



Shire of Northam
Heritage, Commerce and Lifestyle

Shire of Northam

Minutes

Audit Committee Meeting

8 March 2018

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1. DECLARATION OF OPENING

The Presiding Member, Cr C R Antonio declared the meeting open at 4:28pm.

2. ATTENDANCE

Committee:

Shire President
Councillors

Cr C R Antonio
Cr A J Mencshelyi
Cr J Proud

Staff:

Chief Executive Officer
Executive Manager Corporate Services
Executive Assistant – CEO
Coordinator Governance / Administration
Rates Officer

J B Whiteaker
C Young
A C Maxwell
C F Greenough
C Redmond

2.1 APOLOGIES

Nil.

2.2 APPROVED LEAVE OF ABSENCE

Cr C L Davidson has been granted leave of absence from 22nd February 2018 to 31st March 2018 (inclusive).

3. DISCLOSURE OF INTERESTS

Nil.

4. CONFIRMATION OF MINUTES

4.1 COMMITTEE MEETING HELD 13TH NOVEMBER 2017

RECOMMENDATION / COMMITTEE DECISION

Minute No: AU.092

Moved: Cr Mencshelyi

Seconded: Cr Proud

That the minutes of the Audit Committee meeting held on Monday, 13th November 2017 be confirmed as a true and correct record of that meeting.

CARRIED 3/0

5. COMMITTEE REPORTS

5.1 COMPLIANCE AUDIT RETURN

Address:	N/A
Owner:	N/A
File Reference:	1.6.1.6
Reporting Officer:	Cheryl Greenough Coordinator Governance / Administration
Responsible Officer:	Colin Young Executive Manager Corporate Services
Voting Requirement	Simple Majority

BRIEF

This report is for Council to adopt the Compliance Audit Return (CAR) for 2017.

ATTACHMENTS

Attachment 1: Compliance Audit Return 2017.

BACKGROUND / DETAILS

Under the Local Government (Audit) Regulations 1996, a Local Government is required to carry out a Compliance Audit for the period 1 January to 31 December of each year. The certified return should be submitted to the Director General, Department of Local Government and Regional Development by 31 March each year.

The Compliance Audit Return must be:

1. Presented to Council at a meeting of the Council;
2. Be adopted by the Council; and
3. Recorded in the minutes of the meeting at which it is adopted.

In relation to the year 2017 a copy of the return is to be submitted for Councillor's perusal, comment and adoption by Council prior to 31 March 2018. It is necessary for the Shire President and the Chief Executive Officer to sign off the return as a certified copy.

The 2017 Compliance Audit Return has been completed in house, with the CEO and senior staff reviewing and approving the completed return.

The compliance review process provides both the CEO and the Council with an additional element of accountability through a check on internal management systems, procedures and record keeping and this demonstrates

the Shire's emphasis on improving its good governance, compliance, and best practice.

CONSIDERATIONS

Strategic Community / Corporate Business Plan

Theme Area 6: Governance & Leadership

Outcome 6.3: The Shire of Northam council is a sustainable, responsive, innovative and transparent organisation.

Financial / Resource Implications

N/A.

Legislative Compliance

- *Local Government Act 1995;*
- *Local Government (Functions and General) Regulations 1996;*
- *Local Government (Administration) Regulations 1996;*
- *Local Government (Elections) Regulations 1997;*
- *Local Government (Audit) Regulations 1996;*
- *Local Government (Rules of Conduct) Regulations 2007.*

Policy Implications

N/A

Stakeholder Engagement / Consultation

All senior staff were asked to review the document and make any comments.

Risk Implications

The Compliance Audit Return reviews Council's compliance with legislation and assists in minimising risk.

OFFICER'S COMMENT

The standard of compliance in 2017 was exemplary. For context purposes, in 2014 compliance had improved only marginally from previous years with an achievement of 89% compliance. In 2015 non-compliance or partial non-compliance related to only two out of 87 items included in the Compliance Return.

In the 2016 one error occurred which related to human error, failing to complete the requirements of advertising a Regional Price Policy prior to adoption of the policy. The Shire intends to negate any future errors by including in the Policy a requirement to advertise as per the LG Act.

The Shire has sound management systems and procedures. The above example of non-compliance reflected inconsistent or incomplete compliance and human error, and not any systemic failure.

The Shire has achieved 100% compliance in the 2017 Compliance Audit.

RECOMMENDATION / COMMITTEE DECISION

Minute No: AU.093

Moved: Cr Proud

Seconded: Cr Mencshelyi

That Council adopt the Audit Compliance Return 2017 as attached for submission to the Department of Local Government and Communities

CARRIED 3/0

Discussion

Ms Greenough provided an overview of the Compliance Audit Return (CAR) Process and how this is undertaken (undertaken by Ms Greenough and reviewed by key Officers and the Executive Managers).

Attachment 1

Department of Local Government, Sport and Cultural Industries - Compliance Audit Return



Department of
**Local Government, Sport
and Cultural Industries**

Northam - Compliance Audit Return 2017

Certified Copy of Return

Please submit a signed copy to the Director General of the Department of Local Government, Sport and Cultural Industries together with a copy of section of relevant minutes.

Commercial Enterprises by Local Governments					
No	Reference	Question	Response	Comments	Respondent
1	s3.59(2)(a)(b)(c) F&G Reg 7,9	Has the local government prepared a business plan for each major trading undertaking in 2017.	N/A	Northam has not undertaken any major trading in 2017	Cheryl Greenough
2	s3.59(2)(a)(b)(c) F&G Reg 7,10	Has the local government prepared a business plan for each major land transaction that was not exempt in 2017.	N/A	Northam has not undertaken any major trading in 2017	Cheryl Greenough
3	s3.59(2)(a)(b)(c) F&G Reg 7,10	Has the local government prepared a business plan before entering into each land transaction that was preparatory to entry into a major land transaction in 2017.	N/A	Northam has not undertaken any major trading in 2017	Cheryl Greenough
4	s3.59(4)	Has the local government given Statewide public notice of each proposal to commence a major trading undertaking or enter into a major land transaction for 2017.	N/A	Northam has not undertaken any major trading in 2017	Cheryl Greenough
5	s3.59(5)	Did the Council, during 2017, resolve to proceed with each major land transaction or trading undertaking by absolute majority.	N/A	Northam has not undertaken any major trading in 2017	Cheryl Greenough

Department of Local Government, Sport and Cultural Industries - Compliance Audit Return



Department of
**Local Government, Sport
and Cultural Industries**

Delegation of Power / Duty

No	Reference	Question	Response	Comments	Respondent
1	s5.16, 5.17, 5.18	Were all delegations to committees resolved by absolute majority.	N/A	No committees have delegated authority	Cheryl Greenough
2	s5.16, 5.17, 5.18	Were all delegations to committees in writing.	N/A	As above	Cheryl Greenough
3	s5.16, 5.17, 5.18	Were all delegations to committees within the limits specified in section 5.17.	N/A	As above	Cheryl Greenough
4	s5.16, 5.17, 5.18	Were all delegations to committees recorded in a register of delegations.	N/A	As above	Cheryl Greenough
5	s5.18	Has Council reviewed delegations to its committees in the 2016/2017 financial year.	N/A	No committees have delegated authority	Cheryl Greenough
6	s5.42(1),5.43 Admin Reg 18G	Did the powers and duties of the Council delegated to the CEO exclude those as listed in section 5.43 of the Act.	Yes		Cheryl Greenough
7	s5.42(1)(2) Admin Reg 18G	Were all delegations to the CEO resolved by an absolute majority.	Yes		Cheryl Greenough
8	s5.42(1)(2) Admin Reg 18G	Were all delegations to the CEO in writing.	Yes		Cheryl Greenough
9	s5.44(2)	Were all delegations by the CEO to any employee in writing.	Yes		Cheryl Greenough
10	s5.45(1)(b)	Were all decisions by the Council to amend or revoke a delegation made by absolute majority.	N/A	None were revoked or amended	Cheryl Greenough
11	s5.46(1)	Has the CEO kept a register of all delegations made under the Act to him and to other employees.	Yes		Cheryl Greenough
12	s5.46(2)	Were all delegations made under Division 4 of Part 5 of the Act reviewed by the delegator at least once during the 2016/2017 financial year.	Yes		Cheryl Greenough
13	s5.46(3) Admin Reg 19	Did all persons exercising a delegated power or duty under the Act keep, on all occasions, a written record as required.	Yes		Cheryl Greenough

Disclosure of Interest

No	Reference	Question	Response	Comments	Respondent
1	s5.67	If a member disclosed an interest, did he/she ensure that they did not remain present to participate in any discussion or decision-making procedure relating to the matter in which the interest was disclosed (not including participation approvals granted under s5.68).	Yes		Cheryl Greenough
2	s5.68(2)	Were all decisions made under section 5.68(1), and the extent of participation allowed, recorded in the minutes of Council and Committee meetings.	Yes		Cheryl Greenough

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Department of Local Government, Sport and Cultural Industries - Compliance Audit Return



Department of
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No	Reference	Question	Response	Comments	Respondent
3	s5.73	Were disclosures under section 5.65 or 5.70 recorded in the minutes of the meeting at which the disclosure was made.	Yes		Cheryl Greenough
4	s5.75(1) Admin Reg 22 Form 2	Was a primary return lodged by all newly elected members within three months of their start day.	Yes		Cheryl Greenough
5	s5.75(1) Admin Reg 22 Form 2	Was a primary return lodged by all newly designated employees within three months of their start day.	Yes		Cheryl Greenough
6	s5.76(1) Admin Reg 23 Form 3	Was an annual return lodged by all continuing elected members by 31 August 2017.	Yes		Cheryl Greenough
7	s5.76(1) Admin Reg 23 Form 3	Was an annual return lodged by all designated employees by 31 August 2017.	Yes		Cheryl Greenough
8	s5.77	On receipt of a primary or annual return, did the CEO, (or the Mayor/ President in the case of the CEO's return) on all occasions, give written acknowledgment of having received the return.	Yes		Cheryl Greenough
9	s5.88(1)(2) Admin Reg 28	Did the CEO keep a register of financial interests which contained the returns lodged under section 5.75 and 5.76	Yes		Cheryl Greenough
10	s5.88(1)(2) Admin Reg 28	Did the CEO keep a register of financial interests which contained a record of disclosures made under sections 5.65, 5.70 and 5.71, in the form prescribed in Administration Regulation 28.	Yes		Cheryl Greenough
11	s5.88 (3)	Has the CEO removed all returns from the register when a person ceased to be a person required to lodge a return under section 5.75 or 5.76.	Yes		Cheryl Greenough
12	s5.88(4)	Have all returns lodged under section 5.75 or 5.76 and removed from the register, been kept for a period of at least five years, after the person who lodged the return ceased to be a council member or designated employee.	Yes		Cheryl Greenough
13	s5.103 Admin Reg 34C & Rules of Conduct Reg 11	Where an elected member or an employee disclosed an interest in a matter discussed at a Council or committee meeting where there was a reasonable belief that the impartiality of the person having the interest would be adversely affected, was it recorded in the minutes.	Yes		Cheryl Greenough
14	s5.70(2)	Where an employee had an interest in any matter in respect of which the employee provided advice or a report directly to the Council or a Committee, did that person disclose the nature of that interest when giving the advice or report.	Yes		Cheryl Greenough

Department of Local Government, Sport and Cultural Industries - Compliance Audit Return



