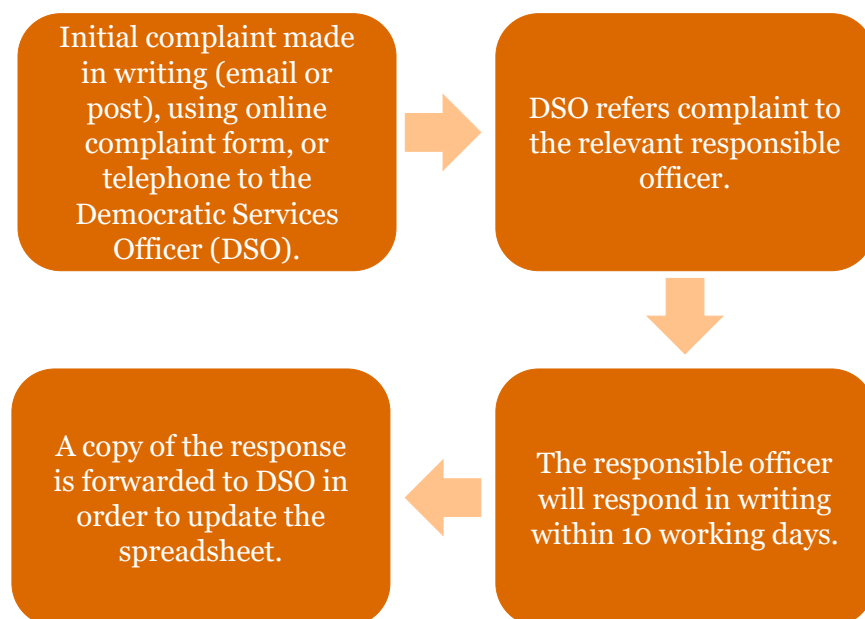
All complaints should be forwarded onto the Democratic Services Officer and logged on the team spreadsheet to ensure that they are followed up appropriately. However, there is an inherent risk around the completeness of the spreadsheet as it is reliant on individual service lines sharing complaints received directly to them. This is a common problem across other Councils and there is no efficient control which can be implemented to address this risk. However, we do not have any specific concerns at the Council as the process is clear, is well communicated and the reporting undertaken would identify any trends around the level of complaints received.

The overall outcome is a low risk report since no issues were identified. We would like to thank all the staff involved for their support in completing this internal audit review.

Current year findings

Below is a high level summary of the complaints process in place at the Council:

Stage 1:

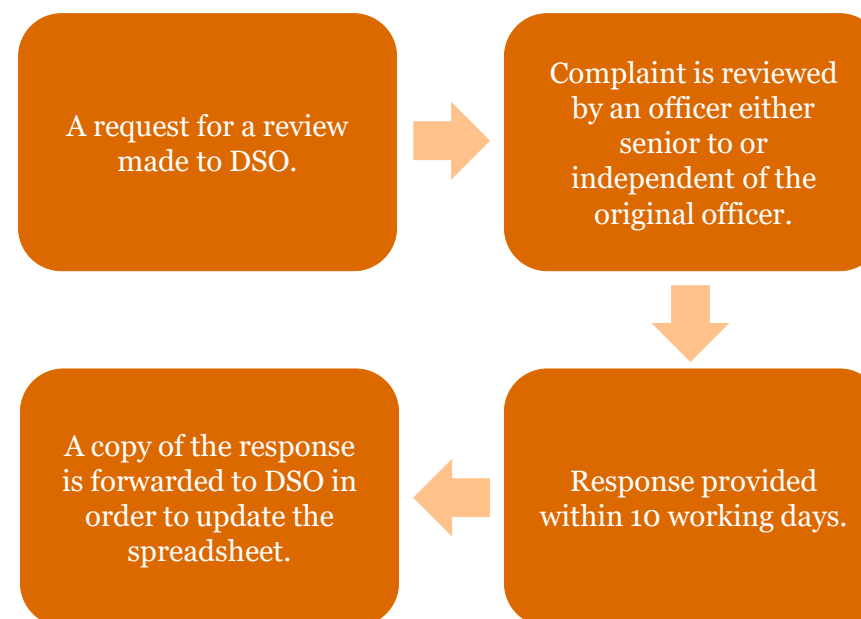


General observation

Overall, the Council has in place a very robust process for responding to complaints. Our testing shows that the responses are dealt with on a timely basis and in line with the Council's Complaints Policy.

