



INTERNAL AUDIT REPORT

Service Vaughan Audit

August 2022

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CONCLUSION AND SUMMARY

Service Vaughan is the City's contact centre for telephone, email, and in-person inquiries and service requests. Service Vaughan is a valued service partner, as staff must know the processes and procedures of multiple City departments to provide assistance to citizens. In general, the audit has identified opportunities to improve the operational efficiency and effectiveness of Service Vaughan by:

- Developing effective operational and staffing strategies, and optimal performance measures.
- Leveraging technology to enhance information retrieval, manage call volume and capture citizen feedback.
- Developing standard operating procedures (SOPs) for operational activities and contact centre management and improve the CSR training program.
- Implement corporate-approved guidelines, including but not limited to corporate policies and service level agreements, to enhance service offerings, two-way communication and relationship management with departments across the corporation.

Service Vaughan has established performance measures. However, the audit has found that these performance measures are not attainable within the existing budget and under the utilization of the existing staffing strategies. Further, performance measures have not been updated to consider population growth and the expanse of other City services. Service Vaughan has multiple systems which report on call and email activity, yet they have not been fully utilized to provide insight into developing operational and staffing strategies. As a result, there is increased risk that those accessing Service Vaughan are not obtaining the optimal service experience.

Service Vaughan is working towards leveraging technology to enhance the citizen experience. Although it is in limited use, having a customer relationship management (CRM) system in place with Public Works has resulted in a more seamless process making it easier to open service requests and perform follow-up activities. Sharing CRM capabilities with other City departments would improve Service Vaughan's ability to resolve inquiries during first contact. Recently, Service Vaughan installed a menu-driven telephony system which triages calls and prioritizes City emergencies. Still, there are opportunities to leverage existing technology to process call volume more efficiently and gather citizen feedback to identify opportunities for improvement.

SOPs provide a framework which facilitates knowledge transfer, outlines expectations, recognizes accountability, and helps to provide operational consistency. Currently, Service Vaughan does not have formalized SOPs, but rather they rely on training material. Although the CSR training program is comprehensive, it mostly focuses on the on-boarding of new recruits. There are many other opportunities to provide additional training to develop all staff and conduct performance evaluations to assess their knowledge. Without monitoring performance, gaps in knowledge and improper application of procedures cannot be identified until customer service issues are escalated.

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SLAs provide reciprocal commitments between partners which are prescriptive and also, enforceable. Service Vaughan only has a few SLAs with other City departments and those SLAs lack substance. Properly developed corporate-approved guidelines, including but not limited to corporate policies and service level agreements, would outline expectations and help foster service partner engagement.

This audit was conducted in conformance with the *International Standards for the Professional Practice of Internal Auditing*.

Internal Audit will follow up on the status of outstanding management action plans related to this audit and will report the status to a future Audit Committee meeting.

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BACKGROUND

Service Vaughan, formerly known as Access Vaughan, was launched in 2006 as the City of Vaughan's contact centre. Since then, Service Vaughan has received more than 3 million phone calls. The average monthly call volume is more than 16,000 and the average monthly email volume is more than 2,000 inquiries.

In May 2022, City Hall was reopened to the public after being closed for more than two years in response to the pandemic. Service Vaughan has been the lead department for overseeing improvements for in-person services.

In June 2022, the Council approved the rebranding of Access Vaughan into Service Vaughan. The rebranding formalizes a strategy to enhance the citizen experience by timely service delivery and increasing first contact resolution. Service Vaughan has recently joined the Office of Communications and Economic Development to provide accurate and timely information and consistent messaging.

OBJECTIVES AND SCOPE

The objective of the audit is to evaluate the adequacy and effectiveness of the internal controls, processes, and procedures in place to mitigate the business risks associated with managing Service Vaughan.

The audit scope includes assessing that:

- Strategic plans are appropriately developed, implemented, and monitored, and align with the City's strategic initiatives and priorities.
- There is adequate management oversight, ensuring the proper execution of the Service Vaughan's operations.
- Key performance indicators have been developed and management tracks, monitors, and reports on the critical success factors of the department.
- Budgetary and financial records appropriately reflect operational and capital objectives.
- Policies and procedures are regularly reviewed, updated, and applied consistently.
- Information Technology systems are being leveraged and used to their maximum capabilities.