Department of
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No	Reference	Question	Response	Comments	Respondent
15	s5.70(3)	Where an employee disclosed an interest under s5.70(2), did that person also disclose the extent of that interest when required to do so by the Council or a Committee.	Yes		Cheryl Greenough
16	s5.103(3) Admin Reg 34B	Has the CEO kept a register of all notifiable gifts received by Council members and employees.	Yes		Cheryl Greenough

Disposal of Property

No	Reference	Question	Response	Comments	Respondent
1	s3.58(3)	Was local public notice given prior to disposal for any property not disposed of by public auction or tender (except where excluded by Section 3.58(5)).	Yes		Cheryl Greenough
2	s3.58(4)	Where the local government disposed of property under section 3.58(3), did it provide details, as prescribed by section 3.58(4), in the required local public notice for each disposal of property.	Yes		Cheryl Greenough

Elections

No	Reference	Question	Response	Comments	Respondent
1	Elect Reg 30G (1)	Did the CEO establish and maintain an electoral gift register and ensure that all 'disclosure of gifts' forms completed by candidates and received by the CEO were placed on the electoral gift register at the time of receipt by the CEO and in a manner that clearly identifies and distinguishes the candidates.	Yes		Cheryl Greenough

Finance

No	Reference	Question	Response	Comments	Respondent
1	s7.1A	Has the local government established an audit committee and appointed members by absolute majority in accordance with section 7.1A of the Act.	Yes		Cheryl Greenough
2	s7.1B	Where a local government determined to delegate to its audit committee any powers or duties under Part 7 of the Act, did it do so by absolute majority.	N/A	Does not have delegated authority	Cheryl Greenough
3	s7.3	Was the person(s) appointed by the local government to be its auditor, a registered company auditor.	Yes		Cheryl Greenough
4	s7.3, 7.6(3)	Was the person or persons appointed by the local government to be its auditor, appointed by an absolute majority decision of Council.	Yes		Cheryl Greenough

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Department of Local Government, Sport and Cultural Industries - Compliance Audit Return



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No	Reference	Question	Response	Comments	Respondent
5	Audit Reg 10	Was the Auditor's report for the financial year ended 30 June 2017 received by the local government within 30 days of completion of the audit.	Yes		Cheryl Greenough
6	s7.9(1)	Was the Auditor's report for the financial year ended 30 June 2017 received by the local government by 31 December 2017.	Yes		Cheryl Greenough
7	S7.12A(3)	Where the local government determined that matters raised in the auditor's report prepared under s7.9 (1) of the Act required action to be taken by the local government, was that action undertaken.	N/A		Cheryl Greenough
8	S7.12A (4)	Where the local government determined that matters raised in the auditor's report (prepared under s7.9 (1) of the Act) required action to be taken by the local government, was a report prepared on any actions undertaken.	N/A		Cheryl Greenough
9	S7.12A (4)	Where the local government determined that matters raised in the auditor's report (prepared under s7.9 (1) of the Act) required action to be taken by the local government, was a copy of the report forwarded to the Minister by the end of the financial year or 6 months after the last report prepared under s7.9 was received by the local government whichever was the latest in time.	N/A		Cheryl Greenough
10	Audit Reg 7	Did the agreement between the local government and its auditor include the objectives of the audit.	Yes		Cheryl Greenough
11	Audit Reg 7	Did the agreement between the local government and its auditor include the scope of the audit.	Yes		Cheryl Greenough
12	Audit Reg 7	Did the agreement between the local government and its auditor include a plan for the audit.	Yes		Cheryl Greenough
13	Audit Reg 7	Did the agreement between the local government and its auditor include details of the remuneration and expenses to be paid to the auditor.	Yes		Cheryl Greenough
14	Audit Reg 7	Did the agreement between the local government and its auditor include the method to be used by the local government to communicate with, and supply information to, the auditor.	Yes		Cheryl Greenough

Department of Local Government, Sport and Cultural Industries - Compliance Audit Return



Department of
**Local Government, Sport
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Integrated Planning and Reporting						
No	Reference	Question	Response	Comments	Respondent	
1	s5.56 Admin Reg 19DA (6)	Has the local government adopted a Corporate Business Plan. If Yes, please provide adoption date of the most recent Plan in Comments. This question is optional, answer N/A if you choose not to respond.	Yes	16/8/17	CHERYL GREENOUGH	
2	s5.56 Admin Reg 19DA (6)	Has the local government adopted a modification to the most recent Corporate Business Plan. If Yes, please provide adoption date in Comments. This question is optional, answer N/A if you choose not to respond.	N/A		CHERYL GREENOUGH	
3	s5.56 Admin Reg 19C (7)	Has the local government adopted a Strategic Community Plan. If Yes, please provide adoption date of the most recent Plan in Comments. This question is optional, answer N/A if you choose not to respond.	Yes	16/8/17	CHERYL GREENOUGH	
4	s5.56 Admin Reg 19C (7)	Has the local government adopted a modification to the most recent Strategic Community Plan. If Yes, please provide adoption date in Comments. This question is optional, answer N/A if you choose not to respond.	N/A		CHERYL GREENOUGH	
5	S5.56	Has the local government adopted an Asset Management Plan. If Yes, in Comments please provide date of the most recent Plan, plus if adopted or endorsed by Council the date of adoption or endorsement. This question is optional, answer N/A if you choose not to respond.	Yes	25/1/17 adopted update was to cover roads, footpaths, bridges and drainage.	Cheryl Greenough	
6	S5.56	Has the local government adopted a Long Term Financial Plan. If Yes, in Comments please provide date of the most recent Plan, plus if adopted or endorsed by Council the date of adoption or endorsement. This question is optional, answer N/A if you choose not to respond.	Yes	15/3/17 C2980	Cheryl Greenough	
7	S5.56	Has the local government adopted a Workforce Plan. If Yes, in Comments please provide date of the most recent Plan plus if adopted or endorsed by Council the date of adoption or endorsement. This question is optional, answer N/A if you choose not to respond.	Yes	Was adopted 15/3/17 This document is now under review.	Cheryl Greenough	

Department of Local Government, Sport and Cultural Industries - Compliance Audit Return



Department of
**Local Government, Sport
and Cultural Industries**

Local Government Employees					
No	Reference	Question	Response	Comments	Respondent
1	Admin Reg 18C	Did the local government approve the process to be used for the selection and appointment of the CEO before the position of CEO was advertised.	N/A	CEO has been employed for 5 years.	Cheryl Greenough
2	s5.36(4) s5.37(3), Admin Reg 18A	Were all vacancies for the position of CEO and other designated senior employees advertised and did the advertising comply with s.5.36(4), 5.37(3) and Admin Reg 18A.	N/A		Cheryl Greenough
3	Admin Reg 18F	Was the remuneration and other benefits paid to a CEO on appointment the same remuneration and benefits advertised for the position of CEO under section 5.36(4).	N/A		Cheryl Greenough
4	Admin Regs 18E	Did the local government ensure checks were carried out to confirm that the information in an application for employment was true (applicable to CEO only).	N/A		Cheryl Greenough
5	s5.37(2)	Did the CEO inform council of each proposal to employ or dismiss a designated senior employee.	N/A	No new senior staff have been employed in 2017.	Cheryl Greenough

Official Conduct

No	Reference	Question	Response	Comments	Respondent
1	s5.120	Where the CEO is not the complaints officer, has the local government designated a senior employee, as defined under s5.37, to be its complaints officer.	Yes	Executive Manager Corporate Services	Cheryl Greenough
2	s5.121(1)	Has the complaints officer for the local government maintained a register of complaints which records all complaints that result in action under s5.110(6)(b) or (c).	Yes		Cheryl Greenough
3	s5.121(2)(a)	Does the complaints register maintained by the complaints officer include provision for recording of the name of the council member about whom the complaint is made.	Yes		Cheryl Greenough
4	s5.121(2)(b)	Does the complaints register maintained by the complaints officer include provision for recording the name of the person who makes the complaint.	Yes		Cheryl Greenough
5	s5.121(2)(c)	Does the complaints register maintained by the complaints officer include provision for recording a description of the minor breach that the standards panel finds has occurred.	Yes		Cheryl Greenough
6	s5.121(2)(d)	Does the complaints register maintained by the complaints officer include the provision to record details of the action taken under s5.110(6)(b) or (c).	Yes		Cheryl Greenough

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Department of Local Government, Sport and Cultural Industries - Compliance Audit Return



Department of
**Local Government, Sport
and Cultural Industries**

Tenders for Providing Goods and Services					
No	Reference	Question	Response	Comments	Respondent
1	s3.57 F&G Reg 11	Did the local government invite tenders on all occasions (before entering into contracts for the supply of goods or services) where the consideration under the contract was, or was expected to be, worth more than the consideration stated in Regulation 11(1) of the Local Government (Functions & General) Regulations (Subject to Functions and General Regulation 11(2)).	Yes		Cheryl Greenough
2	F&G Reg 12	Did the local government comply with F&G Reg 12 when deciding to enter into multiple contracts rather than inviting tenders for a single contract.	N/A		Cheryl Greenough
3	F&G Reg 14(1) & (3)	Did the local government invite tenders via Statewide public notice.	Yes		Cheryl Greenough
4	F&G Reg 14 & 15	Did the local government's advertising and tender documentation comply with F&G Regs 14, 15 & 16.	Yes		Cheryl Greenough
5	F&G Reg 14(5)	If the local government sought to vary the information supplied to tenderers, was every reasonable step taken to give each person who sought copies of the tender documents or each acceptable tenderer, notice of the variation.	N/A		Cheryl Greenough
6	F&G Reg 16	Did the local government's procedure for receiving and opening tenders comply with the requirements of F&G Reg 16.	Yes		CHERYL GREENOUGH
7	F&G Reg 18(1)	Did the local government reject the tenders that were not submitted at the place, and within the time specified in the invitation to tender.	Yes		Cheryl Greenough
8	F&G Reg 18 (4)	In relation to the tenders that were not rejected, did the local government assess which tender to accept and which tender was most advantageous to the local government to accept, by means of written evaluation criteria.	Yes		Cheryl Greenough
9	F&G Reg 17	Did the information recorded in the local government's tender register comply with the requirements of F&G Reg 17.	Yes		Cheryl Greenough
10	F&G Reg 19	Was each tenderer sent written notice advising particulars of the successful tender or advising that no tender was accepted.	Yes		CHERYL GREENOUGH
11	F&G Reg 21 & 22	Did the local governments's advertising and expression of interest documentation comply with the requirements of F&G Regs 21 and 22.	Yes		Cheryl Greenough

Department of Local Government, Sport and Cultural Industries - Compliance Audit Return



