



Ministry of Social Development: How it deals with complaints





Office of the Auditor-General
PO Box 3928, Wellington 6140

Telephone: (04) 917 1500
Facsimile: (04) 917 1549

Email: reports@oag.govt.nz
Website: www.oag.govt.nz

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Pippa de Court

Ministry of Social Development: How it deals with complaints

This is an independent assurance
report about a performance audit
carried out under section 16 of the
Public Audit Act 2001.

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Auditor-General's overview

How well an organisation deals with complaints shows how committed that organisation is to providing a high-quality service to its clients. Dealt with correctly, complaints can help an organisation to change and improve.

As part of our 2013/14 work programme, we decided to look at how the Accident Compensation Corporation and the Ministry of Social Development (the Ministry) manage complaints. This report sets out the findings from a performance audit of the complaints processes of the Ministry. I wanted to assess how effectively and efficiently the Ministry manages complaints.

The Ministry is the largest public service department in New Zealand. It administers more than \$20 billion in government expenditure and provides services to help more than 1.1 million people and 110,000 families.

My staff looked at how the Ministry's Work and Income, StudyLink, and Senior Services sections manage complaints. I also commissioned a survey and interviews of a sample of people who had made a complaint to the Ministry. I felt that it was important to collect the views of the people who complained.

Most of those surveyed felt that their complaint was resolved and the Ministry's final decision about the complaint was fair. Most of those surveyed and interviewed felt that it had been worthwhile complaining to the Ministry. In my view, the way the Ministry deals with complaints has many positive features. These include:

- making it reasonably easy for people to complain;
- dealing with problems early and at an appropriate organisational level;
- staff acting professionally and giving people the opportunity to say all that they wanted to say, as well as correctly understanding the person's complaint;
- a focus on resolving complaints; and
- changing some practices as a result of complaints and other comments.

The Ministry could do better in some aspects. Those surveyed and interviewed suggested that the Ministry improve communication with complainants, including by:

- explaining more clearly to complainants the process and time frame for resolving complaints, so that expectations are managed;
- keeping people well informed about how their complaint is being dealt with; and
- informing the complainant of any action taken to improve service delivery as a result of the complaint.

The Ministry acknowledged early in our audit that it does not have a Ministry-wide approach to managing complaints. Each of the major sections of the Ministry runs its own process. As is to be expected when each section runs its own process, the Ministry manages complaints inconsistently and monitors and reports on information about complaints inconsistently.

Although some customisation can be sensible, a lack of consistency in the overall approach means that the Ministry cannot gain a complete picture of how many complaints it receives and resolves, and how well it responds to people who complain. This makes it more difficult to see where any systemic problems might lie.

The Ministry is looking to change to a single operating model to better meet people's needs. It has a project under way to identify how complaints could be better managed under this model, and has welcomed our suggestions for improvements.

We have recommended that the Ministry continue on its path to work on a Ministry-wide approach to managing complaints. This will help the Ministry to better oversee complaints, help make managing and reporting of complaints more consistent, and help with making decisions. It will make it easier for the Ministry to use complaints as part of efforts to continuously improve its systems and services.

The Ministry has recently joined Senior Services and StudyLink with Work and Income. This provides the Ministry with a good opportunity to act on my recommendations.

I thank the Ministry and its staff for their time and co-operation with this audit. I thank the people who participated in the survey and interviews – your contribution was important to this audit.

A handwritten signature in black ink, appearing to read 'Lyn Provost', with a stylized, cursive script.

Lyn Provost
Controller and Auditor-General

6 August 2014

Our recommendations

1. We recommend that the Ministry of Social Development prepare an approach that enables it to collect information about complaints from throughout the Ministry, monitor and report this information to the Ministry's Leadership Team consistently, and use the information to improve its systems and how it delivers services.
2. We recommend that the Ministry of Social Development improve the clarity of standards and response times for responding to complaints, and how well it keeps people informed of progress and outcomes.

1

Introduction

- 1.1 In this Part, we discuss:
- the purpose of our audit;
 - what we audited;
 - what we did not audit;
 - how we carried out our audit; and
 - the structure of this report.

The purpose of our audit

- 1.2 For 2013/14, the theme of our work programme was *Service delivery*. As part of this theme, we decided to look at how the Accident Compensation Corporation and the Ministry of Social Development (the Ministry) manage cases and complaints. We expect to publish several reports on these two aspects of service delivery in these two public entities during 2014. This report is the first in the series.
- 1.3 We chose complaints management because it is a useful way to measure an organisation's commitment to customer service and because complaints are a valuable source of information for improving service and systems.
- 1.4 This report is about our performance audit to assess how effectively and efficiently the Ministry manages complaints.
- 1.5 The Ministry administers more than \$20 billion in government expenditure, provides services and help to more than 1.1 million people and 110,000 families, and is New Zealand's largest public service department.
- 1.6 The Ministry provides:
- statutory care and protection of children and young people, adoption and youth justice services, and funding to community service providers;
 - employment and income support services, New Zealand Superannuation, and the administration of New Zealand's international welfare portability arrangements;
 - support, information, and advice for families and communities;
 - student allowances and student loans;
 - access to affordable health care for older people, families, and people on lower incomes; and
 - services to uphold the integrity of the welfare system and keep the debt of its clients to a minimum.

What we audited

- 1.7 We looked at how well the Ministry manages complaints about how it delivers its services. We wanted to look at:
- how easy it is to complain to the Ministry;
 - how responsive the Ministry is to complaints; and
 - how the Ministry uses information about complaints and other comments to keep improving.
- 1.8 The Ministry does not have a Ministry-wide complaints process. We focused on the Ministry's Work and Income, StudyLink, and Senior Services sections (the three sections). Each section runs its own complaints process. We explain how each section deals with complaints in Part 3.
- 1.9 Work and Income has 162 Work and Income service centres, Community Links, and satellite sites, organised into 11 regions, each led by a Regional Commissioner. Frontline staff case-manage about 400,000 people each month and help 86,000 people get work each year. Work and Income's five contact centres together receive more than 125,000 telephone calls a week in any of 12 languages.
- 1.10 The Senior Services section works from Work and Income offices. The Ministry delivers services to almost every senior citizen in New Zealand.
- 1.11 StudyLink has a centralised processing centre in Palmerston North and six Outreach sites in the main university centres. In 2012/13, StudyLink processed 241,319 student loan applications and 148,040 student allowance applications.

What we did not audit

- 1.12 We did not look at individual complaints or legal decisions about entitlements.
- 1.13 We did not audit the Child, Youth and Family complaints process because it was the subject of a recently completed independent review. The review found that the Ministry had taken steps to improve the Child, Youth and Family complaints process but that it required further improvements and oversight to ensure that it works well. We looked at publicly available information about Child, Youth and Family's complaints process as context for assessing the responsiveness of the Ministry's complaints processes.

How we carried out our audit

- 1.14 To carry out our audit, we:
- interviewed staff from the Ministry's national and regional offices;
 - visited regional service centres and interviewed staff, including people

responsible for managing complaints;

- observed the Work and Income information and complaints management tool and looked at a small sample of complaint files to test the controls in the system; and
- contracted a market research agency to carry out:
 - a telephone survey of 669 people who had complained about Work and Income and StudyLink;¹ and
 - interviews of 10 Work and Income complainants.

1.15 Because Senior Services does not keep a centralised record of all of the complaints it receives, the survey did not include people who had complained about Senior Services.

1.16 We also looked at:

- process manuals, standards, and strategic documents;
- client satisfaction questionnaires and surveys;²
- service standards and complaints pamphlets;
- instructions and template letters;
- registers of information relating to complaints;
- accountability documents;
- internal performance reports;
- case studies of service failures;
- data for Work and Income complaints from 2010 to 2013; and
- information that the Appointed Auditor collected as part of the annual audit.

Structure of this report

1.17 Part 2 discusses whether the Ministry makes it easy for clients to complain.

1.18 Part 3 discusses how the Ministry responds to complaints and keeps clients informed about the progress of the response to their complaint. Part 3 also compares how the three sections respond to complaints.

1.19 Part 4 discusses how the Ministry monitors, reviews, and reports performance information about complaints.

1.20 Part 5 looks at how the Ministry analyses complaints and provides other comments to improve its services.

1 Colmar Brunton carried out the telephone survey between 8 and 29 May 2014 and the interviews between 20 May and 5 June 2014.

2 The Ministry uses the term “clients” to describe the people who access its services.

Making complaints

- 2.1 In this Part, we look at the Ministry's policies for managing complaints and discuss whether it is easy for a client to complain to each of Work and Income, StudyLink, and Senior Services.

Summary of our findings

- 2.2 The Ministry has no Ministry-wide formal policy and process for managing complaints. Each section runs its own process, with some good practices.
- 2.3 Clients can make a complaint in various ways. It is reasonably easy for clients to complain. However, some of the information on the Ministry's websites is difficult to find and there is potential for confusion about how to lodge complaints.

No Ministry-wide policy or process for managing complaints

- 2.4 The Ministry manages complaints in several ways. There is no formal Ministry-wide policy and process for managing complaints. Each section runs its own process. For example, Work and Income has a process for managing complaints on the Ministry's intranet, Doogle. In our view, that process is well set out. Work and Income's contact centre staff are told about the process for managing complaints as part of their induction programme and can access Doogle.
- 2.5 The other sections do not use Doogle to manage complaints. We saw no documents that show that StudyLink and Senior Services have a formal process for managing complaints.
- 2.6 StudyLink has a "common understanding" that the Report Writing Team manages complaints. The Senior Services Review Team manages most matters and complaints that Senior Services National Office receives. There is no formal process for managing complaints locally.