The scope of the audit covered Service Vaughan's activities for the period of January 2021 to June 2022.

This audit was conducted in Conformance with the *International Standards for the Professional Practice of Internal Auditing*.

Auditor and Author: Rebecca Burchert, Audit Project Manager

Director: Kevin Shapiro CIA, CFE, CRMA

DETAILED REPORT

1. *Develop Operational and Staffing Strategies to Achieve Acceptable Service Levels*

In 2017, an initiative was undertaken to develop and formalize Citizen Service Standards for the City of Vaughan. These outline the minimum service requirements for providing in-person, telephone, email and on-line customer service. These standards consist of performance targets based on industry standards. They were also used in developing service level agreements (SLAs) between Service Vaughan and other departments, such as Public Works and Recreation Services.

Performance measures help departments achieve business goals and identify operational strengths and opportunities for improvement. Service Vaughan has performance targets to answer 80% of telephone calls in 20 seconds and respond to email inquiries within 1 to 3 business days. However, in the first five months of 2022, Service Vaughan was only able to achieve an average of 23% of calls being answered in 20 seconds. During the course of this audit, there was often a backlog of unanswered emails.

Service Vaughan reports operational performance regularly to Council and the Senior Leadership Team. The weekly email summarizes metrics including the average and maximum wait times, the number of emails responded to, and trending inquiries. Service Vaughan used to report response times of the third-party after-hours vendor which was based on management calling in and timing how long it took for them to answer. Since that metric is not accurate or verifiable, after-hour response times are no longer reported in this way.

There are several reasons Service Vaughan is unable to achieve their performance targets. In particular, they have not fully developed a strategy to determine service expectations of Council and residents or how to meet those expectations. Much of what the City of Vaughan knows about resident expectations and satisfaction with Service Vaughan's services is based upon the 2018 Citizen Satisfaction Survey. The information contained in the survey is dated and does not provide insight into the new initiatives of Service Vaughan. Any new understanding of the needs of citizens is more reactionary to such events as the January 2022 blizzard which necessitated Council to request further reporting of Service Vaughan's operational efforts.

Service Vaughan employs a tracking and monitoring system which can report on metrics such as call volume, response times, average talk times, times the agent is unavailable due to performing other tasks, call abandonment, and calls being returned to the queue. These measurements are used to keep Council informed, but they are not being fully leveraged to identify peak and non-peak hours for strategic scheduling. The tracking of trending inquiries and service requests has not been fully utilized to develop strategies to redirect callers to alternative solutions and reducing call volume and wait times.

The current key performance indicators are based on industry standards of a variety of different types of call centres. They are not the result of local municipal benchmarking. During the audit, we conducted a benchmarking exercise with four contact centres to determine the number of agents employed by other municipal and regional call centres and how their resources were deployed at peak volume hours. It was observed that most of these call

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centres employ more agents and were able to answer telephone calls in less time than Service Vaughan. One municipal contact centre sampled has increased their standard to responding to 80% of the calls in 120 seconds, while a regional and a neighbouring City's call center indicated that they are never able to meet the 80/20 target and are reassessing their standard levels.

Service Vaughan has 17 Citizen Services Representatives (CSRs) in total (7 full-time and 10 part-time) and a combination of approximately twelve full time and part time CSRs are scheduled each day. However, since Service Vaughan is responsible for in-person service at City Hall (including payment processing), a minimum of three CSRs are not available for answering telephone inquiries. Also, there are three CSRs responsible for email communications on a rotational basis. With an average of more than 17,600 calls per month, only eight CSRs are available to manage call volume. The ability to handle call volume is also impacted by training, illness, and vacation.

Having only three CSRs, on a rotational basis, handling an average of 2,000 emails a month has proven to be an insurmountable task.