Department of
**Local Government, Sport
and Cultural Industries**

No	Reference	Question	Response	Comments	Respondent
12	F&G Reg 23(1)	Did the local government reject the expressions of interest that were not submitted at the place and within the time specified in the notice.	Yes		Cheryl Greenough
13	F&G Reg 23(4)	After the local government considered expressions of interest, did the CEO list each person considered capable of satisfactorily supplying goods or services.	Yes		Cheryl Greenough
14	F&G Reg 24	Was each person who submitted an expression of interest, given a notice in writing in accordance with Functions & General Regulation 24.	Yes		CHERYL GREENOUGH
15	F&G Reg 24AD(2)	Did the local government invite applicants for a panel of pre-qualified suppliers via Statewide public notice.	N/A		CHERYL GREENOUGH
16	F&G Reg 24AD(4) & 24AE	Did the local government's advertising and panel documentation comply with F&G Regs 24AD(4) & 24AE.	N/A		CHERYL GREENOUGH
17	F&G Reg 24AF	Did the local government's procedure for receiving and opening applications to join a panel of pre-qualified suppliers comply with the requirements of F&G Reg 16 as if the reference in that regulation to a tender were a reference to a panel application.	N/A		CHERYL GREENOUGH
18	F&G Reg 24AD(6)	If the local government sought to vary the information supplied to the panel, was every reasonable step taken to give each person who sought detailed information about the proposed panel or each person who submitted an application, notice of the variation.	N/A		CHERYL GREENOUGH
19	F&G Reg 24AH(1)	Did the local government reject the applications to join a panel of pre-qualified suppliers that were not submitted at the place, and within the time specified in the invitation for applications.	N/A		CHERYL GREENOUGH
20	F&G Reg 24AH(3)	In relation to the applications that were not rejected, did the local government assess which application(s) to accept and which application(s) were most advantageous to the local government to accept, by means of written evaluation criteria.	N/A		CHERYL GREENOUGH
21	F&G Reg 24AG	Did the information recorded in the local government's tender register about panels of pre-qualified suppliers, comply with the requirements of F&G Reg 24AG.	N/A		CHERYL GREENOUGH
22	F&G Reg 24AI	Did the local government send each person who submitted an application, written notice advising if the person's application was accepted and they are to be part of a panel of pre-qualified suppliers, or, that the application was not accepted.	N/A		CHERYL GREENOUGH

Department of Local Government, Sport and Cultural Industries - Compliance Audit Return



Department of
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and Cultural Industries**

No	Reference	Question	Response	Comments	Respondent
23	F&G Reg 24E	Where the local government gave a regional price preference in relation to a tender process, did the local government comply with the requirements of F&G Reg 24E in relation to the preparation of a regional price preference policy (only if a policy had not been previously adopted by Council).	Yes		CHERYL GREENOUGH
24	F&G Reg 24F	Did the local government comply with the requirements of F&G Reg 24F in relation to an adopted regional price preference policy.	Yes		CHERYL GREENOUGH
25	F&G Reg 11A	Does the local government have a current purchasing policy in relation to contracts for other persons to supply goods or services where the consideration under the contract is, or is expected to be, \$150,000 or less.	Yes		Cheryl Greenough

I certify this Compliance Audit return has been adopted by Council at its meeting on _____

Signed Mayor / President, Northam

Signed CEO, Northam

5.2 RATES RECOVERY

Address:	Various
Owner:	Shire of Northam
File Reference:	N/A
Reporting Officer:	Codey Redmond Rates Officer
Responsible Officer:	Colin Young Executive Manager Corporate Services
Voting Requirement	Simple Majority

BRIEF

This report is to advise the Council/Audit committee of the current level of outstanding rates and the current action in place to recover them.

ATTACHMENTS

Nil.

BACKGROUND / DETAILS

The following table provides a summary in relation to the number and type of rateable properties in the Shire of Northam:

RATE CATEGORY	NO OF PROPERTIES
AG - Local	440
AG - Reg	332
Differential - GRV	4,205
Small Rural Holdings	93
UV to GRV - Differential GRV	11
UV to GRV - GRV	1,008
Total Rateable Properties	6,089
Non-Rateable	716
Total Properties	6,805

The following table provides a summary in relation to the debt outstanding:

	Current Year	Previous Year	2 Years Outstanding	3 Years Outstanding Or Greater	Total
Rates	1,646,094.85	356,349.17	185,622.38	448,098.72	2,636,165.12
Fees, Services & charges	242,391.52	169,578.18	96,097.52	290,074.78	798,142.00
TOTAL	1,888,486.37	525,927.35	281,719.90	738,173.50	3,434,307.12

The Shire of Northam is aware of financial pressures which are currently being experienced within the community. This is being reflected by a significant increase in outstanding rates at the end of financial years.

High levels of outstanding rate debt can indicate a range of issues, including affordability and historically poor debt recovery processes. As such it is the priority of Council to ensure that the current increasing trend is reversed through the current debt recovery process, ensuring that all possible avenues are used to reduce the debt including;

- o The promotion of payment plans for those residents in financial hardship
- o Reminding overdue ratepayers that legal action could commence, and
- o Commencing legal action where necessary

CONSIDERATIONS

Strategic Community / Corporate Business Plan

Theme Area 6: Governance & Leadership

Outcome 6.3: The Shire of Northam council is a sustainable, responsive, innovative and transparent organisation.

Financial / Resource Implications

The Shire will be responsible for the upfront payment of legal costs for overdue assessments which are referred to the Shire's debt recovery agent for recovery action through the Magistrate's Court. Under the provisions of section 6.56 of the *Local Government Act 1995* these costs are recoverable from the ratepayers involved – the individual amounts are added to the assessments as soon as the costs have been incurred.

Legislative Compliance

The Local Government Act 1995, Section 6.56(1) allows a Council to recover money owed to the Council and associated costs:

6.56. (1) If a rate or service charge remains unpaid after it becomes due and payable, the local government may recover it, as well as the costs of proceedings, if any, for that recovery, in a court of competent jurisdiction.

Policy Implications

Nil.

Stakeholder Engagement / Consultation

Rates Notice issued, Final Notice Issued, additional notice or letter and/or telephone call may be made by the Rates Officer. If there is no response, unpaid assessments are then referred to the Shire's debt recovery agent (Austral) – which starts the process with a Letter of Demand.

Risk Implications

If outstanding debt continues to increase, Council cash flows will be impacted.

OFFICER'S COMMENT

In an effort to maximise recovery of outstanding rates and charges and reduce overall rate debt, the Shire has been developing strategies to address the issue.

If Ratepayers, who are unable to pay by either of the Instalment options shown on their Rate Notice, make contact with us, we encourage them to make an alternative payment arrangement. This allows them to pay their rates over time by weekly or fortnightly payments.

For the 2017/2018 financial year we have placed a stronger importance on the timing of the letters we have sent and their due dates. Final Notices were sent in October 2017, 3 weeks after the rates were due to be paid. At this point we began an additional process of contacting the overdue ratepayers where possible and try to get a payment arrangement in place if they were unable to pay in full.

In early November, a month after the Final Notice was sent, all overdue Ratepayers with no payment arrangement in place and with overdue rates in excess of \$1,000 were referred to Austral. A Letter of Demand was then sent by Austral to advise that legal action was imminent if the letter was not responded to.

Additional resources were committed to the process of obtaining and/or confirming postal addresses and other contact details (telephone and/or email) in an effort to ensure ratepayers were aware of the debt and the consequences of non-payment. Starting from the first week in January and going forward in small batches we have begun to issue legal action against ratepayers who we have been unable to contact or who have made no arrangements to pay.

Legal action will continue on ratepayers who have still not paid 14 days after the bailiff has served the Claim, or made arrangements to pay. Default

Judgment from the Court is obtained and Austral is then requested to proceed to issue a Property Seizure & Sale Order (PSSO) through the Court. Once issued, a PSSO authorises a Bailiff to identify and seize any freehold goods owned by the ratepayer/s. Any seized goods, if payment is not forthcoming, could be auctioned, with the proceeds coming to the Shire.

If the Bailiff cannot locate any freehold goods to the value of the rates debt, the PSSO can then proceed against the ratepayer's land, with the Bailiff then taking the necessary steps to potentially auction the rateable property.

In addition to recovering the current outstanding, we are also looking to resolve issues with the following properties with several years' outstanding rates which for various reason we have not been able to recover:

- A15862 - A15881 (20 lots) - \$157,101.67 – an incomplete subdivision in Bakers Hill owned by deregistered company. We have tracked down and contacted the last mortgagee, who has confirmed they are also trying to recover funds on this subdivision and are taking steps to have titles issued so they can proceed to sale. We have forwarded the accounts to this mortgagee however they have not paid them or indicated they intend to pay them. If the mortgagee is unwilling to pay, the next step will be to organise the sale however contact with the mortgagee is a required step for taking legal action against a deregistered company.
- A16091, A16090, A16032, A16022 (25 Lots) - \$20,276.33 – a subdivision in Spencers Brook owned by a deregistered company. We are considering proceeding with action under section 6.64 of the *Local Government Act 1995* which would result in the transfer of the land to the Shire or the Crown (some lots have no road access and are on the edge of a floodplain). Officers have contacted several of the mortgagees-in-possession (different lots have different mortgagees), although there is an added difficulty as the mortgagees vary from lot to lot and there are at least 5 parties who need to be contacted. Through our conversations or meetings with the mortgagees we have also discussed the possibility of them joining forces to amalgamate the lots in the subdivision back to a single lot to be used and/or sold as farmland due to constraints on this land. Several of the parcels were recently offered for sale by a mortgagee but we have confirmed that all potential buyers have withdrawn their interest in the land to these encumbrances.
- A15423 - \$12,908.27– a foreign investment property which has been all but abandoned by the owners who live in France. We have contacted the owners who advised that the land has been listed for sale. The local real estate agent who has the listing advised last week that there have been no offers on the land to date and that the price has recently been

reduced. Legal action would be cost-prohibitive as the ratepayers live overseas. Action could be taken under Section 6.64, however has not been undertaken at this stage as the land is already listed for sale by a local agent.

- A10888 - \$12,003.16 – arrears which were previously deferred rates when the owners were eligible pensioners. The owners are separated and both refuse to pay the rates. The assessment has now been referred to Austral with a Claim out for service. When the Claim is served we can proceed to a PSSO if there is no response after 14 days.
- A11546 - \$6,289.42 – rates have been written off by Council to transfer the land to the Crown. It is currently with Department of Lands for the transfer which is due to be completed in March 2018.
- A13169 - \$39,668.30 – abandoned land in flood plain and Recreation Reserve. Part of the same Reserve as A11546 and will be subject to the same process upon the conclusion of transfer. Rates will need to be written off.
- A13191 - \$47,726.37 - abandoned land in flood plain and Recreation Reserve. It is proposed that this be transferred to the Crown or Shire. Part of the same Reserve as A11546 and will be subject to the same process upon the conclusion of transfer.
- A10691 - \$50,543.67 – Shire attempted to sell for non-payment of rates but no buyers were interested, will change into Shires name for future sale.

Recovered/Resolved Debts:

- A11388 – \$31,571.63 – Property sold by public auction and rates recovered at settlement from sale.
- A154 - \$12,238.55 – Sold via Keystart Loans and outstanding rates recovered at settlement.
- A16138 – A16273 (53 lots) - \$107,568.50 – subdivider went into liquidation. Rates were able to be recovered from mortgagee and all lots have since been transferred to the mortgagee's name.
- A10509 – \$57,460.71 - Sold by Council with remainder written off by Council (resolution C.3011).

RECOMMENDATION / COMMITTEE DECISION

Minute No: AU.093

Moved: Cr Mencshelyi

Seconded: Cr Proud

That Council receives the outstanding rates report.

CARRIED 3/0

Discussion

Clarification was sought in relation to the non-rateable properties. Mr Redmond confirmed that this includes Reserves, Crown Land, Churches, Shire land and premises such as the Police Office.

Discussion was held around the action being taken to recover the debt and it was advised that there is more of a focus in respect to recovering the debt compared to previous years. This includes pursuing legal action and selling land. Further discussion was held around the process taken in respect to recovering the debt and advised that there is an increase in payment plans with Officers taking action straight away.

Clarification was sought in relation to the location of some of the properties listed and the progress towards recovering these rates.