There are 113 complaints made in the year so far and only 15 of them have gone to Stage 2. All complaints are recorded by the Democratic Services Officer as they are received, including details of who is responsible for monitoring the response time.

Stage 2:



Potential risk

The spreadsheet used to record the details of the complaints is manually edited and monitored by the Democratic Services Officer (DSO) and a colleague. There is a potential risk around the completeness of the spreadsheet. However, since the DSO does not directly deal with the complaints, we are confident that there are adequate segregation of duties in place. Therefore, the risk of overriding is very low and this is not considered to be an issue.



**Appendix A: Basis of our
classifications**

**Appendix B: Terms of
reference**

**Appendix C: Limitations
and responsibilities**

Appendices

Appendix A: Basis of our classifications

Individual finding ratings

Critical

A finding that could have a:

- **Critical** impact on operational performance; or
- **Critical** monetary or financial statement impact; or
- **Critical** breach in laws and regulations that could result in material fines or consequences; or
- **Critical** impact on the reputation or brand of the organisation which could threaten its future viability.

High

A finding that could have a:

- **Significant** impact on operational performance; or
- **Significant** monetary or financial statement impact; or
- **Significant** breach in laws and regulations resulting in significant fines and consequences; or
- **Significant** impact on the reputation or brand of the organisation.

Medium

A finding that could have a:

- **Moderate** impact on operational performance; or
- **Moderate** monetary or financial statement impact; or
- **Moderate** breach in laws and regulations resulting in fines and consequences; or
- **Moderate** impact on the reputation or brand of the organisation.

Appendix A: Basis of our classifications

Individual finding ratings

Low

A finding that could have a:

- **Minor** impact on the organisation's operational performance; or
- **Minor** monetary or financial statement impact; or
- **Minor** breach in laws and regulations with limited consequences; or
- **Minor** impact on the reputation of the organisation.




Advisory

A finding that does not have a risk impact but has been raised to highlight areas of inefficiencies or good practice.

Report classifications

The report classification is determined by allocating points to each of the findings included in the report.

Findings rating	Points
Critical	40 points per finding
High	10 points per finding
Medium	3 points per finding
Low	1 point per finding

Report classification	Option A	Points
	Low risk	6 points or less
	Medium risk	7 – 15 points
	High risk	16 – 39 points
	Critical risk	40 points and over

Appendix B: Terms of reference



Background and audit objectives



This review is being undertaken as part of the 2017/18 internal audit plan approved by the Audit Committee.

Background and audit objectives

The Council has in place a process for responding to complaints received from residents and members of the public based on a two stage approach. This is overseen by the Democratic Services Officer. The first stage involves the line manager responsible for the service providing a written response within ten working days, or to inform of how long until a reply can be expected. If residents are not happy with the way the complaint has been handled they can request that it is reviewed and this prompts the second stage. Stage two involves the original response being reviewed by someone more senior or independent from the original response.

There are no specific areas of concern and the review will consider the existing process in place to provide assurance that the process is operating as designed and supports the Council with an effective system of governance and control.

Audit scope and approach (1 of 2)



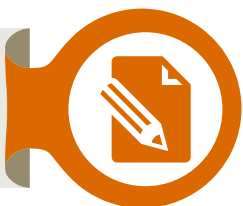
Scope

We will review the design and operating effectiveness of key controls in place relating to the auditable unit during the period April 2017 to the date audit fieldwork.

The sub-processes, risks and related control objectives included in this review are:

Sub-process	Risks	Objectives
Policy and procedures	There is no consistent process applied to the complaints process	<ul style="list-style-type: none"> There is an up to date complaints policy which is available for staff and the general public to understand the process
Complaints process	Complaints are not responded to appropriately and in line with the defined process	<ul style="list-style-type: none"> The defined complaints process is adhered to where a complaint is made The complaints process is undertaken on a timely basis to ensure residents receive a timely response
Reporting	Senior officers and members within the Council are not sufficiently informed about the current status	<ul style="list-style-type: none"> Senior officers and members receive communication regarding the level of complaints and actions taken to address any lessons learnt going forward

Audit scope and approach (2 of 2)



Limitations of scope

The scope of our work will be limited to those areas outlined above. Our review will be performed in the context of the information provided to us. Where circumstances change the review outputs may no longer be applicable.