Defining a complaint

- 2.7 Because there is no formal Ministry-wide policy on complaints, the Ministry has no universally applied definition of a complaint.
- 2.8 The Ministry's website provides a definition for the public (see paragraph 2.13) that is not the same as the definition available to Work and Income's staff.
- 2.9 Work and Income was the only section that formally defined complaints for staff. Doogle defines a complaint as "an expression of dissatisfaction usually about service, staff, behaviour or the environment". It provides examples of each type of complaint to help staff work out how to record a complaint.

2.10 The complaints process outlined on Doogie explains that a review of a decision about whether someone is entitled to a particular form of support from Work and Income is not a complaint, because reviews of decisions have their own guidelines and processes. However, some senior staff pointed out that “service complaints often go hand in hand with reviews of decisions”.

2.11 Although Work and Income formally defines a complaint, there appears to some inconsistency in how this definition is applied – for example, in working out whether a matter raised by a client is a complaint or a question. Other sections of the Ministry also grapple with this matter (see Part 3).

Managing unreasonable complainants

2.12 The Ministry has a formal policy for working with “unreasonable, difficult or vexatious complainants” and has produced guidelines for its staff. The guidelines draw on the New Zealand Office of the Ombudsman’s practice manual for dealing with unreasonable complainants. The guidelines are a resource for dealing with clients and Reviews of Decisions. They are “owned” by the Ministry’s Client Advocacy and Review team, who deal with all Reviews of Decisions. The guidelines are also intended to be helpful to other sections of the Ministry. It was not clear to us how widely the guidelines were used for complaints about how services were delivered. The Ministry acknowledged that this was a matter that it could look into.

Ease of making a complaint

2.13 Information about making a complaint is clearly visible and accessible on the Ministry’s website under “Contact us”. It defines a complaint as:

... an expression of dissatisfaction when the Ministry has not met your expectation. Your complaint may be about:

- *An incident or service issue*
- *An income support or pension decision*
- *Practice*
- *Process*
- *Policy.*

2.14 The website information tells people that, if they have a complaint, it is best to first contact the manager of the particular office concerned. Otherwise, they can contact the Ministry by telephone, mail, email, or fax. We note that the telephone number given on the Ministry’s main website is not a free-phone number, although all three sections provide 0800 telephone numbers. These are also free for callers on cellphones. People who had complained about Work and Income who had used the telephone line felt that complaining by telephone was easy.

For example, one interviewee commented that the staff member they spoke to on the phone was clear and made them feel comfortable about making the complaint.

- 2.15 Although information on Doogle explains that a complaint is not a review of decision, the material for clients clearly states that a complaint can be about a decision about income support or a pension. The process for reviewing complaints about an income support or pension decision is different from that for an incident or service matter.
- 2.16 The link to the review of decision process, which appears under the “What is a complaint?” section on the Ministry’s website, is titled “Making a complaint about an income support or pension decision (Review of Decision process)”. We question whether it is clear enough that this link is for lodging a review of decision and not for making a complaint about how the person was treated. The Ministry receives some complaints about service delivery through this website link, which suggests that some people do not make this distinction.
- 2.17 Information about how to make a complaint is available on the individual sections’ websites. However, finding this information is not straightforward. This was the experience of one interviewee who had used the Work and Income website to make a complaint. On the Work and Income website, the complaints link is under “General enquiries for under 65”. On the Seniors website, the complaints link is under “What we can do for: Seniors – *Getting in touch with us* – Work and Income general enquiries”.
- 2.18 Typing “making a complaint” in the search box on the Work and Income and StudyLink websites brings up the link to the complaints information. Senior clients are directed to the main Ministry website.
- 2.19 For people who do not or cannot use the website, the Ministry has pamphlets about the complaints process. The Ministry confirmed these pamphlets are distributed to all Work and Income service centres. Figure 1 shows the Work and Income complaints pamphlet.

One interviewee commented that the staff member they spoke to on the phone was clear and made them feel comfortable about making the complaint.

Figure 1
Work and Income complaints pamphlet



Source: Ministry of Social Development.

- 2.20 We note that the definition of a complaint in this pamphlet is not the same as the definition of a complaint provided on the Ministry’s main website.
- 2.21 Work and Income case managers can also tell people about how to make a complaint if the person is not satisfied with a decision or the service they have received. People can talk to a manager at the time or follow the process for reviewing decisions.
- 2.22 For people who might need extra help, the Ministry aims to meet the Web Accessibility Initiative Level 3 accessibility standards. These standards are

designed to help people with disabilities to access the Internet. The Ministry told us that its websites meet these accessibility standards.

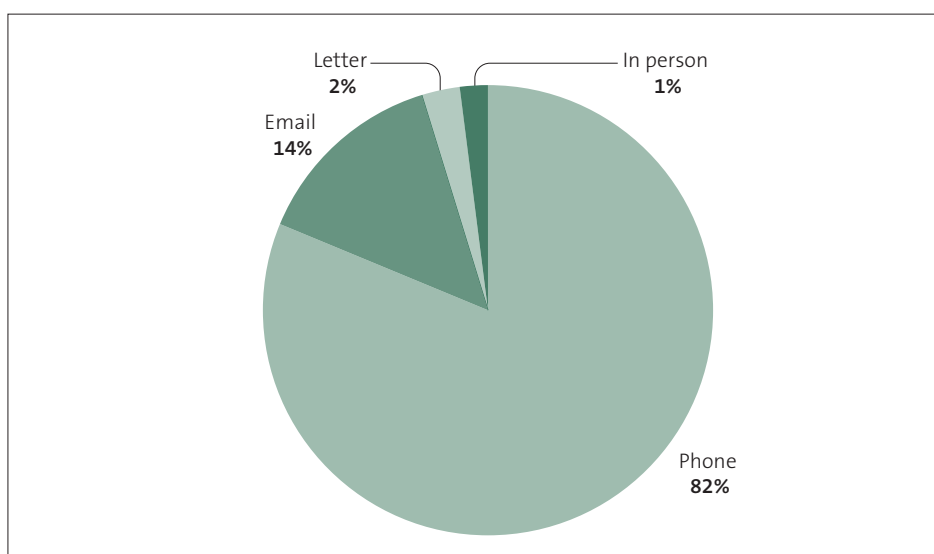
- 2.23 All three sections provide a free fax facility for people who are deaf or find it hard to communicate by telephone. The Ministry also provides access to a “relay line” for people who have hearing or speech impairments. This involves the use of a telephone typewriter. The person dials a toll-free number to New Zealand Relay (a government service), which relays the response between the Ministry and the caller.
- 2.24 Also, Work and Income has multilingual lines and people can speak to someone in one of 11 languages other than English. These free 0800 telephone lines are open between 8.30am and 5pm Monday to Friday. Information about this service is on the Work and Income website and in Work and Income’s *Our Services and Standards* brochure. Senior clients are directed to this information through the *Getting in touch with us* link on the Ministry’s website. The StudyLink website did not provide any information on multilingual services.
- 2.25 The telephone survey showed that only 36% of the complainants surveyed tried to find information about making complaints. More than half (57%) of the 36% who tried to find information found the information they were seeking and 43% (of the 36%) did not. Those most likely to find information were people looking to find out how to make a complaint and what would happen next. Three-quarters of complainants (74%) who were looking for this information found it.
- 2.26 Of those who found information, 63% thought the information was easy to find, 68% considered that the information was helpful, and 82% agreed that the information was easy to understand.
- 2.27 In our view, making a complaint is reasonably easy and the mechanisms for complaining are accessible. However, there is room to improve how easy it is to find information about complaining on each of the individual sections’ websites.

Channels for making complaints

- 2.28 Complaints to the Ministry can be made verbally or in writing (letter or email). They can be lodged through the contact centres, service centres, regional offices, or the National Office. They can also be sent to the Minister’s office or the Chief Executive’s office. Complaints can be made by the person using the Ministry’s services or by a person or organisation acting on their behalf, such as an advocate (for example, beneficiary groups or a family member) or a member of Parliament. Some staff told us that they maintain relationships with the offices of local members of Parliament and with advocacy groups for this purpose.

2.29 Figure 2 shows the main channels that people used to make a formal complaint to Work and Income in 2013.

Figure 2
Channels for making complaints about Work and Income, 2013



Source: Ministry of Social Development.

Note: Because of rounding, the numbers do not add up to 100%. Because few people complain by fax and to the Minister's office, we have excluded complaints through these channels from Figure 2.

2.30 Some people express their dissatisfaction with the Ministry through social media or the news media. The Ministry told us that it would prefer to discuss and resolve the complaint directly with the person. The Ministry monitors the news media. Staff pick up these stories, and have a way to refer them to a regional office or the National office as relevant.

Responding to complaints

- 3.1 In this Part, we look at how each section responds to complaints. We discuss:
- how the Ministry sets expectations about complaints and manages complaints for each section;
 - the processes for ensuring that the appropriate groups deal with complaints;
 - how people are kept informed about the progress of their complaints; and
 - whether people are informed of decisions about their complaints in a timely and appropriate way.