Liveconx is the after-hours vendor that provides call answering services between 7:30 pm to 8:30 am Monday to Friday and all day and night on the weekends. The agreement between the City and Liveconx outlines the same expectation to answer 80% of calls within 20 seconds, but it does not specify how the vendor should report upon this metric. Liveconx has not provided reporting to support those targets are being met.

Service Vaughan knows that the public wants their calls into the contact centre to be answered quickly and have their call resolved with the first contact. But there are opportunities to explore what is considered acceptable response times. Waiting a long time in queue is frustrating and has sometimes resulted in escalation to Members of Council.

A properly developed strategy involves benchmarking other similar organizations to help set realistic performance targets and gain insight into how these targets are achievable. Fully utilizing Service Vaughan's system reporting capabilities may assist with scheduling staff at peak and non-peak intervals and providing support for budgeting for an adequate contingent of CSRs.

Service Vaughan's after-hours service performance levels are equally important to the public. Without reporting on service levels Service Vaughan cannot effectively ensure Liveconx is providing the agreed upon service levels. Without enforcing this requirement in the existing contract, service level reporting is difficult to capture.

Access Vaughan has transformed into Service Vaughan and management has identified many opportunities to enhance the citizen experience. Understanding stakeholder expectations and developing operational and staffing strategies may help develop acceptable and achievable service standards.

Recommendations

We recommend that management:

- Perform an analysis using reporting metrics and stakeholder engagement to develop acceptable service standards and key performance indicators.
- For the next term of the contract, include the requirement for the after-hours vendor to provide weekly reporting to support that they are delivering agreed upon performance standards. In the meantime, develop appropriate compensating controls to keep Council and the Senior Leadership informed of the after-hours service levels.

Management Action Plan

The Service Vaughan Leadership Team agrees with these recommendations.

Service Vaughan Leadership will conduct different forms of stakeholder engagements to further understand and develop optimal service standards and the associated performance metrics. In addition, the service standards and performance of the after-hours contact centre will be tracked and monitored by implementing weekly reporting. A detailed look at the steps (including both short- and long-term measures) to improve operational and staffing strategies to achieve acceptable service levels includes the following:

- Conduct consultations with critical stakeholders, including Council, to inform optimal service standards by Q1 2023.
- Inform the development of the 2022 Citizen Survey (being led by Corporate and Strategic Communications (CSC)) through the Service Vaughan Leadership Team to ensure feedback is collected on citizen preferences with service delivery by Q4 2022.
- Evaluate service standards and performance metrics based on industry standards by Q4 2022.
- Establish updated service standards to reflect critical stakeholder feedback, size of the team, call volume, and anticipated new business by Q1 2023.
- Develop interval reporting to identify peak times of day and implement a plan to strategically staff contact centre by Q1 - Q2 2023.
- Track trending inquiries and service requests and develop strategies to proactively redirect callers/ develop alternative solutions by Q1 - Q2 2023.
- Develop a longer-term staffing strategy to reflect optimal service standards as reflected through stakeholder engagement by Q1 - Q2 2023.
- Develop and submit a business case for resourcing in the 2024 business case cycle by Q2 2023, depending on the staffing strategy identified.

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- Implement a plan to enhance department resourcing by Q1 2024 - Q2 2024, depending on business case approval.
- Conduct review of data tracked by Liveconx and performance reporting capability by Q4 2022.
- Implement reporting requirements for Liveconx to provide after-hours data and/or after-hours performance metrics by Q4 2022.

2. *Leverage Advances in Technology to Improve Business Processes*

Service Vaughan uses several systems to assist them in their daily operations. These systems perform independently of one another but have reporting capabilities to provide an overview of Service Vaughan's service performance.

One of the main systems is called the Knowledge Tool (KT). CSRs use the system to track the type of calls received, specify if the call was resolved or transferred, and indicate when they are available to take a new call. KT houses a collection of information. CSRs can retrieve information for a variety of inquiries including By-law and Compliance, Animal Services, Property Tax, and Recreation Services. KT also contains contact lists of staff from other departments which are notified for service requests.