5.3 CUSTOMER SERVICE AUDIT

Address:	N/A
Owner:	N/A
File Reference:	1.6.1.6
Reporting Officer:	Cheryl Greenough Coordinator Governance / Administration
Responsible Officer:	Colin Young Executive Manager Corporate Services
Voting Requirement	Simple Majority

BRIEF

This report is for Council to consider the Customer Service Audit for 2017 for adoption.

ATTACHMENTS

Attachment 1: Customer Service Audit.

Attachment 2: Auditors comments.

BACKGROUND / DETAILS

In July 2017 under the direction of the CEO, staff called for quotes from qualified business to conduct a Customer Service Audit on the Shire of Northam.

Aveling provided the best quote and most comprehensive specifications. Based on this information Aveling were appointed to conduct the Audit.

The Audit was designed to provide both the CEO and the Council with an additional element of accountability through a check on complaints policies and procedures, communication plans, employee codes of conduct, training records, record keeping and customer service processes.

CONSIDERATIONS

Strategic Community / Corporate Business Plan

Theme Area 6: Governance & Leadership

Outcome 6.2: Residents and other stakeholders are actively listened to and their input into decision-making processes is valued.

Outcome 6.3: The Shire of Northam council is a sustainable, responsive, innovative and transparent organisation.

Financial / Resource Implications
\$5,573 plus GST for the report.

Legislative Compliance

There is no legislative requirement to hold a Customer Service Audit, however it is best practice.

Policy Implications

N/A.

Stakeholder Engagement / Consultation

All senior staff were asked to review the document and make any comments.

Risk Implications

It is best practice to undertake this audit as it will assist in identifying areas for improvements which may result in reducing any risk associated with this matter.

OFFICER'S COMMENT

On Monday 4th November 2017 Aveling conducted an Audit on the Shire of Northam's Customer Service processes using a survey of 100 random customers and a site visit to the Shire offices.

On 18 December 2017 Aveling provided a report covering the following topics:

1. Executive Summary and Scoring;
2. Personnel involved in the Audit;
3. Observations Report (Customer Satisfaction);
4. Observations Report (Customer Complaints);
5. External Customer Survey Report;
6. Internal Customer Survey;
7. Scoring System Definitions;
8. Referenced Documents; and
9. General Attachments.

A copy of the report is attached for Council's perusal. The major areas identified for improvement works are detailed below, along with management responses:

The report highlights that *while there is some useful documentation in place, much of it is either uncontrolled or does not meet the document control requirements of AS/NZS ISO 9001, Quality Management Systems. This makes it difficult to identify latest versions or whether documents have been distributed. A prime example is the Customer Service Charter, an MS Word document which had no document references attached and over 90% of survey respondents claimed they had not seen.*

In a similar line, it appears that training in customer service has also been neglected, with the most recent documented training being conducted over 2 years previously, in 2015.

Setting aside the above negatives, it should be noted that the organisation appears to be run professionally from a customer service point of view and this is reflected in the customer survey responses. If the Shire can concentrate its efforts on improving the following issues, they stand in good stead to provide quality services to residents and business.

These efforts include;

Key Findings:

“It is suspected that significant numbers of complaints have been closed out on the ICS system, without being actually closed. Examples of this include where a letter has been sent by Shire staff requesting action and then closed on the system, but no follow up visit to ensure that the action has been completed. It appears that these issues are often closed out when a letter or instruction is provided by the Shire, as opposed to when remedial action is completed. This places the Shire at a significant risk in terms of legal liability or insurance claims.

There are no document control records for the customer service process to indicate currency, approval or circulation of documents. There is also no real link between the complaints process and the customer service charter. There is a customer feedback form in the service charter that includes a very brief reference to complaints, but it does not bear any resemblance to the complaints procedure.

The customer service charter is well written, however the majority of customer responses indicated that it has not been publicised as well as it could have been. It is recommended that a shortened version be produced and displayed in public areas.

No information on whistleblower complaints is included in the Shire complaints process.

No Key Performance Indicators (KPI's) have been set to monitor the number of requests/complaints or their close out times. It was also noted that statistical reports do not current provide a clear picture of the types or numbers of customer requests and close outs. There is no differentiation between complaints and customer requests in reports. This also tends to disguise or hamper any true analysis of performance in this area.

The Shire ICS appears to do a lot more than what is currently being used for. It is suspected that a relatively minor outlay could provide significant savings in

terms of manpower and cost by automating reply letters or emails and using the GIS features to map issues for follow up and close out.

Provided records indicate that customer service training has not occurred since September 2015."

Q#	Audit Questions	Score	Evidence (& Ref) and Comments	Management Comment
	Commitment	2.5	17/6	
3.1	Does the organisation have a customer service Code of Conduct?	2	The Customer Service Charter supplied is an uncontrolled word document. This is written as addressing the community but there is no indication of how it is communicated to them.	Disagree that it is uncontrolled. Staff will present the Promapp System to the Audit Committee to highlight its control document. It is agreed that we need to clearly highlight in the process how we are communicating our Charter to the Community.
3.9	Has the organisation determined and provided the resources needed for the establishment, implementation, maintenance and continual improvement of the CMS (including people, environmental and infrastructure requirements)?	2	The Shire uses the ICS system to log complaints and requests. This system is a synergysoft package This appears to do a lot more than what is currently being used for. It is suspected that a relatively minor outlay could provide significant savings in terms of manpower and cost by automating reply letters or emails and using the GIS features to map issues for follow up and close out.	Disagree with some elements of this comment. It is staffs understanding that the Synergy Module is being used to its optimum, adding to this understanding is that the Shire of Northam is one of the "early adopters" of the Synergy ICS system and as a consequence there are a number of 'bugs' and improvements which are needed. Staff are currently clarifying whether or not Synergy can be better utilised. ITV support will be providing comment.
3.10	Is customer service included in the business plan? (WSM) If so, what elements of customer service do you regularly monitor? (WSM)	2	While there is a customer service charter and reports are compiled for elected members and as part of the quarterly report card, there was no evidence available to suggest that customer service forms part of a formal business plan. Customer service requests and closeouts are reported monthly and quarterly, but no KPI appears to exist on this data.	Disagree, page 61 of the corporate Business Plan identifies that the Shire of Northam has an objective of providing 'Outstanding Customer Service' Agree there are no established key performance indicators in the Corporate Business Plan although there are performance indicators established in the Customer Service charter
3.15	Has the organisation established and communicated the responsibilities and authorities for the effective operation of the CMS? (ISO9001 7.4)	2.5	Provided records indicate that customer service training has been conducted for 68 staff, however this has not occurred since September 2015.	Whilst there has not been any formal training, staff have been trained informally. Formal training will be implemented in 2018
3.16	Has the documented information required	2	Workplace guidelines (September 2016, p33)	All staff are provided with the Workplace Guidelines as well as

	by the standard and necessary for the effective implementation and operation of the Customer Service System been established? (ISO9001 7.5)		contains brief information on the basics of customer service. Assume that all new employees get this book and? Go through it? Further work is required in the areas of implementation (close outs and training) and monitoring (KPI's and statistical reporting).	the Code of Conduct and have signed to say they have seen them.
4.21	Does senior management receive regular reports about the effectiveness of the complaints system against measurable objectives? (ISO10002 8.4)	2	There is no differentiation between complaints and customer requests in reports. This tends to disguise or hamper any true analysis of performance in this area.	Disagree. In Synergy there is a drop down box titled 'Type' which asks if the item is a request, complaint, enquiry or Internal. As a consequence there is a differentiation with separate reports able to be run.

Positive outcomes from the Audit

Q#	Audit Questions	Score	Evidence (& Ref) and Comments	Management Comment
3.3	Has top management taken accountability for the effectiveness of the Code? (ISO10001 4.8)	3.5	The Customer Service Charter has been authorised by Jason Whiteaker, as CEO. There was evidence that the CEO updates himself regularly on the ICS system and intervenes where he sees fit. He also organises the reports to council.	
3.5	Is the Code clear, concise and written in simple language? (ISO10001 6.4)	3.5	The customer service charter is well written and copies have been made available in the main reception area (at times), however the majority or customer responses indicated that it has not been publicised as well as it could have been. It is recommended that a shortened version be produced and displayed in a similar manner to the City of Cockburn example shown in section 11.	Suggested improvements noted and will be implemented.
3.6	Is compliance with the Code practical and achievable? (ISO10001 6.4)	4	Full compliance is achievable with minor training and supervision to ensure better closeout of issues.	Noted
3.7	Have customer requirements and applicable statutory and regulatory requirements been determined, met and	2.5	The charter meets statutory requirements and from the customer survey it appears that most customers are reasonably satisfied with Shire performance (even if	Noted

	communicated throughout the organisation? (ISO9001 4.1)		they were not aware of it existence). Procedures dictate that serious complaints regarding councillors and senior staff are processed through the PSC or CCC.	
3.14	Are organisational roles, responsibilities and authorities identified on organisational charts? (ISO9001 5.3)	3.5	The Shire corporate matrix indicates that the Executive Manager – Corporate Services is the key officer responsible for the area of customer service and complaints. This describes the responsibilities to provide internal and external customer service for the Shire including; <ul style="list-style-type: none"> • Front counter service, • Telephone service, • Department of Transport licencing, • Charter & processes, and • Information Statement. <p>This audit was commissioned by Ms. Cheryl Greenough, Governance & Administration Coordinator. The Shire Community Development officer is identified as responsible for managing internal and external communication, although it is unclear whether there is a crossover to customer service.</p>	Noted
3.17	Do you use quality control concepts in managing customer service? (WSM) Do you differentiate service levels by product (WSM) Do you differentiate customer service levels by customer type? (WSM)	3	Customer feedback form is provided in the Customer Service Charter for compliments and complaints, this is now augmented by the new online customer service request system.	
3.18	Has the criteria for managing customer service been established together with responsibilities, methods, measurements and related performance indicators needed to ensure the effective operation and control? (ISO10001 6.5)	2.5	The customer service charter includes general service standards, as well as a set of more precise standards, many of which could be fairly easily measured. This document makes an ideal start, but lacks any effort in undertaking the monitoring or measurement process. Basic statistics are collected on the number of opened-vs-closed customer requests but as discussed earlier, these statistics are flawed by early closeouts.	Monitoring and measurement improvement suggestions noted

	COMMITMENT	4	15.5/4 (15.5/20)	
4.1	Does the organisation has a written policy and procedures to support your complaints management process? (ISO10002 5.2)	4	Detailed complaint management procedures were supplied. These are a controlled document, last edited 27/09/2017.	
4.2	Is the policy widely published and are staff are informed about it?	3.5	The Shire has just commenced an online system for reporting of complaints and customer requests. This dovetails directly into the existing ICS system and provides the customer with a reference number for follow up.	
4.3	Can customers readily access your complaints policy (e.g. on your website)? (ISO10002 4.2 & 4.3)	4	The website includes a complaints process page that links the Shire minor breach form. This should be updated to include a link to the online customer request process, which should in turn be updated to include the word 'complaint'.	Noted
4.4	Does the complaints policy outline any statutory responsibilities for reviewing certain categories of decisions?	4	The website complaints process identifies methods of making a complaint of a minor breach (internally), a major breach (via Department of Local Government and Communities (DLGC)) and appeals (via the Ombudsman). Wording on the website should be updated to DLGC, although the current link points to the correct site.	Noted, correct link will be updated
	PLANNING	3	12.5/4 (12.5/20)	
4.5	Is the system is properly resourced including human and technological resources?	3.5	Records show that customer service training was last conducted in September 2015. There is no detail provided as to the content, or whether it includes the complaints process. There have been a number of new hires in the customer service area since training was last done. The Customer Service Charter includes a designated complaints officer and requirement to investigate and advise on serious complaints within 10 working days. Colin Young is the designated officer and this area appears adequate.	Noted