Summary of our findings

- 3.2 There is a Ministry-wide focus on acknowledging and resolving complaints as quickly as possible, at the appropriate organisational level. Most people surveyed and interviewed felt that the staff who dealt with their complaints were helpful and professional, and took their complaint seriously.
- 3.3 Most people surveyed felt that the matter was resolved and that the final decision was fair.
- 3.4 However, only 36% of those surveyed were satisfied with the way the Ministry handled their complaint. Most of those surveyed felt that the Ministry had not kept them well informed about the progress of their complaint and that the length of time it took to resolve the matter was not reasonable.
- 3.5 The Ministry sets people's expectations and manages complaints inconsistently. In our view, the Ministry's standards and processes for managing complaints – especially the Ministry's time frames for responding to complainants – could be made more transparent to people who have complained. The Ministry needs to do more to keep people better informed about what the next steps will be and the progress of their complaint, as well as communicating the outcome of their complaint.

Inconsistent setting of expectations about managing complaints

- 3.6 The Office of the Ombudsman suggests that, to help complainants better understand their rights and responsibilities, organisations should adopt a set of ground rules for accessing their services. These rules should clearly identify the rights and responsibilities of the main parties to the complaints process. The rules should be made publicly available – for example, on a website and in leaflets and

brochures displayed in reception areas. Organisations should also ensure that complainants are aware of these rules when they make a complaint (and respond to any questions about the rules):

It is essential [to] test and manage complainant expectations at the earliest possible opportunity to minimise the likelihood for disappointment, anger or frustration.

- 3.7 Some of the Ministry's sections have internal standards about how to manage a complaint. For example:
- For Work and Income, Doogie states that complaints must be acknowledged within 24 hours if unresolved within that time. Complaints must be fully investigated and resolved within five working days, unless there is a good reason for the delay. If there is a delay, the person must be kept informed of progress.
 - StudyLink is expected to acknowledge complaints by telephone within 48 hours.
 - Replies to Ministerial correspondence must be ready to be signed by the Minister within 20 working days.
- 3.8 These internal standards differ from the service standards published on the Ministry's websites and in pamphlets. All of the Ministry's sections have service standards or charters. The service standards do not set out the process for managing complaints.
- 3.9 The Work and Income pamphlet on making a complaint shows the complaints process in a diagram (see Figure 1). However, this diagram is not provided on the website, and the pamphlet does not give any time frames or information about who is responsible for managing the complaint.
- 3.10 The Ministry's website tells people that the Ministry will try to:
- ... resolve your complaint immediately. If we need to work with others to resolve your complaint it may take longer. You will always be advised in writing when your complaint has been received.*
- 3.11 The Work and Income and StudyLink websites have similar statements. The Senior Services website does not set out a separate complaints process.
- 3.12 By contrast, the Child, Youth and Family website gives people a clear time frame for a response:
- We'll contact you within one week of receiving your complaint to talk with you about how we'll manage it. We try to resolve any formal complaint within six weeks of receiving it – if it will take longer, we'll let you know.*

- 3.13 In our view, the internal standards for managing complaints should be more transparent, especially about reasonable time frames, to set people's expectations and minimise the possibility that people will become disappointed, angry, or frustrated.

Clear roles and responsibilities for dealing with complaints

Work and Income

- 3.14 Doogee explains what roles and responsibilities Work and Income staff have. All complaints recorded in the Ministry's Here is Your Answer (HIYA) information management system are automatically assigned to a designated staff member. That person is responsible for managing the complaint until it is resolved. Designated people are:
- in a service centre, the Service Centre Manager or Assistant Service Centre Manager;
 - in a regional office, the Regional Director;
 - in a contact centre, specifically assigned managers; and
 - in the National Office, usually the National Client Manager.
- 3.15 When the complaint has been recorded in HIYA and assigned to a staff member, the system sends an automatic email to inform the staff member that a complaint has been received. In a service centre, the Service Centre Manager or the Assistant Service Centre Manager will go into HIYA to deal with the complaint. An Assistant Service Centre Manager showed us how she monitors HIYA every day.
- 3.16 The general process is to deal with the complaint as soon as it is lodged. The manager will discuss the matter with the person who complained to understand their perspective and explain the Ministry's perspective and procedures.

Senior Services

- 3.17 Complaints about Senior Services can be received through the National Office, an 0800 telephone number dedicated to senior clients, members of Parliament or the Minister, the "Ask a question" tool on the Seniors website, or in discussion with the person.
- 3.18 The Senior Services National Office or Local Services Managers, who deal with all Senior Services matters for their region, can deal with complaints.
- 3.19 The Local Services Manager will generally investigate each case and talk to the person to understand their perspective and explain the Ministry's perspective and procedures. Any significant complaints are escalated to the National Office.

StudyLink

- 3.20 StudyLink's Report Writing Team, based in Palmerston North, handles all complaints for StudyLink clients. Any complaints about StudyLink are directed to this team. The team then investigates and follows up the complaint.

Different processes for recording and acknowledging complaints

- 3.21 Work and Income staff use HIYA to record and manage complaints. The Ministry has been using HIYA for at least 10 years. The Ministry has not always used HIYA as a tool for recording complaints. HIYA's main purpose was to provide an information source for Work and Income's contact centre staff. HIYA became a mechanism to track and trace complaints that were lodged with the contact centre and referred to service centres. Staff also use HIYA to record and manage all reviews of decisions.

Recording a complaint in HIYA

- 3.22 Any staff member can receive and record a complaint in HIYA. If the complaint is made to the contact centre, contact centre staff will lodge it. If the complaint has come in by letter through the Minister's office or the Chief Executive's office, or by email through the main Ministry website, the Ministerial and Executive Services team will process it. This team sends the complaint to the relevant section. For example, if it is a complaint about Work and Income, the team will send it to the relevant Work and Income region and copy it to the Issues and Risks team in the office of the Deputy Chief Executive, Work and Income. The Issues and Risks team is expected to lodge the complaint in HIYA.
- 3.23 When any Work and Income staff receive a complaint, Doogle states that it must be recorded in HIYA. Complaints can be written or verbal (in person or over the telephone). A staff member receiving a verbal complaint is expected to record the complaint and tell the person that someone will contact them soon. A staff member receiving a written complaint is expected to scan or copy and paste the document into HIYA.
- 3.24 Doogle explains how to lodge complaints in HIYA. We observed the process, and it was easy to lodge a complaint. Some fields with drop-down boxes need to be completed. For example, one field is for "complaint type". HIYA has 12 broad types of complaint and staff have to code each complaint. Doogle provides definitions and examples to help staff work out what a complaint is about so that it can be recorded correctly. If the person who complains wants their complaint to be confidential, it can be recorded as secure. Only a service centre manager can see and deal with a secure complaint.

No Ministry-wide tool for recording and managing complaints

- 3.25 The other sections do not use HIYA. Staff we spoke to had differing perceptions of why HIYA was not more widely used. Their reasons included:
- HIYA did not work for their section.
 - HIYA was not cost-effective.
 - Their section dealt with more complex information than Work and Income.
- 3.26 StudyLink has its own database, where all complaints are recorded and managed. The database is not integrated with the Ministry's systems. Senior Services National Office maintains a manual complaints register in a spreadsheet. Senior Services has no tool or consistent process for managing complaints.
- 3.27 Work and Income staff record complaints in HIYA inconsistently. The contact centre has a more consistent process. Service centres seem to have more discretion and flexibility about whether to lodge complaints in HIYA. There were several reasons for this.
- 3.28 For example, although Work and Income has a formal definition of a complaint, some staff remain uncertain about what an inquiry – as opposed to a complaint – is. Part of this involves whether the complaint has been made verbally or in writing.
- 3.29 Most service centres consider complaints raised verbally, particularly during an interview, as inquiries that can be resolved straight away before they escalate. Staff do not see the need to record these in HIYA unless follow-up action is needed. We were told that, at first, HIYA was not intended for complaints that were raised and resolved locally.
- 3.30 Staff seem to use their judgement about whether to record written complaints in HIYA. Their decision appears to depend on whether the matter can be resolved quickly.
- 3.31 Some Work and Income staff said that lodging every complaint or problem in HIYA would become an administrative burden and possibly slow services. Regional and national staff sympathised with this perspective. We were told that even if complaints were not formally lodged, trends could be noticed and highlighted at weekly team meetings at service centres and at the regional office.
- 3.32 However, some staff we spoke with were aware that the Ministry could be losing trend information by not recording all complaints in HIYA.

Inconsistent record-keeping outside HIYA

- 3.33 We noted that managers keep various registers and records. For example, some Senior Services Local Services Managers keep their own complaints registers. Others rely on the updates that are loaded into the client's general notes. As mentioned in paragraph 3.26, Senior Services National Office maintains a manual complaints register. The Senior Services Review Team also maintains its own register.
- 3.34 Some Work and Income managers who use HIYA also keep a separate register (see paragraph 3.68).
- 3.35 In our view, the Ministry needs to have more consistent ways to keep records to ensure that it does not lose trend information.

