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Performance Audit 22-02: 311 Center

October 2022

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OFFICE OF INTERNAL AUDIT Stan Sewell, City Auditor

October 6, 2022

To: Mayor Tim Kelly City Council Members

Subject: 311 Center Audit (#22-02)

Dear Mayor Kelly and City Council Members:

The attached report contains the results of our audit of the 311 Center. Overall we found 311 has adequate internal controls to effectively address the requests for non-emergency services and substantial controls to provide accurate reporting. However, opportunities exist for improvement. In order to address the noted areas for improvement, we recommended actions to organize policies, expand public service announcements using social media, enhance the service request close-out process, implement a call-back option, and utilize part-time staff.

We thank the management and staff of the 311 Center for their cooperation and assistance during this audit.

Sincerely,

Stan Sewell, CPA, CGFM, CFE City Auditor

Attachment

cc: Audit Committee Members
Brent Goldberg, Chief Financial Officer
Joda Thongnopnua, Chief of Staff
Ryan Ewalt, Chief Operating Officer and Acting
Administrator of Public Works
Tim Moreland, Administrator, Department of
Innovation, Delivery and Performance
Derek Frizzell, Director of 311 Operations
Tyson Morris, Chief Information Officer
Jim Arnette, Tennessee Local Government Audit

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AUDIT PURPOSE

This audit was conducted in accordance with the Office of Internal Audit's 2022 Audit Agenda. The objectives of this audit were to determine if 311:

- Has adequate internal controls to effectively address and monitor the requests for non-emergency services, and to connect them with the information and city departments who can best address their concerns; and,
- Provides accurate reporting to management and the public for performance management and accountability purposes.

BACKGROUND

In February of 2003, the City of Chattanooga launched its 311 Service Center, making Chattanooga one of the first mid-size U.S. cities to implement a "One Call to City Hall" program. 311 gives citizens easy access to city services.

In addition to giving citizens access to city services, 311 handles sewer billing management, City Court inquiries, Park reservation system questions, and Information Technology service requests for City employees.

Chattanooga offers multiple channels for those who need to request a service or report an issue. They can simply visit the 311 center, dial 3-1-1 to speak to a customer service representative, email, text, fax, visit the website or Facebook page, or download the 311 application to their cellphone.

Besides improving the City's customer service capability, 311 has given the city an important tool for measuring performance. City managers have a centralized data collection and reporting vehicle to help them analyze trends in service requests and the timeliness and effectiveness of service delivery. Directors and supervisors are also using 311 data during the budget planning process to help determine resources needed for the upcoming fiscal year.

Financial Information

	Exhibit 1: Fiscal Year Expenditures (\$1,000's)					
	Actual	Actual	Actual	Actual	Budget	
	2018	2019	2020	2021	2022	
311 Call Center	607	676	673	653	1,084 ¹	

Source: Budget Ordinances

FINDINGS AND RECOMMENDATIONS

Organize and update policies.

The *City of Chattanooga Internal Control Manual* and the Tennessee Comptroller of the Treasury's *Internal Control and Compliance Manual* both indicate management should implement control activities through policies. Policies are an important part of effective management and provide reasonable assurance the City's objectives will be achieved.

We found there was a lack in organization of written policies for the 311 Center. The oversight, performance and control of the 311 Center is informal and based primarily on institutional knowledge of the staff. Without written policies, there are risks of mismanagement, inefficient operations, inconsistent practices and discontinuity should the 311 Center experience staff turnover.

The 311 Center currently has some written procedures through an internal document entitled "311 INFO GUIDE". The purpose and design of the "311 INFO GUIDE" is to increase the effectiveness of communication with the customer. Some pages have website and email links to quickly access additional information if it is needed.

The following sections² provide an example of what could be included in the reorganized and updated policy section of the "311 INFO GUIDE":

- Purpose: Collection of policy and standards expected.
- Scope: Who the policy applies to.

¹ The large budget increase resulted from four additional CSR positions. Three are funded by the interceptor sewer system.