4.6	Have top management allocated adequate resources to promote access to, and operation of the system? (ISO10002 5.3.1)	3.5	The Shire has appointed the Executive Manager – Corporate Services as its complaints officer. This position is assisted by the Administration & Governance Coordinator and the whole process is monitored regularly by the CEO.	Noted
4.7	Are complaints handling points of contact publicised through a range of points, such as your website and at customer service centres?	4	The complaints process document identifies owner, Colin Young and expert Jodi White. The website information on the complaints process also identifies Colin Young and the primary contact.	Noted
PROCEDURES		2.5	32/12 (32/60)	
4.9	Is information on how to make a complaint is easy to understand?	2.5	Information on both a minor breach and a more serious complaint is fairly easy to find on the Shire website. The new online customer request is also used for complaints but this is less clear, as the word 'complaint' has been omitted. There was no indication whether this was an oversight or deliberate, as the system was still in a release or trial phase.	Noted
4.11	Is information is provided to complainants about complaints stages, either verbally or in writing?	4	The complaints process is well described. Complainants are given a traceable number and advised that their complaint has been received. They also have a contact name and are advised how long it will take to respond.	Noted
4.15	Is complaint information systematically recorded and monitored for consistency, e.g.: <ul style="list-style-type: none"> • who referred complaint, • complaints type, • work unit/region where complaint arose, • timeframe for deciding complaint, • outcome. (ISO10002 8.1)	3.5	The complaints process (as opposed to customer requests) appears to be working well, with notifications & tracking numbers supplied to complainants, timelines & escalation procedures and notification of outcomes all supplied in a timely manner.	Noted
4.16	Do complaints staff have authority to take action to remedy complaints and to make or recommend changes to procedures?	3.5	All internal complaints are investigated and actioned by departmental managers, with more serious complaints handled by the Executive Manager – Corporate Services. All of these officers	Noted



			have the authority to implement required actions.	
4.18	Does the organisation monitor the progress of complaints and advise complainants of reasons for deviation from target timelines?	3	Complaints are monitored through the ICS system, with timeframes attached where necessary. There is no automated trigger for timelines but the system appears to work well nonetheless.	Noted

RECOMMENDATION / COMMITTEE DECISION

Minute No: AU.094

Moved: Cr Proud

Seconded: Cr Mencshelyi

That Council receives the Customer Service Audit 2017 as attached and request an update on the implementation of recommendations/comments at the end of six (6) months to track progress.

CARRIED 3/0

Discussion/Comment

The detailed findings of the audit are enclosed, staff advised that it did not agree with some of the findings (as a result Management have placed comments / clarifications next to each of the findings).

Discussion was held around Council's current system (Synergy) where the consultant believes is the system was capable of functions not currently being utilised by the Shire of Northam, which would assist in improving our customer service. It was advised, that upon investigation staff do not believe the mentioned function are available with Council's current licence.

Discussion was held around the survey sample as this was a small response. Mr Whiteaker advised that it depends on what it is based off (e.g. population or the estimated number of customers).

It was outlined that there are actions for improvement which will be implemented by staff, it should also be noted that there are many positives taken from the audit.

Attachment 1



Customer Service Management System Audit
(to AS/NZS ISO 10001:2012 & 10002:2014)

For



Author:
Bob Mulligan
AVELING
bob@safetywa.com.au
18 December 2017
Version: 1.2



Customer Service Management System Audit



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Customer Service Management System Audit



SECTION 1 – EXECUTIVE SUMMARY & SCORING

AUDIT DATE:	4 th December 2017	AUDITOR:	Bob Mulligan
AVERAGE SCORE:	2.2 (Systems) 3.0 (Customer Survey)		
2 Reasonable Systems but Incomplete Implementation (40%) The Organisation has in place management systems for some major areas but may not have achieved full implementation. Actions items are generally closed out as required.			

Maintaining a high level of customer satisfaction is a significant challenge for many organisations. One way of meeting this challenge is to put in place and use a customer satisfaction code of conduct (or Charter). A customer satisfaction code of conduct consists of promises and related provisions that address issues such as service delivery, handling of personal information of customers, advertising and stipulations concerning particular attributes of a product or service. A customer satisfaction code of conduct can be part of an effective approach to complaints management. This involves:

- complaints prevention, by making use of an appropriate customer satisfaction code of conduct;
- internal complaints handling, for instances when expressions of dissatisfaction are received;
- external dispute resolution, for situations in which complaints cannot be satisfactorily dealt with internally.

This audit was conducted using International Standards ISO 10001, ISO 10002 and references to the ISO 9000 series of Standards. These provide guidance to assist organisations in determining that its customer satisfaction code provisions meet customer needs and expectations, and that the customer satisfaction code is accurate and not misleading. Use of these Standards can:

- enhance fair trade practices and customer confidence in an organisation;
- improve customer understanding of what to expect from an organisation in terms of its products and relations with customers, thereby reducing the likelihood of misunderstandings and complaints;
- potentially decrease the need for new regulations governing an organisation's conduct towards its customers.

AVELING were contacted by the Shire of Northam to conduct Customer Service Auditing. The agreed scope consisted of the following components;

1. Document review of relevant Shire of Northam policies, procedures and records,
2. Production and administration of an electronic customer service survey,



Customer Service Management System Audit



3. Development of an audit proforma to AS/NZS ISO 10001:2012 & 10002:2014,
4. Interviews with key Shire of Northam staff to gain perspectives on internal relationships and issues, and
5. A site verification visit.

ISO 10001 contains guidance on codes of conduct for organisations related to customer satisfaction. Such codes of conduct can decrease the probability of problems arising and can eliminate causes of complaints and disputes which can decrease customer satisfaction.

ISO 10002 contains guidance on the internal handling of product-related complaints. By fulfilling the promises given in a customer satisfaction code of conduct, organisations decrease the likelihood of problems arising because there is less potential for confusion regarding customer expectations concerning the organisation and its products.

ISO 9000 provides the fundamental concepts, principles and vocabulary for quality management systems (QMS) and provides the foundation for other QMS standards. This International Standard is intended to help the user to understand the fundamental concepts, principles and vocabulary of quality management, in order to be able to effectively and efficiently implement a QMS and realize value from other QMS standards.

This International Standard proposes a well-defined QMS, based on a framework that integrates established fundamental concepts, principles, processes and resources related to quality, in order to help organisations realize their objectives. It is applicable to all organisations, regardless of size, complexity or business model. Its aim is to increase an organisation's awareness of its duties and commitment in fulfilling the needs and expectations of its customers and interested parties, and in achieving satisfaction with its products and services.

The quality management principles are:

- customer focus;
- leadership;
- engagement of people;
- process approach;
- improvement;
- evidence-based decision making;
- relationship management.

There is some useful documentation in place, but much of it is either uncontrolled or does not meet the document control requirements of AS/NZS ISO 9001, Quality Management Systems. This makes it difficult to identify latest versions or whether documents have been distributed. A prime example is the Customer Service Charter, an MS Word document which had no document references attached and over 90% of survey respondents claimed they had not seen.



Customer Service Management System Audit



In a similar line, it appears that training in customer service has also been neglected, with the most recent documented training being conducted over 2 years previously, in 2015.

Setting aside the above negatives, it should be noted that the organisation appears to be run professionally from a customer service point of view and this is reflected in the customer survey responses. If the Shire can concentrate its efforts on improving the following issues, they stand in good stead to provide quality services to residents and business. These efforts include;

- Complete close out and verification of all complaints (both to the complainant and issue),
- Adopting a standardised document control system (most likely run by records) across the Shire,
- Better documentation of the induction and training process for all staff.

KEY FINDINGS

It is suspected that significant numbers of complaints have been closed out on the ICS system, without being actually closed. Examples of this include where a letter has been sent by Shire staff requesting action and then closed on the system, but no follow up visit to ensure that the action has been completed. It appears that these issues are often closed out when a letter or instruction is provided by the Shire, as opposed to when remedial action is completed. This places the Shire at a significant risk in terms of legal liability or insurance claims.

There are no document control records for the customer service process to indicate currency, approval or circulation of documents. There is also no real link between the complaints process and the customer service charter. There is a customer feedback form in the service charter that includes a very brief reference to complaints, but it does not bear any resemblance to the complaints procedure.

The customer service charter is well written, however the majority of customer responses indicated that it has not been publicised as well as it could have been. It is recommended that a shortened version be produced and displayed in public areas.

No information on whistleblower complaints is included in the Shire complaints process.

No Key Performance Indicators (KPI's) have been set to monitor the number of requests/complaints or their close out times. It was also noted that statistical reports do not current provide a clear picture of the types or numbers of customer requests and close outs. There is no differentiation between complaints and customer requests in reports. This also tends to disguise or hamper any true analysis of performance in this area.

The Shire ICS appears to do a lot more than what is currently being used for. It is suspected that a relatively minor outlay could provide significant savings in terms of manpower and cost by automating reply letters or emails and using the GIS features to map issues for follow up and close out.

Provided records indicate that customer service training has not occurred since September 2015.



Customer Service Management System Audit



The Shire has just commenced an online system for reporting of complaints and customer requests. The website should be updated for clarification to include the word 'complaint'.

SECTION 2 – PERSONNEL INVOLVED IN THE AUDIT

BM	Bob Mulligan	CG	Cheryl Greenough
JW	Jason Whiteaker	CH	Chadd Hunt
RS	Records Staff	FC	Front Counter Staff



Customer Service Management System Audit



SECTION 3 – OBSERVATIONS REPORT (CUSTOMER SATISFACTION ISO 10001:2012)

Q#	Audit Question (& Ref)	Score	Evidence (& Ref) and Comments
	Commitment	2.5	17/6
3.1	Does the organisation have a customer service Code of Conduct? (WSM)	2	Customer Service Charter supplied is an uncontrolled word document. This is written as addressing the community but there is no indication of how it is communicated to them.
3.2	Have you determined the external and internal issues that are relevant to your organisation's purpose and the achievement of customer satisfaction in the organisation's strategic direction? (ISO10001 6.2)	2	Charter identifies major stakeholders and attempts to provide them with workable solutions. The main areas missing are stakeholder closeout and reporting to elected members. The elected member monthly report for October 2017 appears to be flawed closeout numbers. It shows approximately 30% of year to date requests are still not closed, but does not seem to trigger any alarm. It is also suspected that significant numbers of complaints have been closed out on the ICS system, without being actually closed. Examples of this include where a letter has been sent by Shire staff requesting action and then closed on the system, but no follow up visit to ensure that the action has been completed.
3.3	Has top management taken accountability for the effectiveness of the Code? (ISO10001 4.8)	3.5	Customer Service Charter authorised by Jason Whiteaker, as CEO. There was evidence that the CEO updates himself regularly on the ICS system and intervenes where he sees fit. He also organises the reports to council.
3.4	Has input been gained to identify and assess the needs of customers in the development of the Code and procedures? (ISO10001 6.3)	2	There are no document control records for the process to indicate community consultation in the development.
3.5	Is the Code clear, concise and written in simple language? (ISO10001 6.4)	3.5	The customer service charter is well written and copies have been made available in the main reception area (at times), however the majority of customer responses indicated that it has not been publicized as well as it could have been. It is recommended that a shortened version be produced and displayed in a similar manner to the City of Cockburn example shown in section 11.
3.6	Is compliance with the Code practical and achievable? (ISO10001 6.4)	4	Full compliance is achievable with minor training and supervision to ensure better closeout of issues.