Acknowledging a complaint

- 3.36 Complaints that the Ministerial and Executive Services team receives are acknowledged by letter before the team forwards the complaint to the relevant section. The acknowledgement letter states that the person can expect a response "as soon as possible".
- 3.37 StudyLink acknowledges complaints by telephone within 48 hours, although it is expected that a telephone call will be made the day the complaint is received. StudyLink telephones the person rather than sending a letter so the person can provide further information. The team member uses this information to work out how long it is likely to take to resolve the complaint and set an appropriate time frame to get back to the person who complained.
- 3.38 The telephone survey showed that 57% of StudyLink clients who needed to wait for a final decision about their complaint agreed that they were informed about the next steps. This suggests that the Ministry could do more to ensure that people are informed about the next steps.
- 3.39 Doogie states that complaints to Work and Income must be acknowledged in writing within 24 hours, unless the complaint is resolved within that time. Designated staff told us that they try to resolve complaints as soon as possible or within 24 hours. This means that not all complaints will be acknowledged in writing. Verbal complaints are followed up by a telephone call but appear not to be acknowledged in writing.
- 3.40 When a complaint is acknowledged in writing, the letter is expected to explain the next step of the process and state when a reply can be expected. However, the copy of the template acknowledgment letter that we saw did not give these details to the person who had complained. The template letter encouraged the

person to contact the staff member directly to discuss the complaint further and gave a direct telephone number and an 0800 number. More than half (55%) of the Work and Income clients who had to wait for a final decision agreed that they were informed about what the next steps would be. As with the StudyLink results, this suggests that Work and Income can improve the way that it informs complainants about the next steps.

- 3.41 Senior Services' process for acknowledging complaints is unclear. One Local Services Manager explained that she contacts the complainant the same day that she receives their complaint.
- 3.42 The Issues and Risks team in Work and Income is aware that some people think that their complaint will be dealt with more quickly if they send it to the Minister's office. However, it can be up to 20 working days before replies to correspondence sent to the Minister are ready for the Minister to sign. The Issues and Risks team is working with the Minister's staff so that, if the Minister's office gets a telephone call from a member of the public about a complaint, they can inform the caller of the formal complaints process and that it is quicker to resolve the matter locally.
- 3.43 In our view, as well as making the service standards more visible, the Ministry could also make the complaints process more transparent for those people who need to wait for a final decision, particularly about what the next steps will be.

Referring complaints appropriately

- 3.44 As noted, complaints that are received by email through the Ministry's main website or by letter to the Minister or Chief Executive go to Ministerial and Executive Services, who refer them on to the appropriate section (see paragraph 3.22).

For Work and Income, the process is automated through HIYA

- 3.45 The designated staff member is responsible for managing the complaint from when it is received until it is resolved. Complaints can be referred to the designated staff member through HIYA or by a case manager. Case managers can bring the Service Centre Manager in straight away to help resolve the complaint or they can alert the Service Centre Manager that a complaint or review of decision might be lodged in HIYA.
- 3.46 We were told that the process is automated so that responsible staff keep getting notifications until they take some action. If staff do not respond to a complaint, it will be automatically escalated to a higher level. This brings some accountability to the process. Some managers told us that they did not want any complaint to escalate to their direct manager, because this would suggest that they were not doing their job.

- 3.47 A designated staff member can assign a complaint to a more appropriate person but remains responsible for the complaint until it is resolved. HIYA allows the designated staff member to keep track of the complaint to ensure that it gets resolved.
- 3.48 More complex complaints can be escalated to regional offices and above. One Regional Director outlined the process that staff in their region have to follow when they refer complaints upward. Staff have to inform the Regional Director directly. They are not allowed to leave a telephone message.
- 3.49 Regional Directors might need to consult with the Regional Commissioner if the matter is likely to affect future operations, particularly if it could set a precedent.
- 3.50 Complaints and problems can also be escalated to the National Office. The Issues and Risks team in the office of the Deputy Chief Executive, Work and Income, is responsible for any matters that come from the regions, as well as requests and questions from the Minister's office, requests under the Official Information Act 1982, Parliamentary questions, and media matters.

Other sections

- 3.51 StudyLink complaints are referred to the Report Writing Team. StudyLink staff and all other sections in the Ministry refer media matters to the National Office.
- 3.52 Complaints are referred from Ministerial and Executive Services to the Senior Services Service Development and Support Team at the National Office, where the Reporting and Information Analyst records them in a manual complaints register. This analyst also picks up complaints that come through the main Seniors Services email address and the "Ask a Question" tool.
- 3.53 The analyst allocates complaints for response and refers them to the Senior Services Review Team. This team will deal with the complaints if they can. Otherwise, they will forward them to a Local Services Manager. Local Services Managers can escalate complex complaints to their immediate manager, then the National Office.

Investigating a complaint

Work and Income

- 3.54 The staff member to whom a complaint is assigned is meant to obtain all relevant information and investigate the complaint fully. This can include getting more information from the complainant about the nature of their complaint.
- 3.55 The telephone survey showed that most complainants felt that their contact with Work and Income about their complaint was professional and that they were

given the opportunity to say all that they wanted to say. Interviewees felt that they were asked the right questions and allowed to explain their problem in their own words.

- 3.56 The action that staff take depends on the type of complaint. For example, if the complaint is about not receiving a benefit on time, the Service Centre Manager will access the benefit payment system to look at information about what the person is entitled to.

- 3.57 The benefits payment system holds notes about engagement with the individual and records appointments the person has made and kept. This enables the manager to identify what has happened. If the problem is with paperwork or timeliness, the manager can get the case manager to sort it out straight away. The manager can then telephone the person who complained to let them know the outcome.

Interviewees felt that they were asked the right questions and allowed to explain their problem in their own words.

- 3.58 If the complaint involves a staff member, the manager can talk to the staff member or the staff member might need to provide a written explanation. The manager decides what action needs to be taken. The manager can call in the person who complained and facilitate a meeting or meet the person by themselves.

StudyLink and Senior Services

- 3.59 Complaints about StudyLink are allocated and investigated in the StudyLink Report Writing Team. The telephone survey showed that most StudyLink clients felt that the contact was professional and 77% agreed that they were given the opportunity to say all that they wanted to say.
- 3.60 The Senior Services Review Team manages most complaints referred to the Senior Services National Office. This is a centralised review team that was set up to manage:
- reviews of decisions;
 - Official Information Act requests, letters and enquiries referred from the Minister's office, and information required by Ministers or their staff; and
 - complicated complaints and matters that require investigation and a formal report.

Keeping people better informed about progress

Work and Income

- 3.61 Work and Income must fully investigate and resolve the complaints that it receives within five working days, unless there is a good reason for the delay. Reasons for delay might be that the complaint is complex or that more senior staff need to be involved. If there is a delay, the complainant must be kept informed of progress.
- 3.62 Designated staff members are the main point of contact with people who have made a complaint. They are responsible for keeping people informed. People can be contacted by telephone or email. The person's preferred contact method is noted in HIYA. Staff responsible for complaints told us that they try to resolve all complaints within 24 hours. They assured us that if they cannot resolve the complaint within this time, they keep people informed about progress. For example, one designated staff member described how she needed to check details with another section of Work and Income, which would take time, so she arranged to telephone the person who had complained in a week or earlier and kept in contact with her.
- 3.63 However, the telephone survey showed that most Work and Income clients who needed to wait for a final decision (72%) did not feel that they had been kept well informed about the progress of their complaint, which indicates that further efforts need to be made to keep people informed.
- 3.64 It can sometimes be difficult to contact people. If the listed telephone number does not identify the person who will hear any messages, staff told us that, to maintain confidentiality, they will not leave a message. The general rule for Work and Income seems to be that they will send a letter after three unsuccessful attempts to contact the person by telephone.
- 3.65 The letter will advise the person who complained to contact the Work and Income staff member directly. One designated staff member explained that only about a quarter of people contacted will get back to them. Many say that they "didn't mean to complain and just wanted to have a rant". They did not realise it would be treated as a complaint.
- 3.66 The people who were interviewed supported this view. Some interviewees were not sure that they would call their complaint a complaint. They felt that it was more a query than a formal complaint.
- 3.67 The complaint record in HIYA is meant to be updated when progress is made. The same details are recorded in the client notes. This is done to ensure visibility

throughout the organisation. For example, if a person telephones the contact centre, then the contact centre can see the record and inform the person of progress.

- 3.68 As well as HIYA, some offices have other ways of keeping track of matters and complaints. For example, one regional office has developed a register that tracks everything that comes into the office, including letters and enquiries from the Minister's office, complaints, and requests under the Official Information Act 1982. An issues management team discusses complaints or matters that are serious, complex, or have high visibility. The minutes from these discussions are not loaded into HIYA but are maintained separately.
- 3.69 The regional office's staff created the register because they felt that HIYA would not record the information in the format they wanted. We understand that separate records can be kept, but it is important that this information is readily available to others to help further analyse complaints.
- 3.70 We were told that, if a complaint is not resolved or updated within five working days, HIYA will automatically refer it to the immediate manager of the staff member assigned to the complaint. If it is not resolved within another five working days, HIYA will refer it to the Regional Director and, the following week, to the Regional Commissioner. Managers confirmed that HIYA acts as a good accountability tool for this purpose.

StudyLink

- 3.71 StudyLink's designated team will first telephone people. If the team are unable to contact the person, they email them to say they have tried to make contact by telephone. If the staff have committed to contact the person, they try to set realistic time frames. For example, if they need to contact somebody else, they tell the person who complained that the complaint might take longer to resolve. StudyLink "takes care not to overpromise and under deliver". However, the telephone survey showed that 53% of StudyLink clients who needed to wait for a final decision did not feel that they had been kept well informed about the progress of their complaint. As with Work and Income, this suggests that StudyLink has to try harder to keep people informed of progress.