KT is updated regularly, but it also contains dated and irrelevant information, such as public consultation meeting notices for past events and outdated emergency contact lists. It was also noted that KT's search engine is not intuitive. The CSR must use the exact wording which the document was added to KT to retrieve a specific document. CSRs tend to circumvent this issue by searching the City of Vaughan's website or they use Google to obtain the information quicker.

Service Vaughan uses other systems to make and track service requests, such as Perfect Minds for Recreation Services, Chameleon for Vaughan Animal Services, AMANDA for By-law, and MS Dynamics Customer Relationship Management (CRM) system for Public Works. Each system is configured to accommodate the specific service needs of these different departments. However, Service Vaughan and the Office of the Chief Information Officer are working together to bring more departments onto the CRM. Departments such as Development Engineering and Corporate Services would benefit from the CRM's capabilities of collecting citizen information and tracking service requests. The CRM also has a function to centralize information.

An improvement worth recognizing is that Service Vaughan worked with the Office of the Chief Information Officer (OCIO) to develop and install a menu-driven telephony system. Callers can indicate how their inquiry or request could be handled (e.g., Property Tax, Animal Services, or Recreation Services). The call is then routed in queue to the appropriate assistance. City emergencies, such as watermain breaks, can be prioritized and answered as soon as possible.

Service Vaughan's management recognizes that KT has dated and irrelevant information, as well as navigational challenges. There are future plans to transfer information from KT over to the CRM while purging old information. Having reliable information housed in a central area would deter CSRs from searching information from unauthorized sources. Management have cited the lack of resources as one of the reasons they have been unable to accomplish the task of transferring information and maintaining the CRM content. And although Service Vaughan is progressing towards establishing the CRM within other departments, they still need a strategy to engage with these departments. In June 2022, the CRM program was transferred from the Community Services Portfolio to the Office of Communications and Economic Development (OCED). This transfer is consistent with the December 2021 Council-

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approved reorganization, that established OCED and moved the Service Vaughan department to this new office, based in the City Manager's Portfolio.

Installing the menu driven telephony system has enabled Service Vaughan to triage calls to support quicker response time and first contact resolution. However, there are further opportunities to optimize the tool to control call volume. For example, messaging can be added to direct callers to the Service Vaughan website if they'd like to make a service request, such as paying a parking ticket or renewing a pet licence. Messaging would also be beneficial to inform callers about the status of City work crews during winter storms and other weather events which have caused property damage.

There may also be other opportunities to piggyback new systems on existing technology which still need to be explored, such as asking the caller to stay on the line to rate their customer service satisfaction using automated cues. Information gathered can help identify trends and provide opportunities for continuous improvement.

Leveraging existing technology may help Service Vaughan better manage the volume of inquiries, service requests and improve first contact resolution.

Recommendations

We recommend that management:

- Utilize the CRM's capability to centralize information and ensure it is maintained with complete and accurate information.
- Leverage current technology using strategic messaging to efficiently manage call volume.
- Investigate technology to capture citizen satisfaction levels.

Management Action Plan

The Service Vaughan Leadership Team agrees with these recommendations.

Technology will be leveraged in different ways to enhance business processes and overall operational activities. The Service Vaughan Leadership Team will employ the new contact centre technology to support staff scheduling and explore the potential to capture feedback on citizen satisfaction levels. In addition, to prepare for the migration of information from the department's current Knowledge Tool (KT) to the CRM, a thorough review and update of outdated content will be conducted. The following actions outline the steps that will be taken to improve business processes through the increased use of technology:

- Develop Synthia call centre on-hold messaging script and schedule to promote and direct citizens to the online service portal and/or provide event-based status updates (e.g., updates provided about winter maintenance operations) by Q4 2022.