Customer Service Management System Audit



	Capacity	2	8/4
3.7	Have customer requirements and applicable statutory and regulatory requirements been determined, met and communicated throughout the organisation? (ISO9001 4.1)	2.5	The charter meets statutory requirements and from the customer survey it appears that most customers are reasonably satisfied with Shire performance (even if they were not aware of its existence). Procedures dictate that serious complaints regarding councillors and senior staff are processed through the PSC or CCC.
3.8	Have the objectives been established at relevant departmental and individual levels with the business?	1.5	No Key Performance Indicators (KPI's) have been set to monitor the number of requests/complaints or their close out times. This should be completed as a priority after the next round of staff training.
3.9	Has the organisation determined and provided the resources needed for the establishment, implementation, maintenance and continual improvement of the CMS (including people, environmental and infrastructure requirements)?	2	The Shire uses the ICS system to log complaints and requests. This system is a synergysoft package. This appears to do a lot more than what is currently being used for. It is suspected that a relatively minor outlay could provide significant savings in terms of manpower and cost by automating reply letters or emails and using the GIS features to map issues for follow up and close out.
3.10	Is customer service included in the business plan? (WSM) If so, what elements of customer service do you regularly monitor? (WSM)	2	While there is a customer service charter and reports are compiled for elected members and as part of the quarterly report card, there was no evidence available to suggest that customer service forms part of a formal business plan. Customer service requests and closeouts are reported monthly and quarterly, but no KPI appears to exist on this data.
	Visibility	2	7/3
3.11	Is the Code well publicized to both internal and external customers? (ISO10001 4.4)	3	The Shire complaints process is published on its website, including a contact for the complaints officer, Colin Young. The Shire has also very recently added an online process for submitting customer requests. There does seem to be some disconnect between the terms 'customer request' and 'customer complaints' and it is suggested that these terms could be combined in the one system. The online reporting is currently for customer requests and the complaints page of the website still uses the complaint of minor breach form. The automation of the online complaints, which already occurs internally, would further streamline systems.
3.12	Does it contain sufficient information to provide understanding of its commitment and processes? (ISO10001 4.7)	2	Customer Service Charter contains sufficient information to meet the Standards, but does not indicate how it will be communicated either internally or externally.
3.13	Is it relevant and responsive to customer needs? (ISO10001 4.6)	2	These issues are difficult to assess given that over 90% of customer survey respondents claimed that they had not seen it.



Customer Service Management System Audit



	Implementation	2.5	11/4
3.14	Are organisational roles, responsibilities and authorities identified on organisational charts? (ISO9001 5.3)	3.5	<p>The Shire corporate matrix indicates that the Executive Manager – Corporate Services is the key officer responsible for the area of customer service and complaints. This describes the responsibilities to provide internal and external customer service for the Shire including;</p> <ul style="list-style-type: none"> • Front counter service, • Telephone service, • Department of Transport licencing, • Charter & processes, and • Information Statement. <p>This audit was commissioned by Ms. Cheryl Greenough, Governance & Administration Coordinator.</p> <p>The Shire Community Development officer is identified as responsible for managing internal and external communication, although it is unclear whether there is a crossover to customer service.</p>
3.15	Has the organisation established and communicated the responsibilities and authorities for the effective operation of the CMS? (ISO9001 7.4)	2.5	<p>Provided records indicate that customer service training has been conducted for 68 staff, however this has not occurred since September 2015.</p>
3.16	Has the documented information required by the standard and necessary for the effective implementation and operation of the Customer Service System been established? (ISO9001 7.5)	2	<p>Workplace guidelines (September 2016, p33) contains brief information on the basics of customer service. Assume that all new employees get this book and? Go through it?</p> <p>Further work is required in the areas of implementation (close outs and training) and monitoring (KPI's and statistical reporting).</p>
3.17	<p>Do you use quality control concepts in managing customer service? (WSM)</p> <p>Do you differentiate service levels by product (WSM)</p> <p>Do you differentiate customer service levels by customer type? (WSM)</p>	3	<p>Customer feedback form is provided in the Customer Service Charter for compliments and complaints, this is now augmented by the new online customer service request system.</p>



Customer Service Management System Audit



	Monitoring	2	8/4
3.18	Has the criteria for managing customer service been established together with responsibilities, methods, measurements and related performance indicators needed to ensure the effective operation and control? (ISO10001 6.5)	2.5	The customer service charter includes general service standards, as well as a set of more precise standards, many of which could be fairly easily measured. This document makes an ideal start, but lacks any effort in undertaking the monitoring or measurement process. Basic statistics are collected on the number of opened-vs-closed customer requests but as discussed earlier, these statistics are flawed by early closeouts.
3.19	Has any attempt made to estimate the cost of customer service failures? (WSM) Do you seek to measure the costs of providing different levels of service? (WSM) Do you have internal service measures as well as external measures? (WSM)	1.5	Customer service failures in local government generally only cause in a lack of satisfaction, however consideration must also be given to potential costs resulting from; <ul style="list-style-type: none"> • Loss of industry and business confidence, • Loss of tourism or sporting opportunities, and • Reduction or loss of funding opportunities. Whilst these are often difficult to measure accurately, some measure of business confidence in Shire services should be attempted. It was noted in the customer service survey responses that some comment was already made on the effects on business.
3.20	Do you monitor the internal customer service climate a regular basis? (WSM)	2	There is no formal system in place for monitoring customer satisfaction and no previous audits or surveys have been conducted.
3.21	How often do you perform customer service audits in your organisation? (WSM) How important are the audit results regarded? (WSM)	2	See above, this is the first audit however there does seem to be a genuine desire for improvement and there was a level of acceptance of the process across all departments shown during the interview process.
	Continual Improvement	1.5	9.5/6
3.22	How often is the Code reviewed? (ISO10001 8.4)	1	The Customer Service Charter is not controlled or dated, although the MS Word document supplied was last modified on 22/04/2016.
3.23	Does the organisation possess a copy of AS/NZS ISO 10001 and is that used in the review process? (ISO10001 8.4)	1	The organisation has not used ISO 10001 to develop its procedures and only loosely follows the ISO 9001 concepts of quality management. Further work needs to be done, especially in the areas of document control & labelling and content management.
3.24	Is there a defined process for the determining the need for changes to the QMS and managing their implementation?	2	It is felt that this audit is intended as a starting point for the continuous improvement process in customer service, by providing a gap analysis with the Standards.



Customer Service Management System Audit



3.25	Are KPI results and/or other statistical measures used to review the performance of the organisation's customer service? (ISO10001 6.5 & 8.2)	2.5	An elected member monthly report and quarterly report card are produced which both include basic ICS statistics. These do not however offer any insight into long term open items or provide a performance target. As discussed previously, it was considered that a number of requests had been closed out without verification and that the statistics may not therefore show the true picture.
3.26	When changes are planned are they carried out in a controlled way and actions taken to mitigate any adverse effects?	1	Too early to tell at this stage. This area will need to be monitored following the audit to ensure that desired outcomes are achieved.
3.27	When changes are made to the Code or procedures, how are they communicated to staff and customers? (ISO10001 8.5 Annex 1)	2	The Shire will need to ensure that changes to documents are controlled and that new (current) versions are easily identifiable. Changes to public charters or documents need to be advertised on the Shire website and posted in public areas.
Sub Total Section 3		2.24	60.5/27



Customer Service Management System Audit



SECTION 4 – OBSERVATIONS REPORT (CUSTOMER COMPLAINTS ISO 10002:2014)

Q#	Audit Question (& Ref)	Score	Evidence (& Ref) and Comments
Commitment		4	15.5/4
4.1	Does the organisation has a written policy and procedures to support your complaints management process? (ISO10002 5.2)	4	Detailed complaint management procedures were supplied. These are a controlled document, last edited 27/09/2017.
4.2	Is the policy widely published and are staff are informed about it?	3.5	The Shire has just commenced an online system for reporting of complaints and customer requests. This dovetails directly into the existing ICS system and provides the customer with a reference number for follow up.
4.3	Can customers readily access your complaints policy (e.g. on your website)? (ISO10002 4.2 & 4.3)	4	The website includes a complaints process page that links the Shire minor breach form. This should be updated to include a link to the online customer request process, which should in turn be updated to include the word 'complaint'.
4.4	Does the complaints policy outline any statutory responsibilities for reviewing certain categories of decisions?	4	The website complaints process identifies methods of making I complaint of a minor breach (internally), a major breach (via Department of Local Government and Communities (DLGC)) and appeals (via the Ombudsman). Wording on the website should be updated to DLGC, although the current link points to the correct site.
Planning		3	12.5/4
4.5	Is the system is properly resourced including human and technological resources?	3.5	Records show that customer service training was last conducted in September 2015. There is no detail provided as to the content, or whether it includes the complaints process. There have been a number of new hires in the customer service area since training was last done. The Customer Service Charter includes a designated complaints officer and requirement to investigate and advise on serious complaints within 10 working days. Colin Young is the designated officer and this area appears adequate.
4.6	Have top management allocated adequate resources to promote access to, and operation of the system? (ISO10002 5.3.1)	3.5	The Shire has appointed the Executive Manager – Corporate Services as its complaints officer. This position is assisted by the Administration & Governance Coordinator and the whole process is monitored regularly by the CEO.



Customer Service Management System Audit



4.7	Are complaints handling points of contact publicised through a range of points, such as your website and at customer service centres?	4	The complaints process document identifies owner, Colin Young and expert Jodi White. The website information on the complaints process also identifies Colin Young and the primary contact.
4.8	Has a process of performance monitoring been established to ensure efficient and effective handling of the complaints process? (ISO10002 5.3.2)	1.5	<p>The complaints process appears to work well, apart from the close out part. It appears that items are often closed out when a letter or instruction is provided by the Shire, as opposed to when remedial action is completed.</p> <p>This places the Shire at a significant risk in terms of legal or insurance claims. Two examples of premature closeout are shown below;</p> <ol style="list-style-type: none"> 1 A resident had complained about their neighbour's overgrown block being a fire hazard. Shire action was to send the block owner a letter instructing them to reduce the hazard. This was then closed on the ICS system. It was assumed (by Shire officers) that the original complainant would contact them again if work was not completed, however if a fire occurred that damaged the complainant's property, it could likely be proven that the Shire knew of the risk but failed in its Duty to take sufficient action. 2 An inspection was conducted by Shire officers that found a person living in a shed at Bakers hill that was not considered fit for habitation. Shire action was to send the block owner a letter instructing that they were not to live in the shed and to make application for a dwelling. This was then closed on the ICS system. No action was taken to check whether the person/s had subsequently moved out. In the relatively unlikely event that the shed caught fire and a fatality resulted, there could be interesting questions asked by the coroner as to why the Shire knew the building was occupied and took no real action.
	Procedures	2.5	32/12
4.9	Is information on how to make a complaint is easy to understand?	2.5	Information on both a minor breach and a more serious complaint is fairly easy to find on the Shire website. The new online customer request is also used for complaints but this is less clear, as the word 'complaint' has been omitted. There was no indication whether this was an oversight on deliberate, as the system was still in a release or trial phase.
4.10	Are customer complaints promoted by senior management as an opportunity to improve organisation performance?	2	Customer complaints are reviewed by senior management, right through to the CEO. There was no evidence that they are seen as a beneficial opportunity however, including in their statistical reporting. All complaints or customer requests are lumped together for statistical reporting, whether it be a staff complaint, or a request to have a pothole repaired.
4.11	Is information is provided to complainants about complaints stages, either verbally or in writing?	4	The complaints process is well described. Complainants are given a traceable number and advised that their complaint has been received. They also have a contact name and are advised how long it will take to respond.
4.12	Do complaints management guidelines align with organisational standards, such as Customer Service Standards and Code of Conduct?	2	There is no real link between the complaints process and the customer service charter. There is a customer feedback form in the service charter that includes a very brief reference to complaints, but it does not bear any resemblance to the complaints procedure.