Senior Services

- 3.72 Senior Services also uses the telephone and email to contact people who have made a complaint. However, it is unclear how Senior Services staff are held to account for how well they keep people informed in a timely way. One Local Services Manager told us that the lack of timeliness standards can delay

responses, giving the example of waiting for advice from the Senior Services Review Team before being able to “close” the complaint. The lack of standards for timeliness led to delays in responding and keeping the person who complained informed of progress. This led to the person becoming frustrated.

Keeping people better informed about outcomes

Work and Income’s process for informing people

- 3.73 When relevant information has been received, the staff member who has been assigned to resolve the complaint is expected to contact the person to discuss the outcome of the investigation and to agree on solutions. The discussion must be recorded in HIYA or the client’s notes. This should be followed up in writing.

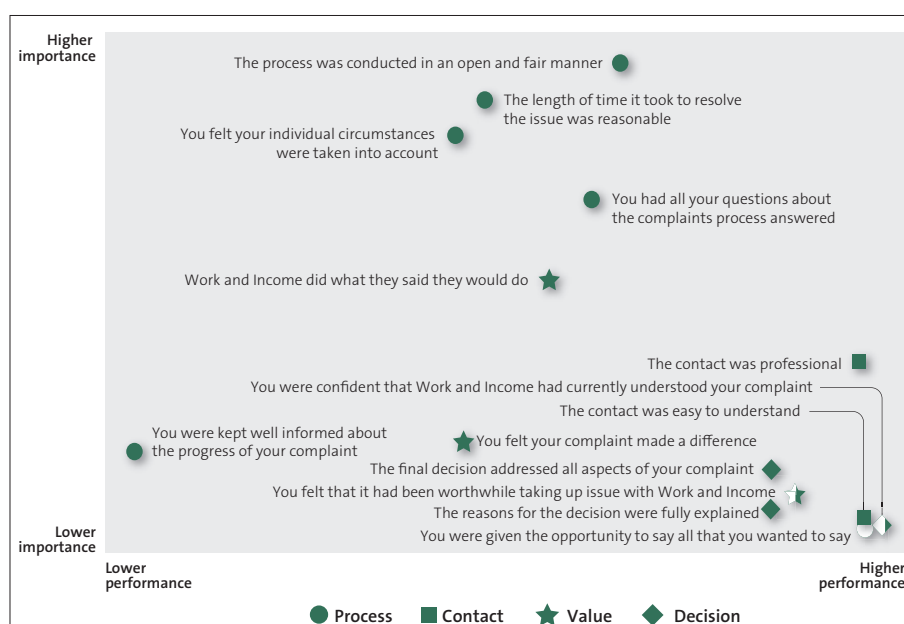
- 3.74 One Regional Director confirmed that this was the usual process. People might also be told of the decision by letter, by email, or face to face. The Regional Director explained that, if the complaint had been resolved over the telephone, the follow-up letter might not include all the details. However, it will discuss the complaint and outcome. Staff draft and finalise the letters individually.

We were told that a person might not hear anything back but that their benefit would restart.

- 3.75 Almost three in five (59% of) Work and Income clients surveyed by telephone agreed that the reasons for the decision were fully explained, and two-thirds were confident that Work and Income had understood their complaint correctly. A slightly lower percentage, 63%, agreed that the final decision addressed all aspects of their complaint.
- 3.76 The survey was of people who had cause to complain, so it is encouraging that most responded positively to these survey questions. Interviewees provided suggestions for how Work and Income could improve further. Some said that the Ministry had fixed their problem but that they felt poorly informed about what action the Ministry had taken to resolve their complaint. They saw no clear link between what the Ministry did and their complaint but assumed that the complaint triggered the remedy. For example, we were told that a person might not hear anything back but that their benefit would restart.
- 3.77 The telephone survey provided further suggestions for how to improve the complaints process. Figure 3 shows an analysis of the attributes of the complaints process people thought were important, and how they perceived Work and Income performed against each attribute. For example, the analysis showed that “the length of time it takes to resolve the issue” is more important than other

attributes. However, only 46% of Work and Income clients felt that the time taken was reasonable. This confirms the importance of managing expectations about the process and, particularly, the time it will take to resolve the complaint.

Figure 3
Performance and importance analysis of responses from Work and Income complainants



Source: Office of the Auditor-General. This graph shows the relative performance and importance of each attribute of complaints handling, based on how people rated them. The position of each attribute is determined by its relationship to each of the other attributes. Attributes that are assessed as important but rated as done poorly are at the top on the left.

Recording the outcome in Here is Your Answer

3.78 The staff member managing the complaint must record the outcome in HIYA. Doogle outlines that one of the following outcomes must be recorded:

- **Resolved – complainant satisfied:** The complainant is satisfied with the outcome and complaint is closed.
- **Resolved – complainant dissatisfied:** The complaint has been investigated and closed. The complainant is not satisfied with outcome.
- **Resolved – complainant satisfied Review of Decision:** The complainant is satisfied with the response but requests a review of decision.

- **Unresolved – complainant dissatisfied Review of Decision:** The complainant is not satisfied and would like to submit a review of decision.
- **Error:** The complaint was added in error and has been closed.
- **Closed – Lack of representation:** The complaint has been closed because of a lack of information.
- **Closed – Message left:** The complaint has been investigated and resolved. A message has been left for the complainant to contact the Ministry.

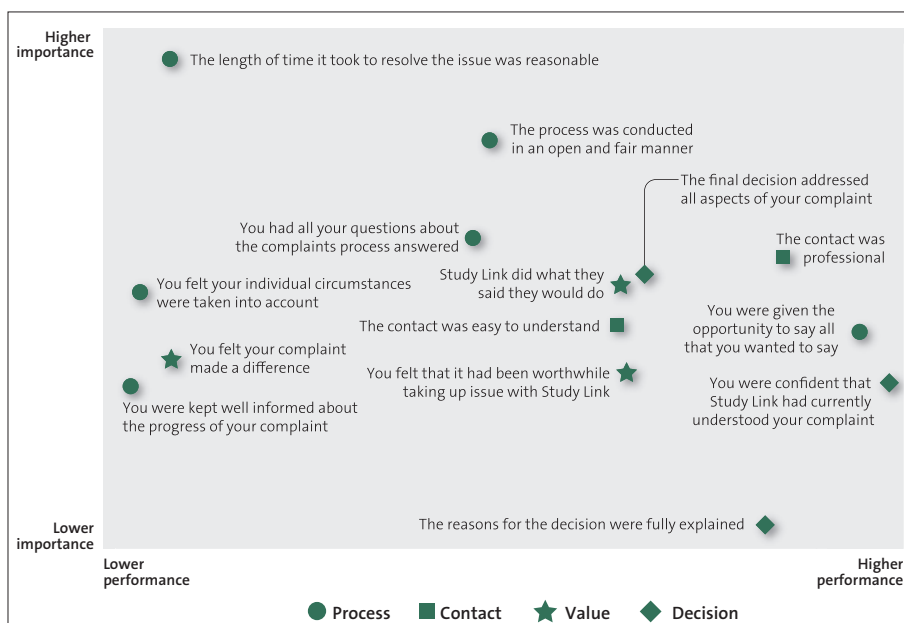
- 3.79 One manager explained that contacting the person who complained can sometimes be difficult and that this can hold up the process. This might result in the Ministry “closing the complaint off”. The record would be updated with “repeated attempts to contact” recorded in the client file. If the person rings the 0800 telephone number, a customer service representative will tell the person what the Ministry tried to do. The manager told us that the regional office monitors this to ensure that the response or attempted response to the person has been dealt with appropriately.
- 3.80 When the outcome has been recorded, the designated staff member must “sign off” the complaint in HIYA. Otherwise, it will be escalated to that staff member’s immediate manager.
- 3.81 HIYA should keep Work and Income staff accountable for informing people about decisions and outcomes. However, accountability lines are not so clear when the matter is not recorded in HIYA. The National Office refers some matters to the regional offices outside HIYA using a formal template. If a matter comes to the regional office this way, staff at the office are required to report back with relevant information, including advice on what to do to remedy the situation.
- 3.82 Ideally, the regional office would get a copy of any response the National Office makes to the person who complained. This is important for future dealings with the person and an understanding of how the complaint was resolved. However, this does not always happen, which can leave regional staff unclear about what has been resolved and what action was taken.

Other sections

- 3.83 Where appropriate, StudyLink and Senior Services will send a person who complained a letter apologising and informing them of the decision made about the complaint.
- 3.84 Senior Services does not have standards about timeliness in responding to people who complain. This can affect how promptly people are informed of decisions, which can cause frustration.

- 3.85 The telephone survey results indicate that StudyLink generally informs complainants of the decision appropriately, but can improve how it sets expectations about time frames. Only 40% of StudyLink clients surveyed felt that the time it took to resolve the matter was reasonable. By contrast, 69% agreed that the reasons for the decision were fully explained. Most (78%) were confident that StudyLink had correctly understood their complaint, and 62% agreed that the final decision addressed all aspects of their complaint. Figure 4 shows an analysis of the attributes of the complaints process that people thought were important, and how they perceived StudyLink performed against each attribute. Similar to Work and Income, “The length of time it takes to resolve the issue” is more important than other attributes.

Figure 4
Performance and importance analysis of responses from StudyLink complainants



Source: Office of the Auditor-General. This graph shows the relative performance and importance of each attribute of complaints handling, based on how people rated them. The position of each attribute is determined by its relationship to each of the other attributes. Attributes that are assessed as important but rated as done poorly are at the top on the left.