² <u>https://biz30.timedoctor.com/call-center-policy-and-procedures/</u>

- Expected Standards: Privacy Policy, Social Media Engagement, Audio and Visual Recording and Use of Personal Cell Phones and Wearable Technology.
- Standard Operating Procedures: Basic Telephone Etiquette, Training and Development Programs and Quality Control Procedures.³
- Disciplinary Action: Right to monitor employees and take action for noncompliance with policy.
- Employee Acknowledgement: Acceptance of and understanding of the policy, as well as the willingness to abide by the policy.

Recommendation 1:

We recommend the 311 Center organize and update written policies. The purpose of the policy is to establish accountability and controls for operating the 311 Center.

Auditee Response: We concur with the audit finding and recommendation. We currently use the employee information guide and our 311 notebook. We will work to reorganize and update this information.

Estimated Implementation Date: March 31, 2023

Priority Level: 2

Enhance the service request close-out process.

When reviewing the "311 INFO GUIDE" we noted there was a sheet entitled "Work Order Status – Response to Customer". This sheet explains, when service requests are marked "Completed", it does not mean the work has been done...it may simply mean a work order has been created in another system, which might take a month or more to actually complete.

When a service request is marked "Completed" prematurely, there is also a risk the same request may be reported multiple times. We reviewed one instance where a service request was marked "Completed" three times and had three different service request numbers, without actually being complete.

We also reported this issue in Audit #21-07 Public Works – Facilities Maintenance where we recommended Facilities Maintenance management should review and enhance their close-out process to

³ Quality control and operational procedures should include, but not be limited to those necessary to address the findings and recommendations that follow in this report.

ensure unsatisfactory and incomplete service requests are not closed out.

In general, a service request should be closed (marked "Completed") only when the service request has been fulfilled. Closing out service requests prematurely impacts management's ability to analyze data and make informed decisions. Additionally, marking a service request "Completed" before the issue is resolved also is misleading to the requestor, which may, as previously mentioned, generate unnecessary follow up contacts/phone calls to report the same issue. It can also result in a lack of confidence in City government by citizens.

Recommendation 2:

We recommend the 311 Center review and enhance their close-out process to ensure incomplete service requests are not closed out before they are fulfilled. The ability to fully implement this recommendation will be contingent on Department of Public Works taking appropriate actions to ensure staff do not close out service requests prematurely.

Auditee Response: We concur with the audit finding and recommendation. We are collaborating with the Departments of Technology Services and Public Works to address this issue. In order to correct this issue, a new customer relationship management system will be required. This is something we have been working toward since 2019. However, the City was under contract with Accela/Public Stuff. We have explored building a system in-house and have decided to move to an RFP in the last quarter of 2022 for a new system.

Estimated Implementation Date: October 1, 2023

Priority Level: 2

Expand public service announcements about 311 services using social media.

While discussing the satisfaction with service requests placed through 311, we received internal and external feedback indicating the City could do a better job communicating with citizens about what services can be requested through contacting 311. In areas of high turnover, many new residents do not know about 311.

Additionally, in established neighborhoods, some residents are unaware of City services available through 311. For example, most residents are aware of the brush and leaf pick up, but are unaware the City will pick up bulky items such as heavy appliances and furniture. A random survey of 20 users of 311, showed 30% were not aware of additional city services offered through 311. Based on Office of Internal Audit's Community Survey, around 25% of respondents have never contacted 311 about City services. This possibly could be caused by not being aware of 311 and could result in unhappy citizens because of unsightly brush, leaves and trash.

Awareness could be raised by public service announcements using social media. A public service announcement is in the public interest and is disseminated by the media without charge to raise public awareness in order to change behavior. Social Media is a great way to promote your service and amplify your message. It is inexpensive but very effective. The 311 Center does have a Facebook page and attends neighborhood meetings to promote services available through 311. They also plan to host a 311 day for the public, implement a 311 university and recruit volunteers to be 311 ambassadors.

Recommendation 3:

We recommend the 311 Center expand public service announcements using social media to raise public awareness about City services available through 311.

Auditee Response: We concur with the audit finding and recommendation.

Estimated Implementation Date: March 31, 2023

Priority Level: 3

Benchmarking is important and can highlight areas in which you are underperforming compared to peers. Critical benchmarks for the 311 Center include the abandonment rate and wait time. The abandonment rate represents the percentage of how many calls are terminated before they had the opportunity to be connected to an agent. The wait time is how long a customer had to wait before an agent answered their call.