Customer Service Management System Audit



4.13	Does the organisation have procedures for the complaints process that outline the stages, timelines and primary areas of responsibility for managing complaints?	3	Clear timelines are provided in the complaints process but there was little information available on how often these timelines are achieved. There are no statistical reports on the achievement, or otherwise, of set timelines.
4.14	Are complaints closed out and recorded once agreed actions are complete? (ISO10002 7.9)	2.5	As previously noted, at least some complaints appear to be closed out prematurely and without verification of work orders being completed.
4.15	Is complaint information systematically recorded and monitored for consistency, e.g.: <ul style="list-style-type: none"> • who referred complaint, • complaints type, • work unit/region where complaint arose, • timeframe for deciding complaint, • outcome. (ISO10002 8.1)	3.5	The complaints process (as opposed to customer requests) appears to be working well, with notifications & tracking numbers supplied to complainants, timelines & escalation procedures and notification of outcomes all supplied in a timely manner.
4.16	Do complaints staff have authority to take action to remedy complaints and to make or recommend changes to procedures?	3.5	All internal complaints are investigated and actioned by departmental managers, with more serious complaints handled by the Executive Manager – Corporate Services. All of these officers have the authority to implement required actions.
4.17	Is training is provided in areas such as interviewing skills, dealing with difficult people, dispute resolution, writing in plain English and customer relations?	2	Training has been conducted on customer service, but there was no indication as to whether this included complaints resolution. This training was last conducted over 2 years ago and there is no documented evidence to indicate that it has been followed up since that time.
4.18	Does the organisation monitor the progress of complaints and advise complainants of reasons for deviation from target timelines?	3	Complaints are monitored through the ICS system, with timeframes attached where necessary. There is no automated trigger for timelines but the system appears to work well nonetheless.
4.19	Is complaints information, including the identity of complainants, treated confidentially wherever possible or necessary? (ISO10002 4.7)	2	There was no information available to suggest that confidentiality has been considered in terms of complaints and this should be included in future updates of the process.
4.20	Are procedures are in place to manage whistleblower complaints in accordance with the Public Interest Disclosure Act?	2	No information on whistleblower complaints is included in the Shire complaints process.



Customer Service Management System Audit



Monitoring		2	6/3
4.21	Does senior management receive regular reports about the effectiveness of the complaints system against measurable objectives? (ISO10002 8.4)	2	There is no differentiation between complaints and customer requests in reports. This tends to disguise or hamper any true analysis of performance in this area.
4.22	Does senior management regularly review the complaints system's effectiveness? (ISO10002 8.6)	2	As discussed above, the lack of separation of the reports makes this difficult.
4.23	Are details of reviews and actions taken to improve services published to staff and the public? (ISO10002 8.6.3)	2	The quarterly report card is circulated widely and includes ICS statistics for customer service requests (including complaints), but does not look at individual cases or outcomes. Further it does not differentiate between complaints and work requests.
Continuous Improvement		2	11/5
4.24	Does the organisation have a system to collect organisation-wide complaints data (including divisional and regional complaints data)?	3.5	The Shire uses the ICS system from SynergySoft to collect data and at the time of the site visit was in the process of extending this to receive online reports from customers. The system appears to be significantly more capable than what it is currently used for and investigations with the software supplier should be undertaken to see what improvements can be made in terms of: <ul style="list-style-type: none"> • Differentiation between complaints and work requests, • Statistical reporting, and • Functional automation of standardised letters and emails.
4.25	Is complaints data collected in sufficient detail to facilitate comparisons with previous periods and identify system-wide or recurring complaints?	2	There is insufficient data collected to categorise report types (complaints-vs-work requests) for any real comparison.
4.26	Does the complaints manager or coordinator compile reports for senior management based on the analysis of the data, which include recommendations for: <ul style="list-style-type: none"> • complaint reduction strategies, or • improvements to business processes 	2.5	Reports are compiled monthly (for elected members) and quarterly (for the report card), however these are both basis numerical reports and do not provide any level of detail that would support continuous improvement in this area.
4.27	Are complaints reports and recommendations are considered on a regular basis by senior management for systems improvement?	2	There was no minuted meeting records available to suggest that complaints are considered by the executive management team.



Customer Service Management System Audit



4.28	Is information about your organisation's complaints management system included in internal publications to raise awareness of roles in the complaints handling process and how complaints contribute to service improvement?	2	Again, this does not seem to have been considered, apart from the basic data provided on the quarterly report card.
Sub Total Section 4		2.75	77/28

SECTION 5 – EXTERNAL CUSTOMER SURVEY REPORT

A customer survey was designed using the SoGoSurvey platform. This consisted of 12 questions to gauge customer satisfaction with Shire of Northam services and was emailed (and received) to 453 individual customers. The survey included both multiple choice, free text and span gauge answers. The first mailing attracted only 21 responses, so further reminders were sent, resulting in a response rate of 26.7% (121 responses). Whilst this number is still fairly low, it is still considered statistically valid.

It should be noted in this type of survey that requests to people who have neutral views on performance are often met with no reply and it is usually only those who have strong opinions that respond. This can bias the outcome of the survey by providing false negative indicators, however questions 6, 9, 10 and 12 were designed to assess respondent motivation.

Over three quarters of the survey respondents were Shire ratepayers that had conducted personal dealings with the Shire within the past three months, indicating recent data. The majority stated that they dealt with the Shire 3-4 times per year or more, but over 90% claimed that they had never seen a customer service charter. The majority of respondents identified the quality of customer service as positive or neutral and felt that staff understood and responded to their needs in a positive & timely manner.

Most respondents identified that they would speak highly of the Shire and its staff. They also felt that the levels of customer service were the same or better, when compared to similar organisations.

In the free-text questions, there were a range of responses and opinions provided, but these should be read in the context of the overall number of responses to the survey and the motivation of respondents noted in paragraph 2 (above).

Question 9 asked how respondents would compare the levels of customer service to similar organisations, 69% answered the same or better. Question 10 then followed up with free text asking why they felt that way. Around 50% of these comments were positive.

The final survey question asked for any final comments, questions or concerns. Again, there were a mix of responses. The biggest concern amongst customers appear to be the lack of ownership of issues. Whilst it is often the case that complex problems may need input from various Shire department, clients expressed frustration at having to deal with multiple officers and needing to re-state their case to each. It is felt that if one officer took ownership of an issue, this would provide a much more positive outcome.



Customer Service Management System Audit



SECTION 6 – INTERNAL CUSTOMER SURVEY

Informal discussions were conducted with Shire staff including the CEO, Executive Manager – Corporate Services, Executive Manager – Development Services, Records staff, Front Counter staff and the Governance & Administration Coordinator. These were used to verify information previously supplied and probe for further detail. All staff were fully cooperative in the process and supportive of the aims of the audit.



Customer Service Management System Audit



SECTION 7 - SCORING SYSTEM DEFINITIONS

1 Poor Performance (20%)

The Organisation has no formal management systems in place and appears unaware of their full legal requirements. A significant number of major items were found deficient. Employees may be poorly trained and controlled.

2 Reasonable or Compliant Systems but Incomplete Implementation (40%)

The Organisation has in place management systems for some major areas but may not have achieved full implementation. Actions items are closed out as required.

3 Minimum Normal Requirement (60%)

The Organisation has in place good management systems for all major areas that are legally compliant and fully implemented. Regular internal and external audits are conducted and all actions items are closed out as required. Only minor items were found deficient.

4 Very Good Performance (75%)

The Organisation has in place good, robust management systems for all major areas that are legally compliant and fully implemented. Regular internal and external audits are conducted and all actions items are closed out as required. There is also evidence of an operating continuous improvement system and industry benchmarking. Only minor items were found deficient.

5 Best Practice Performance (>95%)

The Organisation has in place good, robust management systems for all major areas that are legally compliant and fully implemented. Regular internal and external audits are conducted and all actions items are closed out as required. There is also evidence of an operating continuous improvement system and industry benchmarking. Only minor items were found deficient.



Customer Service Management System Audit



SECTION 8 – REFERENCED DOCUMENTS

- ISO 9001:2015 - Quality management systems - Requirements
- AS/NZS ISO 10001:2012 - Quality management - Customer satisfaction - Guidelines for codes of conduct for organisations
- AS/NZS ISO 10002:2014 - Guidelines for complaint management in organisations
- Shire of Northam - Copy of Customer Service Training (Excel)
- Shire of Northam – Strategic Community Plan (pdf)
- Shire of Northam – Community Engagement Plan (pdf)
- Shire of Northam – Manage Complaints (pdf)
- Shire of Northam – Customer Service Charter (Word)
- Shire of Northam – Code of Conduct Staff (pdf)
- Shire of Northam – Workplace Guidelines September 2016 (pdf)
- Shire of Northam - Elected member monthly report
- Shire of Northam – Quarterly report card



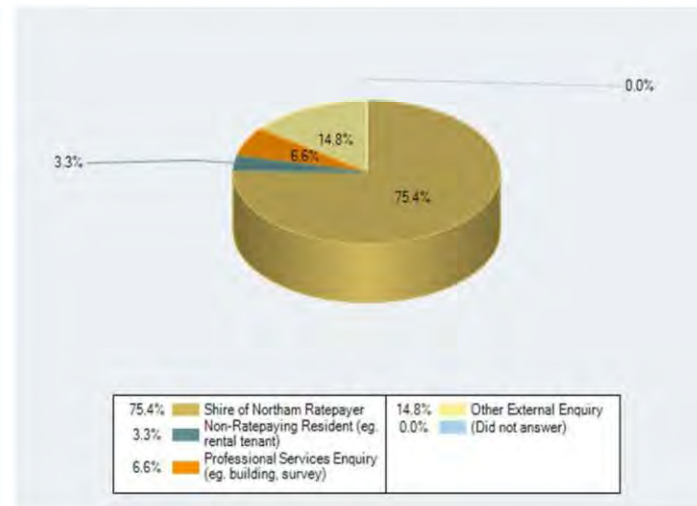
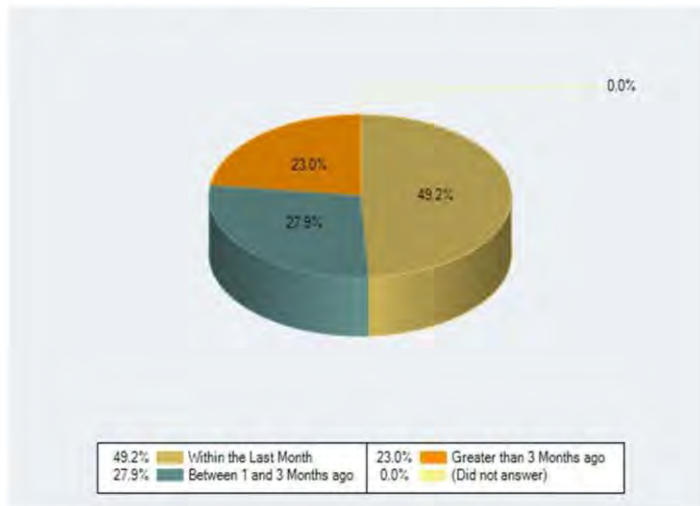
Customer Service Management System Audit



SECTION 9 – EXTERNAL CUSTOMER SURVEY REPORT

Q1. When was your last personal interaction (phone, counter, on-site) with Shire of Northam Staff?