- 3.86 The Office of the Ombudsman recommends that bad news be delivered as early as possible to avoid people holding unrealistic expectations about their complaint and possible outcomes. In our view, this applies to any decision, not just bad news.

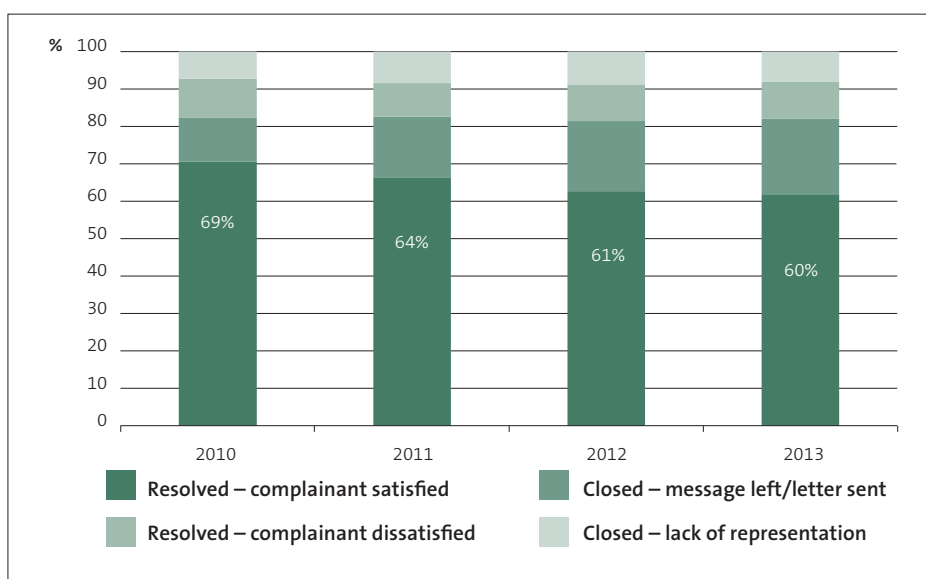
Unsatisfactory resolution

- 3.87 If the complaint has been “signed off” in HIYA, this usually means that it has been resolved. Doogue notes that, if the complainant is not satisfied with the resolution and wishes to take it further, then the complaint should be recorded in HIYA as a new complaint. The immediate manager of the person who resolved the original complaint will then manage the new complaint.
- 3.88 We were told that this is because it is not possible to add new notes to HIYA when a complaint has been signed off. Managers cross-reference the new complaint to any previous complaints. However, Doogue clearly states that it is possible to update a complaint in HIYA even though it has been “signed off”.
- 3.89 In our view, treating the person’s wish to progress the matter further as a new complaint might not be efficient. It might not accurately reflect the number of complaints the Ministry receives and subsequently resolves.
- 3.90 We acknowledge that Work and Income does record complaints as “resolved – dissatisfied”, which means that Work and Income can analyse these complaints.

Showing that the Ministry is responsive to complainants

- 3.91 We asked the Ministry to provide Work and Income complaints data from HIYA, including the types of complaints received and the outcomes recorded for those complaints. The Ministry provided data for 2010 to 2013. Figure 5 shows that most of the complaints that Work and Income received between 2010 and 2013 were resolved to the complainant’s satisfaction, although this proportion decreased each year.

Figure 5
Recorded Work and Income complaints and their outcomes, 2010 to 2013

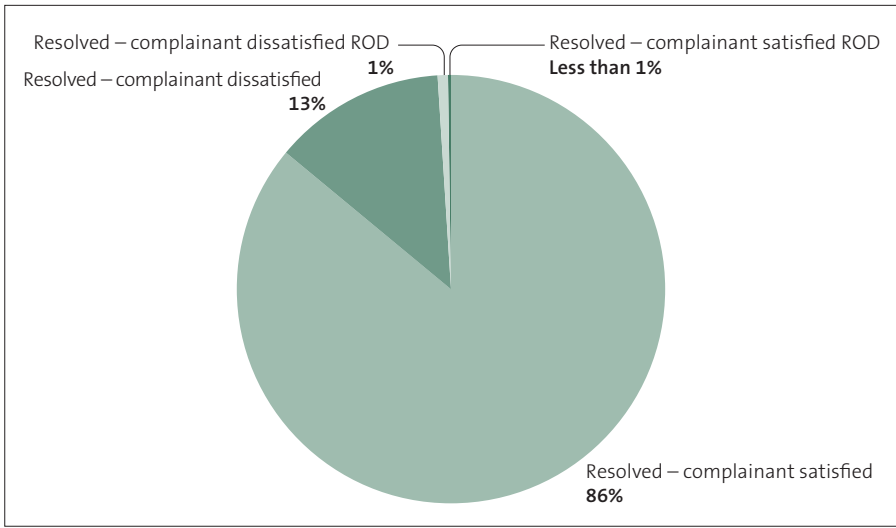


Source: Ministry of Social Development.

Note: Only the four largest categories of complaint outcomes are shown.

- 3.92 The results of the telephone survey are in line with Work and Income's data about the percentage of complaints it resolves. The survey showed that 76% of Work and Income complainants who had received a final decision considered the matter resolved. For StudyLink, the percentage was 70%.
- 3.93 In 2013, Work and Income recorded 8039 complaints. Of these, 5594 were recorded as resolved. Figure 6 shows that most of these resolved complaints were resolved to the complainant's satisfaction.

Figure 6
Outcomes for resolved Work and Income complaints in 2013



Source: Ministry of Social Development.
 Note: ROD means a review of decision. “Resolved – complainant dissatisfied ROD” differs from the category in Doogee, because of a mistake made when designing the system. For reporting purposes, the complaints are considered closed. Because of rounding, the numbers do not add up to 100%.

- 3.94 Although we did not ask whether people were satisfied with the resolution of their complaint, we asked those who had received a final decision if they thought that the decision was fair. Two-thirds (66%) of Work and Income clients agreed that the final decision was fair. More than half (58%) of StudyLink clients agreed that the decision was fair.

- 3.95 The telephone survey asked whether people were satisfied with the process. Only 36% of all the people surveyed were satisfied with the complaints process, and 49% were dissatisfied.

- 3.96 The survey showed that people were more likely to be satisfied with the complaints process if their complaint was dealt with at the time they made it. Seventy percent of those whose complaint was dealt with when they made it were satisfied with the way their complaint was handled. Further analysis showed that 60% of people who felt that their complaint had been resolved were satisfied with the process. About two-thirds (68%) of people who agreed that the outcome of their complaint was fair were satisfied with the process.

- 3.97 This indicates that people who felt that their complaint was resolved and the outcome fair were more likely to be satisfied with the process. We note that

achieving a fair decision or outcome is not always the same as the person getting what they wanted. The Office of the Ombudsman states that:

A complainant, who feels that they have been listened to, understood, treated fairly and with respect, and who has been given a thorough explanation of the complaints process and what is likely to happen with their complaint is more likely to respond positively towards [the] organisation and the complaints process than if they were not given this information.

- 3.98 The Office of the Ombudsman goes on to quote the “organisational justice theory”, which argues that:

... where a person perceives that an organisation/person has followed proper procedures when handling their matter and their interactions with that organisation/person have been appropriate, then they are less likely to have negative perceptions of the organisation/person, even if they achieve a negative outcome.

- 3.99 To improve people’s perceptions of fairness and, therefore, satisfaction with the process, we consider that the Ministry needs to set better expectations about time frames for resolving complaints. The Ministry needs to keep people better informed about the progress of their complaint, while continuing to fully explain the reasons for the decision.

4

Monitoring and reporting performance information

4.1 In this Part, we discuss how the Ministry monitors, reviews, and reports performance information about complaints. We describe:

- monitoring complaints in HIYA;
- inconsistent monitoring in other sections;
- a lack of Ministry-wide monitoring and reporting on complaints; and
- a lack of external reporting about complaints.

Summary of our findings

4.2 Different practices for recording complaints and how they are responded to mean that not all sections can monitor and report performance information about complaints. This means that the Ministry's Leadership Team cannot see the overall picture about complaints.

4.3 Collectively, the Ministry cannot report externally about how many complaints it receives and how well it responds to them.

Monitoring complaints in Here is Your Answer

4.4 Designated staff members are expected to regularly monitor complaints to ensure that standards are met, with an emphasis on quality, accuracy, and timeliness. Managers assured us that they take this expectation seriously. Our observations support the assurances from managers.

4.5 We were told that complaints will be escalated automatically to regional, then national, offices if they are not updated and signed off in HIYA. If complaints come to the attention of the regional office this way, regional office staff will telephone the service centre to ensure that the service centre is managing the complaint appropriately and updating the record.

4.6 Most management and oversight of complaints takes place at service centres. Regions have an "umbrella" complaints monitoring function in the regional office. In most instances, regions carry out basic recording and monitoring of the type of complaint and how long it took to "close the complaint".

4.7 All regions noted that they regularly discuss complaints at their Executive and Regional Management Team meetings. Some produce region-wide reports. We saw some of these monitoring reports, which can be monthly or quarterly. The reports vary in quality and detail. Following a recent regional review, the reporting process is being improved.

Other monitoring supports the complaints process

- 4.8 Work and Income has an internal risk and assurance system about budgets and human resources. One of the controls in this system is to confirm that complaints are entered into HIYA and managed in keeping with the guidelines. Managers are required to ensure every quarter that this is being done.