- Utilize new contact centre technology (current Avaya technology will be replaced) to support staff scheduling based on business demand by Q4 2022 - Q1 2023.
- Identify capabilities within new contact centre technology to be able to implement a mechanism to capture citizen satisfaction levels by Q4 2022 - Q1 2023.
- Automate the process for data extraction into reporting/dashboard by Q1 2023 - Q2 2023.
- Conduct assessment to quantify the amount of content requiring updates on KT by Q4 2022.
- Develop a phased approach to update KT with accurate information and remove outdated information (this will prepare KT data, so all content is ready for CRM transition) by Q4 2022 - Q4 2023 (target to complete 25% of KT content update per business quarter).
- Strengthen working relations between the departments and remove silos. To do this, CSC has established a dedicated FTE to serve as a liaison to Service Vaughan. This staffing complement will be a conduit to provide information to Service Vaughan and, at the same time, receive feedback from Customer Service Representatives based on public inquiries they receive, which can then be actioned on further with relevant communications support.
- Cementing relations between Service Vaughan and CSC to ensure the immediate and strategic delivery of accurate, real-time public information to the CSRs that can then be leveraged in KT.

3. *Develop Standard Operating Procedures and Improve the CSR Training Program*

Standard operating procedures (SOPs) are established methods of carrying out operational activities. To be effective they should identify roles and responsibilities, provide expectations, and provide guidance to achieve operational objectives.

Service Vaughan does not have established SOPs. Instead, recruitment training includes presentations of slide decks which outline various operational activities and strategic goals. They also provide instructions on how to handle inquiries and service requests for other departments which provide City services.

The new CSRs' comprehension of these instructional slides and their overall service performance is evaluated by the Training and Quality Assurance specialist by listening to recorded calls. The evaluation is comprised of assessments of such areas as call opening, issue resolution, knowledge and skill, and closing. Performance evaluations continue for as long as the new recruit is on probation. Any further evaluations are only conducted to investigate an incident.

While new CSRs complete a six to eight week training program, the audit found that the slide presentations are not comprehensive and do not provide instructional procedures for all integral responsibilities. Operational activities, including areas such as payment processing and handling property tax inquiries, would benefit from formalized SOPs.

Although training evaluations provide insight into the new CSR's understanding, scoring tends to be subjective. For example, questions such as 'did the CSR resolve the call' should be a yes or no answer instead of being scored on a point scale.

Without formalized SOPs, CSRs may be relying on inaccurate and/or incomplete information. There is the probability that procedures are inconsistently communicated making it difficult to ensure there is proper transfer of knowledge to new staff. Without clear, accurate, and complete SOPs, customer service may be affected causing the City reputational risks.

The new position of Training and Quality Assurance Specialist has improved the new recruit training program. However, there are opportunities to more precisely evaluate new recruits to assess their readiness and ensure all CSRs continue to learn more material and review operational processes. Without periodically assessing CSR performance, management is limited in identifying trends and may not know if accurate and consistent information is being provided to citizens until there is a complaint.

Recommendations

We recommend that management:

- Develop formalized SOPs for operational activities.
- In conjunction with Financial Services, develop payment processing procedures.

- Once approved, management ensures SOPs are implemented, communicated, accessible, and regularly reviewed for completeness and relevancy.

Management Action Plan

The Service Vaughan Leadership Team agrees with these recommendations.

To perform consistent procedures and achieve operational objectives, the Service Vaughan Leadership Team will develop standard operating procedures for both CSR operations and contact centre management. Once the SOPs are developed, they will be stored in a shared location for all users to access easily. They will be updated at periodic intervals to ensure they contain accurate information. In addition, the CSR training program will be improved through more precise evaluation methods and periodic assessments of CSR performance using the updated evaluation format. The following details show the actions that will be taken to implement standard operating procedures and improve the CSR training program:

- Translate documented process for payment processing functions into a standard operating procedure and validate final content with Financial Services by Q3 - Q4 2022.
- Develop standard operating procedures (SOPs) for CSR operations, which clearly outline the role, responsibilities and accountabilities of stakeholders involved in CSR operations by Q1 2023 - Q4 2023 (targeting SOPs for three business units per quarter). SOPs will be supported through touchpoints with CSC stakeholders to ensure the constant flow of two-way information is maintained by weekly Service Vaughan communication touchpoints and communication presence at CSR briefings to provide and receive information on the latest topics that need communication support.
- Develop SOPs for contact centre management, which clearly outlines role, responsibilities, and accountabilities of all stakeholders involved in contact centre management by Q1 - Q2 2023.
- Determine a shared location for SOPs for all impacted parties to ensure they are readily accessible by Q1 2023.
- Implement a plan for quarterly review of SOPs to ensure completeness and relevancy and communicate any updates to stakeholders by Q2 2023 - Q4 2023 and ongoing.
- Research and identify evaluation methods with more scoring precision on CSR performance; implement updated scoring methods to assess CSR performance by Q2 2023.
- Identify and implement a plan to conduct periodic assessments of CSR performance by Q2 2023.