Audit approach

Our audit approach is as follows:

- Obtain an understanding of the auditable unit through discussions with key personnel and review of systems documentation;
- Identify the key risks of the auditable unit;
- Evaluate the design of the controls in place to address the key risks; and
- Test the operating effectiveness of the key controls.

Internal audit team and key contacts



Internal audit team

Name	Role	Contact details
Richard Bacon	Head of Internal Audit	richard.f.bacon@pwc.com
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Yuki Cheung	Internal Audit Team Member	cheung.yuki@pwc.com

Key contacts – Hinckley and Bosworth Borough Council

Name	Title
Ashley Wilson	Section 151 Officer
Julie Kenny	Director – Corporate Services
Rebecca Owen	Democratic services officer

Timetable and information request



Timetable

Fieldwork start	14 November 2017
Fieldwork completed	17 November 2017
Draft report to client	8 December 2017
Response from client	15 December 2017
Final report to client	22 December 2017

Agreed timescales are subject to the following assumptions:

- All relevant documentation, including source data, reports and procedures, will be made available to us promptly on request.
- Staff and management will make reasonable time available for interviews and will respond promptly to follow-up questions or requests for documentation.

Please note that if Hinckley and Bosworth Borough Council requests the audit timing to be changed at short notice and the audit staff cannot be deployed to other client work, Hinckley and Bosworth Borough Council may still be charged for all/some of this time. PwC will make every effort to redeploy audit staff in such circumstances.

Information request

Access to a listing of all complaints made since April 2017

Access to working papers and files supporting the process undertaken for complaints made in our sample

Appendix C: Limitations and responsibilities

Limitations inherent to the internal auditor's work

We have undertaken this review subject to the limitations outlined below:

Internal control

Internal control systems, no matter how well designed and operated, are affected by inherent limitations. These include the possibility of poor judgment in decision-making, human error, control processes being deliberately circumvented by employees and others, management overriding controls and the occurrence of unforeseeable circumstances.

Future periods

Our assessment of controls is for the period specified only. Historic evaluation of effectiveness is not relevant to future periods due to the risk that:

- The design of controls may become inadequate because of changes in operating environment, law, regulation or other changes; or
- The degree of compliance with policies and procedures may deteriorate.

Responsibilities of management and internal auditors

It is management's responsibility to develop and maintain sound systems of risk management, internal control and governance and for the prevention and detection of irregularities and fraud. Internal audit work should not be seen as a substitute for management's responsibilities for the design and operation of these systems.

We endeavour to plan our work so that we have a reasonable expectation of detecting significant control weaknesses and, if detected, we carry out additional work directed towards identification of consequent fraud or other irregularities. However, internal audit procedures alone, even when carried out with due professional care, do not guarantee that fraud will be detected.

Accordingly, our examinations as internal auditors should not be relied upon solely to disclose fraud, defalcations or other irregularities which may exist.

This document has been prepared only for Hinckley and Bosworth Borough Council and solely for the purpose and on the terms agreed with Hinckley and Bosworth Borough Council in our agreement dated 10 May 2016. We accept no liability (including for negligence) to anyone else in connection with this document, and it may not be provided to anyone else.

Internal audit work was performed in accordance with PwC's Internal Audit methodology which is aligned to Public Sector Internal Audit Standards. As a result, our work and deliverables are not designed or intended to comply with the International Auditing and Assurance Standards Board (IAASB), International Framework for Assurance Engagements (IFAE) and International Standard on Assurance Engagements (ISAE) 3000.

In the event that, pursuant to a request which Hinckley and Bosworth Borough Council has received under the Freedom of Information Act 2000 or the Environmental Information Regulations 2004 (as the same may be amended or re-enacted from time to time) or any subordinate legislation made thereunder (collectively, the "Legislation"), Hinckley and Bosworth Borough Council is required to disclose any information contained in this document, it will notify PwC promptly and will consult with PwC prior to disclosing such document. Hinckley and Bosworth Borough Council agrees to pay due regard to any representations which PwC may make in connection with such disclosure and to apply any relevant exemptions which may exist under the Legislation to such report. If, following consultation with PwC, Hinckley and Bosworth Borough Council discloses any this document or any part thereof, it shall ensure that any disclaimer which PwC has included or may subsequently wish to include in the information is reproduced in full in any copies disclosed.

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