Inconsistent monitoring elsewhere

- 4.9 StudyLink's Report Writing Team monitors and provides quarterly reports to StudyLink's Service Delivery Leadership Team. These reports provide the Leadership Team with updates on risks and trends, including the number and types of service complaints. However, there is no information on meeting standards for complaints, including timeliness.
- 4.10 The National Manager Service Development and Support oversees the complaints register for Senior Services National Office. However, no-one uses the information in the register for Senior Services reporting purposes. Similarly, the information that Local Services Managers record separately is not used for reporting.

No Ministry-wide monitoring of and reporting on complaints

- 4.11 Although the sections carry out internal monitoring in varying detail and depth, the Ministry has no Ministry-wide internal reporting on complaints. No team monitors complaints throughout the Ministry and reports these to the Ministry's Leadership Team. This means that the Ministry cannot use Ministry-wide complaints information strategically to monitor any risks and gaps in delivering services.

No external reporting of complaints information

- 4.12 Because the Ministry has no Ministry-wide internal reporting on complaints, it cannot report externally. External reporting serves the interests of public accountability. It provides a way of showing how an organisation is meeting its commitment to service. In its 2012/13 annual report, the Ministry has a section titled "Complaints, reviews and resolution of grievances". We expected this section to report on the number of complaints received and the number resolved, but it did not.
- 4.13 The Ministry explained that another reason for not reporting externally the information it collects was that it wanted to discourage staff from focusing on targets rather than on managing complaints effectively. The Ministry felt that setting targets and reporting externally might discourage staff from recording all complaints.
- 4.14 In our view, the Ministry should consider how it can report externally the number of complaints it receives and resolves. However, performance measures should not encourage unhelpful behaviour.

5

Using complaints and other comments to keep improving services

- 5.1 In this Part, we look at how the Ministry analyses complaints and other comments to inform efforts to continuously improve services.

Summary of our findings

- 5.2 Work and Income and StudyLink analyse complaints and other comments to help improve services. There are some good examples of this.
- 5.3 However, the Ministry has no Ministry-wide analysis that could lead to improvements throughout the system. Often improvements are focused on providing training or coaching to staff. Analysing complaints strategically to identify any systemic problems would help the Ministry.

A “one-MSD” approach

- 5.4 The Ministry is looking to change to a single operating model, which it describes as “one-MSD”. The Ministry points out that its current operating model has resulted in duplicated resources and inconsistent processes, creating inefficiencies and barriers to delivering ideal results. The Ministry wants to move to an integrated operating model that is centred on people and accessible, to help the Ministry better meet people’s needs and reduce the number of times that people need to interact with the Ministry.
- 5.5 The Ministry has a project under way to identify how complaints could be better managed under a “one-MSD” approach. We took this into account as we looked at how the Ministry uses complaints information and other comments to help make better decisions.
- 5.6 We consider that an integrated approach to complaints would help the Ministry to see any inconsistencies in good practices as well as identify areas for service improvement.
- 5.7 While moving towards an integrated approach, the Ministry needs to consider what its business needs are in relation to an information management system for complaints management. The goal should be for any information management system to support rather than drive a Ministry-wide approach to complaints.

Analysing complaints and other comments to help improve services

- 5.8 The Ministry as a whole does not analyse or monitor trends in complaints. However, some sections carry out their own analysis. For example, Work and Income managers are expected to regularly monitor trends in complaints so that improvements can be made. Complaints in HIYA can be searched and reported

by the number of complaints, how many are resolved, how many come through a service centre, and type. Reports can be prepared at local, regional, and national offices.

- 5.9 Although reports can be prepared at any office, Work and Income regional offices are responsible and accountable for monitoring and analysing trends. All regional offices have analysts whose role involves analysing regional complaints information. We saw examples of some of the regional reports. As mentioned in paragraph 4.7, the reporting process is still being put into practice and these reports vary in detail.
- 5.10 StudyLink's Report Writing Team is responsible for monitoring and analysing all complaints about StudyLink.
- 5.11 Senior Services staff carry out some analysis at the National Office. However, they do not have enough data to carry out detailed analysis.

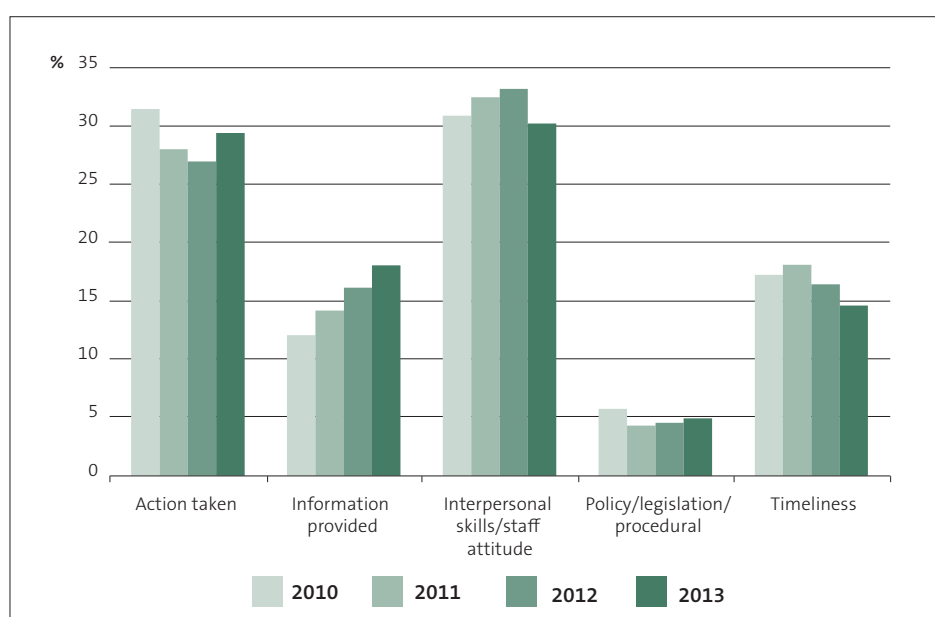
Numbers and types of complaints

- 5.12 The Australian National Audit Office states that:
*Complaints information can provide an agency with a picture of weaknesses in existing programs, policies, and service and program delivery. As such, regular and accurate reporting on complaints is necessary to prompt an agency to monitor emerging trends and respond accordingly.*³
- 5.13 We saw examples of Work and Income and StudyLink staff monitoring the number of formally recorded complaints.
- 5.14 Senior Services has no formal process for monitoring the number of complaints it receives. Some Local Services Managers keep registers so that they can see the number of complaints they receive. Complaints to Senior Services are perceived to be "generally rare". However, without a formal way to record this information, it is difficult to confirm that they are rare.
- 5.15 Senior leaders' monitoring and overseeing the number of complaints that all sections receive would allow the Ministry to see clearly how many complaints it receives and resolves, and how well the Ministry responds to complaints.
- 5.16 Sections analyse the types of complaint they receive in different ways and to varying extents.

³ Australian National Audit Office (2014), *Management of Complaints and Other Feedback: Australian Taxation Office*, Canberra.

- 5.17 The most common types of complaint for Work and Income (see Figure 7) are about:
- interpersonal skills/staff attitude (30% in 2013);
 - action taken by a staff member that caused hardship or distress (29% in 2013);
 - information provided (18% in 2013); and
 - timeliness (15% in 2013).

Figure 7
Types of complaint recorded by Work and Income, 2010 to 2013



Source: Ministry of Social Development.

Note: Only the five most numerous types of complaint are shown.

- 5.18 Senior Services has no formal process for recording complaints. The information we gathered indicates that the most common types of complaint that Senior Services receives are the same as for Work and Income.
- 5.19 Staff told us about a problem with the Senior Services national work queue. This system is designed to help staff process work faster so that people's problems and applications can be dealt with faster. However, some staff perceive that the work queue is causing people to wait longer and the number of complaints to increase. Other staff consider that the system is working as intended. It is difficult to know how widespread the problem is when Senior Services does not record this information systematically.

- 5.20 A strong theme that came through in our interviews was that some of the Ministry's staff perceived that frontline staff often communicated poorly, usually about decisions about entitlements. This poor communicating leads to complaints or reviews of decisions.
- 5.21 Some of the factors that contributed to complaints about communicating poorly included:
- the way the message was delivered or conveyed;
 - a skill deficit – for example, staff being unable to explain complex matters; and
 - staff lacking time to explain complex matters.
- 5.22 Staff said that some people's strong sense of entitlement or wanting confirmation from a more senior member of staff could contribute to complaints about poor communication.

Linking information about complaints with other data

- 5.23 The Ministry carries out several client satisfaction surveys. The Work and Income survey asks about "drivers of satisfaction". The State Services Commission has identified the main factors that drive satisfaction with public services. They are:
- the service experience met your expectations;
 - staff were competent;
 - you were treated fairly;
 - you feel your individual circumstances were taken into account;
 - staff kept their promises – they did what they said they would do; and
 - it is an example of good value for tax dollars spent.
- 5.24 Work and Income surveys about 18,000 clients each year. Those surveyed include working-age beneficiaries and Senior Services' clients. StudyLink carries out a satisfaction survey of about 3000 clients each year.
- 5.25 The Work and Income surveys show that overall client satisfaction has remained stable at about 85% since 2009. Satisfaction with the contact centre is marginally higher than with frontline services. The survey records how dissatisfied people are and analyses the reasons for the dissatisfaction by contact centre and frontline service.
- 5.26 The StudyLink survey also shows that, overall, client satisfaction has remained at about 85% since 2010. The survey also measures satisfaction with different channels for contacting StudyLink and analyses reasons for overall dissatisfaction.