4. *Enhance Service Offerings, Communication and Relationship Management with Internal Stakeholders*

A service-level agreement (SLA) defines the level of service expected by a customer from a supplier, laying out the metrics by which that service is measured, and the remedies, if any, should the agreed-on service levels not be achieved. Usually, SLAs are between companies and external suppliers, but they may also be between two departments within a company.

Service Vaughan has SLAs with Public Works, Recreation Services, and the Office of the Chief Information Officer. Most of these SLAs include Service Vaughan's services, response targets, and agreement to report on volume and trends. In turn, the service partners are required to provide notice of changes in operational procedures and organizational structure. The audit identified that existing SLAs do not capture all of the activities provided by Service Vaughan or remedies for reciprocal service failures. Additionally, SLAs are part of Service Vaughan's training but are not easily accessible for CSRs to reference.

Service Vaughan provides inquiry and service request activities for other service partners including Vaughan Animal Services, By-law, Finance, and Procurement. Yet, they do not have SLAs with these departments.

Service Vaughan noted resource constraints for being unable to revise existing SLAs and engage other service partners to expand SLAs to the Corporation.

Without aligning resources to ensure SLAs are realistic and reflective of reciprocal services, SLAs are not prescriptive and enforceable. Departments without SLAs with Service Vaughan may not be getting additional information which could help them plan and budget for their operations.

SLA are mutually beneficial to all parties. But without regular review, realistic targets, and service partner engagement, SLAs serve minimal purpose.

While SLAs are one way to achieve defined levels of expected service in the supplier-customer relationship, an alternative approach is the development of corporate approved guidelines in the form of enterprise-wide corporate policies. A corporate policy provides a unified framework and guiding principles for the client and supplier role, responsibilities, and accountabilities. The policy serves as a governance mechanism and can be readily adopted to manage the client-supplier relationship.

Recommendations

We recommend that management:

- Develop corporate approved guidelines (in the form of SLAs or a corporate policy) to ensure a consistent understanding of the expected levels of service in the client-supplier relationship and outline service partner responsibilities

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- Schedule periodic review of the corporate approved guidelines with client departments to ensure completeness and relevancy and assess whether service level commitments are being achieved.
- Ensure corporate policies are readily available to CSRs for reference.

Management Action Plan

The Service Vaughan Leadership Team agrees with these recommendations.

Corporate-approved guidelines in the form of corporate policies and/ or SLAs will be used to improve business operations and service delivery through clearly documented expectations of service levels and stakeholder responsibilities. The Service Vaughan Leadership Team will develop a corporate policy to serve as a governing framework for service partner commitments and will ensure that this policy is accessible to impacted stakeholders and periodically reviewed for accuracy and relevancy. In addition, communication efforts will be enhanced through a closer partnership between Service Vaughan and CSC.

- Develop overarching corporate policy which documents client-supplier relationship responsibilities and high-level service level expectations (specific elements of the service partner relationship will be captured in the SOP) by Q1 - Q2 2023.
- Determine a shared location for corporate policies so impacted stakeholders can easily access reference information by Q1 2023.
- Conduct an annual review of corporate-approved guidelines for service level expectations and stakeholder responsibilities to ensure they are accurate and up to date by Q4 2023 (and ongoing).
- Implement quarterly compliance assessment to evaluate adherence to service level commitments and service partner responsibilities as documented through the different forms of corporate-approved guidelines by Q3 2023.
- Develop further synergies between Service Vaughan and CSC by increasing the frequency and complexity of touchpoints to proactively communicate service-oriented updates by Q3 - Q4 2022.