The City of Chattanooga 311 abandonment rate of 11% compares unfavorably to other peers that average 9.9%. Additionally, the City of Chattanooga 311 average wait time of 1 minute 34 seconds compares unfavorably to other peers that average 38.5 seconds.⁴

Waiting on hold causes customer frustration. The abandonment rate and average wait time directly correlate to the number of agents

Customer experience and callback optimization.

⁴ Peer averages were obtained from a presentation, entitled "311 Comparative Survey", at the ENGAGE311 annual conference held in May 2022.

available to answer 311 calls. More agents available to take calls would result in improved abandonment rates and wait times.

Another possible solution would be creation and promotion of a callback option which gives the customer the ability to select a call-back versus waiting on the phone. This could assist in improving the abandonment rate and the wait time. The 311 Center began installing a new phone system during July 2022 that has a call-back feature.

Recommendation 4:

We recommend the 311 Center continue to implement and promote the call-back option, included in the new phone system, which gives the customer the ability to select a call-back versus waiting on the phone. The auditee fully implemented this recommendation in July 2022 when they installed the new phone system.

Auditee Response: We concur with the audit finding and recommendation. We implemented this feature in July of 2022. Currently we have seen a reduction in upset callers over wait times.

Estimated Implementation Date: Prior to Audit Report Issuance

Priority Level: 3

Staff Levels and Scheduling.

One of the most critical functions in a call center is making sure enough people are on the phones to respond to callers with a minimum of delay.⁵ Failure to answer calls in a timely manner may lead to higher abandonment rates or discourage callers from utilizing 311 services.

With the current staffing levels and call volumes, a staffing analysis shows the 311 Center is not adequately staffed during certain busy times of the work week. This mainly occurs on Mondays and Tuesdays of each week. The staffing analysis estimates the 311 Center is understaffed by an estimated one customer service representative during the peak call times during the week.

The utilization of part-time staff during the busy periods could improve the 311 Center's operation, including abandonment rates and wait times. However, the scheduling of the part-time staff will ultimately determine the extent of improvement. The 311 Center

⁵ NAQC (North American Quitline Consortium, 2010) Issue Paper, Call Center Metrics: Fundamentals of Call Center Staffing and Technologies, page 6.

should closely monitor the daily call volume to ensure it is adequately staffed.

Recommendation 5:

We recommend the 311 Center continuously review the incoming call volumes and implement staff schedules accordingly. A plan that includes the increased use of part-time staff should be developed. Conversion of some full-time positions to part-time through attrition over time may be beneficial.

Auditee Response: We concur with the audit finding and recommendation. We will continue to review all incoming call volumes and implement full-time and part-time staff accordingly, while monitoring technology advances to help manage call volume.

Estimated Implementation Date: March 31, 2023

Priority Level: 3

APPENDIX A: SCOPE, METHODOLOGY AND STANDARDS

Based on the work performed during the preliminary survey and the assessment of risk, the audit covers the 311 Center operations from January 1, 2021 to December 31, 2021. When appropriate, the scope was expanded to meet the audit objectives. Original records as well as copies were used as evidence and verified through physical examination.

To accomplish our audit objectives, we reviewed available policies and procedures, interviewed staff, analyzed the service request management system (Accela) data, documented and evaluated the internal control process, and sampled service request management system entries for compliance with established procedures. We compared available departmental policies and procedures to operations.

The sample size and selection were statistically generated using a desired confidence level of 90 percent, expected error rate of 5 percent, and a desired precision of 5 percent. Statistical sampling was structured in order to infer the conclusions of test work performed on a sample to the population from which it was drawn and to obtain estimates of sampling error involved. When appropriate, judgmental sampling was used to improve the overall efficiency of the audit.

We conducted this performance audit from February 2022 to October 2022 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

APPENDIX B: PRIORITY LEVEL DEFINITIONS

Priority 1: Critical control weakness exists that exposes the City to a high degree of risk. Noncompliance with federal, state or local law, regulation, statute, charter or ordinance will always be considered a priority 1.

Priority 2: Control weakness exists that exposes the City to a moderate degree of risk.

Priority 3: The opportunity for improved efficiency or reduced exposure to risk exists.

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