- 5.27 As part of analysing complaints, some sections compare information about complaints with the results of client satisfaction surveys. Managers find this information valuable. Examples of this include:
- For all Work and Income contact centre sites, the most common complaint is about the information provided to clients. Client satisfaction results for the contact centre showed that the contact centre was below its performance standard for questions about staff knowledge, confidence, and people feeling that they had been told everything that they needed to know.
 - StudyLink's student satisfaction survey results identified that the website was difficult to use. The analysis of complaints identified that the website's messages were unclear.
- 5.28 Managers can compare client satisfaction survey results with results of reviews of decisions. We were told that the analysing the data helps managers to understand the quality of their service. It also helps give the Ministry a picture of how it is doing overall.
- 5.29 Senior Services also monitors the Kiwis Count survey results to gain a broader understanding of client satisfaction.⁴

Using information about complaints and other comments to improve services

- 5.30 We saw several examples of the Ministry using information from complaints and other analysis to improve services. These examples were local, regional, and national. Some local and regional examples included:
- preparing materials to help train and coach staff who provided poor service;
 - improving information for staff; and
 - changing the design of the office to make people more comfortable.
- 5.31 As one manager stated: "If [we] stuff up, [we] own it, fix it, learn from it, and move on." Of those surveyed for our audit, 61% felt that it had been worthwhile to raise their problem with the Ministry.
- 5.32 We saw system-level improvements that the Ministry made in response to complaints and other comments.

Appointment times for Work and Income

- 5.33 Work and Income received complaints about delays and waiting times for appointments. The client satisfaction survey highlighted this. The survey identified that waiting times affected satisfaction rates.

⁴ Kiwis Count is a survey run by the State Services Commission that measures citizens' satisfaction with public services.

- 5.34 Work and Income Service Centres now have a tool called “Queue Manager” that monitors how long people have been waiting for their appointment. People with booked appointments are assigned, where appropriate, to the next available case manager when they arrive. People who have walked in without a booked appointment wait until the next available appointment.
- 5.35 The tool monitors how long people have to wait and shows how long a case manager has been with a person. The tool allows managers to see trends and peak times so that they can plan and adjust staffing for those times.

StudyLink website

- 5.36 StudyLink prefers people to use its website. However, the client satisfaction survey and complaints identified that the website was difficult to use (see paragraph 5.27). StudyLink began a project to improve the website. The changes, including a new search engine, went live before Christmas 2013 and further changes are expected. StudyLink convened focus group meetings with students while improving the website to check that changes would meet students’ needs.

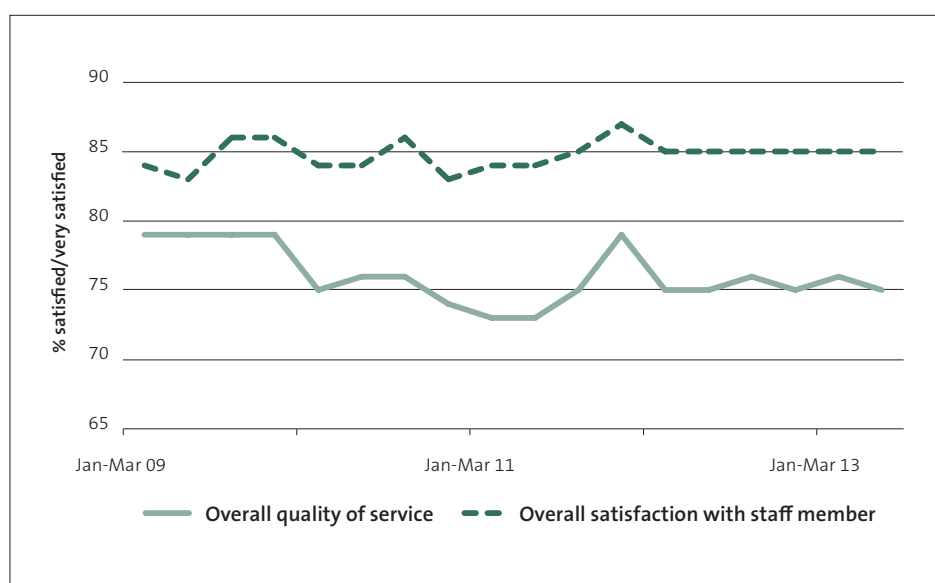
Improving how to analyse complaints to reveal any systemic problems

- 5.37 As noted in paragraph 5.30, managers will often provide training or coaching to staff in response to a failure to deliver satisfactory service. In some instances, providing training to staff can improve services.
- 5.38 However, as the Australian National Audit Office points out, although some complaints deal with occasional breakdowns in service delivery, other complaints are systemic in nature and can suggest that policies or procedures need to be changed. In our view, the Ministry needs to be able to analyse complaints information from throughout the Ministry to identify any systemic problems that need to be addressed.
- 5.39 We saw several examples of what the Ministry calls “service failure” and a respected occupational psychologist calls “failure demand”.⁵ In one example, staff were found to have failed to provide adequate service on 11 separate occasions. Another example resulted in “unjustifiable service failure” on 16 separate occasions. In both instances, staff members were found to be at fault. Feedback was given to staff who provided inadequate service. The examples were used as internal training tools.

⁵ Failure demand is the failure to do something right that causes the client to make further demands on the organisation. See Seddon, J. (2005), *Freedom from command and control: a better way to make the work work... the Toyota system for service organisations*, Vanguard Education Ltd, Buckingham, page 26.

- 5.40 The number of service failures in the examples we saw suggests to us that it is not just individual staff at fault. Providing further training alone will not address problems that might be systemic.
- 5.41 As one person noted in one of the Ministry's client satisfaction surveys:
They haven't been able to give me information or they have given me unreliable or contradictory information. There is poor communication between the people on the phone and the people that make the decisions.
- 5.42 The occupational psychologist notes that, sometimes, staff performance accounts for a small proportion of the responsibility for a breakdown in service. The rest of the responsibility might lie with the system.
- 5.43 The following example shows how more in-depth analysis can be carried out. It shows how staff performance forms only part of overall service quality. The latest quarterly report available for Work and Income's satisfaction survey in 2013 showed that satisfaction with staff members is consistently higher than satisfaction with the quality of the services delivered. The survey suggested that staff service was only one aspect of total service delivery. It was likely that other factors, such as Work and Income entitlement policies or financial help received, influence people's perceptions of the quality of service delivery.
- 5.44 The survey identified that waiting times for appointments appear to strongly influence overall satisfaction (see paragraph 5.33). Figure 8 shows the survey results for quality of service delivery for Work and Income, by quarter, from 2009 to 2013.

Figure 8
Clients' satisfaction with the quality of service delivery of Work and Income, 2009 to 2013



Source: Ministry of Social Development.

Initiatives under way in the Ministry

5.45 Initiatives that the Ministry has under way as part of “one-MSD” include:

- the simplification programme;
- the “building blue” initiative;
- the central data hub; and
- a Ministry-wide approach to complaints.

The simplification programme

5.46 The simplification programme aims to simplify the Ministry’s processes for interacting with people to be more efficient and focused on people, and to leave frontline staff free to deal with people. The programme will explore changes to the Social Security Act 1964 (where needed) to achieve this.

Building blue initiative

5.47 Some staff see the Ministry as being too concerned with avoiding risks, highly prescriptive, and having a “command and control” culture. The “building blue” initiative is a culture change programme intended to move the Ministry towards a more constructive culture and leadership style.

- Central data hub**
- 5.48 The Ministry is looking to modernise its information and communications technology platform and establish a data hub. The aim is to bring together information about a person from different sections of the Ministry that deliver services to the public. This should enable the Ministry to share more information between agencies, to develop the capability to analyse consolidated data, and to learn what works best for the people to whom it delivers services.

Recommendation 1

We recommend that the Ministry of Social Development prepare an approach that enables it to collect information about complaints from throughout the Ministry, monitor and report this information to the Ministry's Leadership Team consistently, and use the information to improve its systems and how it delivers services.

Recommendation 2

We recommend that the Ministry of Social Development improve the clarity of standards and response times for responding to complaints, and how well it keeps people informed of progress and outcomes.

Publications by the Auditor-General

Other publications issued by the Auditor-General recently have been:

- Accident Compensation Corporation: How it deals with complaints
- State-owned enterprises: Results of the 2012/13 audits
- Public entities' progress in implementing the Auditor-General's recommendations 2014
- The Auditor-General's strategic intentions 2014/15 to 2017/18
- Annual Plan 2014/15
- Setting up Central Agencies Shared Services
- Watercare Services Limited: Review of service performance
- Local government: Results of the 2012/13 audits
- Inquiry into the Plumbers, Gasfitters, and Drainlayers Board: Follow-up report
- Reflections from our audits: *Our future needs – is the public sector ready?*
- Health sector: Results of the 2012/13 audits
- Schools: Results of the 2012 audits
- Central government: Results of the 2012/13 audits (Volume 2)
- Additional work on Solid Energy New Zealand Limited
- Inquiry into property investments by Delta Utility Services Limited at Luggate and Jacks Point
- The Auditor-General's Auditing Standards 2014

Website

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Office of the Auditor-General
PO Box 3928, Wellington 6140

Telephone: (04) 917 1500
Facsimile: (04) 917 1549

Email: reports@oag.govt.nz
Website: www.oag.govt.nz