Q2. Which answer below best describes your category during the last contact?

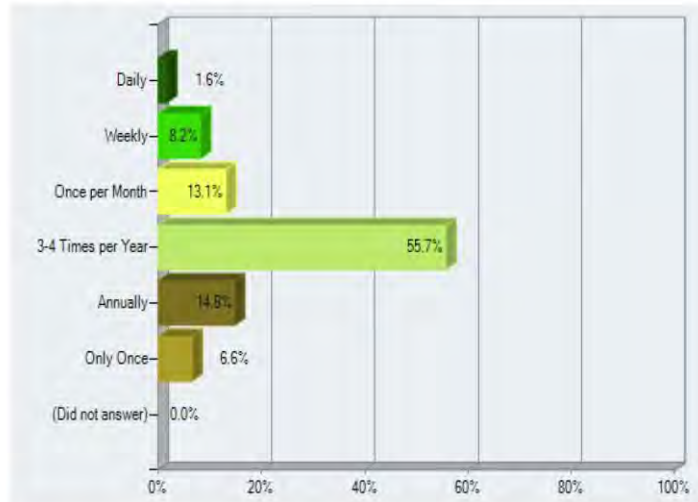




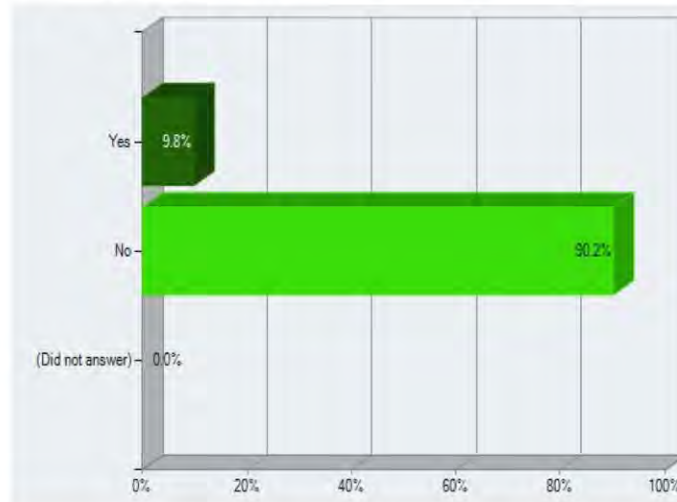
Customer Service Management System Audit



Q3. What best describes how often you have personal interactions with Shire of Northam staff?



Q4. Have you ever seen, or been made aware of, a Shire of Northam Customer Service Charter?

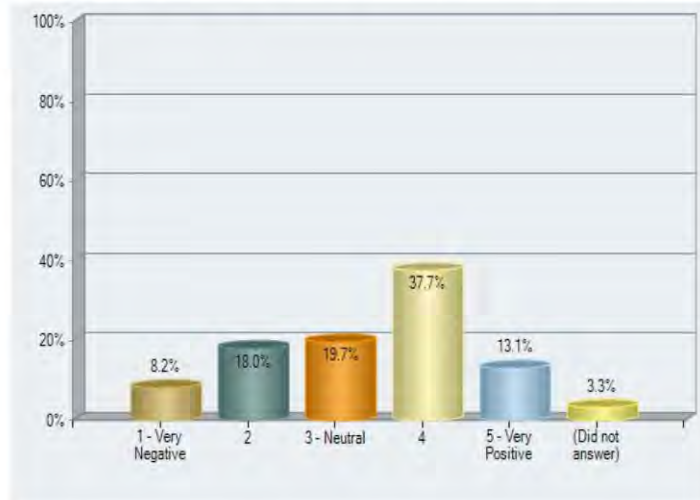




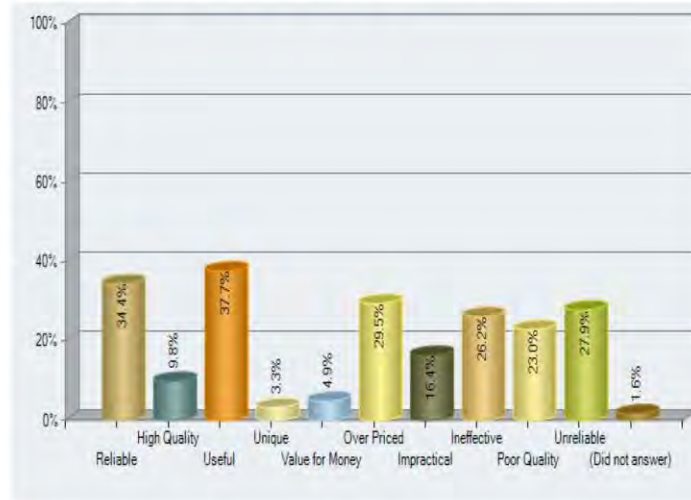
Customer Service Management System Audit



Q5. Overall, how would you rate the quality of customer service provided by Shire of Northam staff?



Q6. Which of the following words would you use to describe the Shire of Northam services? (Select all that Apply)

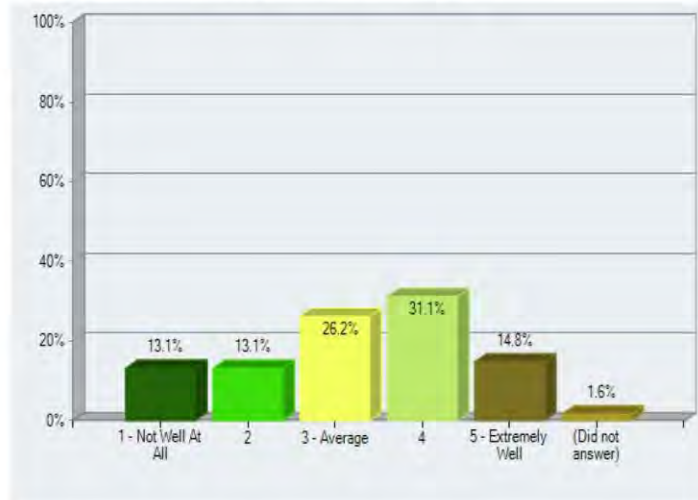




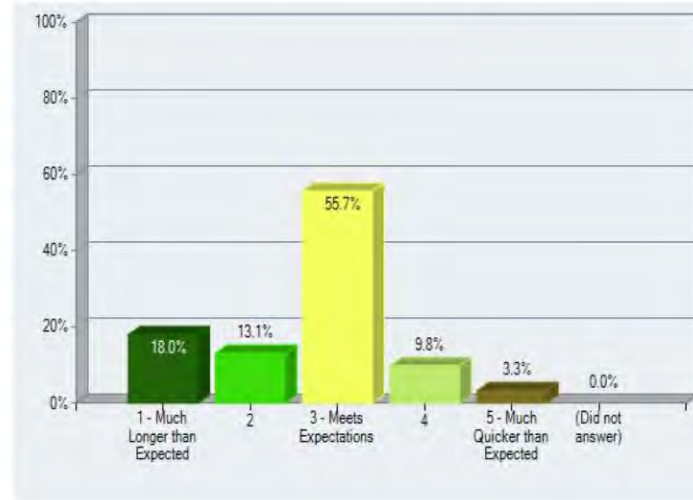
Customer Service Management System Audit



Q7. How well do you feel that Shire of Northam staff understood and responded to your needs, questions and concerns?



Q8. How much time did it take to address your questions and concerns

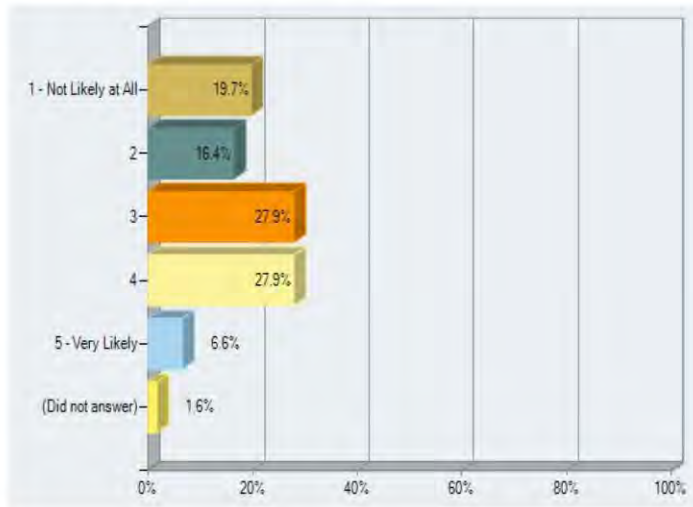




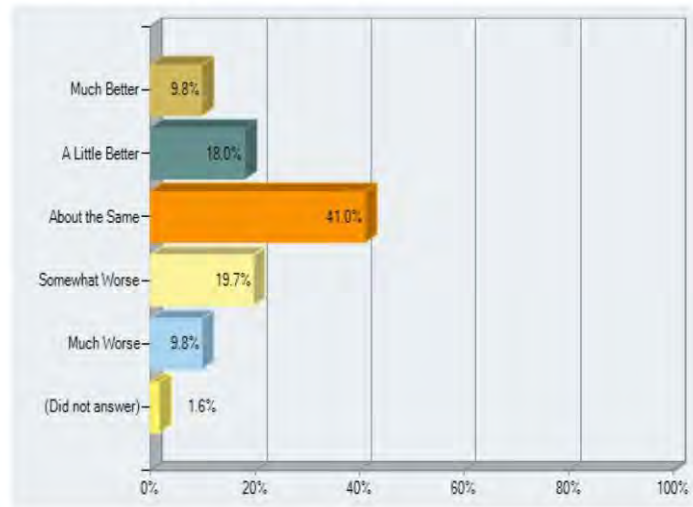
Customer Service Management System Audit



Q11. How likely is it that you would speak highly of the Shire of Northam and its staff to a friend or colleague?



Q9. Comparing your interactions with other Local, State or Commonwealth Government organisations, how would you describe the Shire of Northam's customer service?





Customer Service Management System Audit



Q10. Please tell us why you feel that way.

- Always helpful other than when I filled a request for street trees and waited nearly 2 years and had to follow up several times.
- Managers and their assistants will try to avoid speaking with the customers. Bad leadership with no humanistic skills or care for the job.
- Deal with a lot of Shires and response times are good in comparison.
- Same sort of response time as other Shires.
- The staff at the Shire are always courteous and friendly and always follow things through.
- Shire has been very poorly led at both council and senior management levels. Supervisory staff within the works department border on incompetent.
- Inadequate answers from Planning Management.
- Asked for dangerous part of road to be worked on no response.
- They are completely out of touch with the real world and anti-development.
- Months of back and forth emails and phone calls with no satisfactory resolution.
- Always had friendly customer service as I expect in all organisations.
- Most of the staff are there for a paycheck not to do a good job or the right thing by the community.
- Generally have not had too much of an issue getting a response from the Northam Shire.
- Queries were handled quickly and immediately, not requiring me to return, etc.
- Very bossy, not understanding.
- Most times it is very good but the ranger service is very poor.
- I don't feel they give a shit about the ratepayer.
- My problem was resolved and the reception staff member was friendly.
- Staff were understanding and responsive to my concerns.



Customer Service Management System Audit



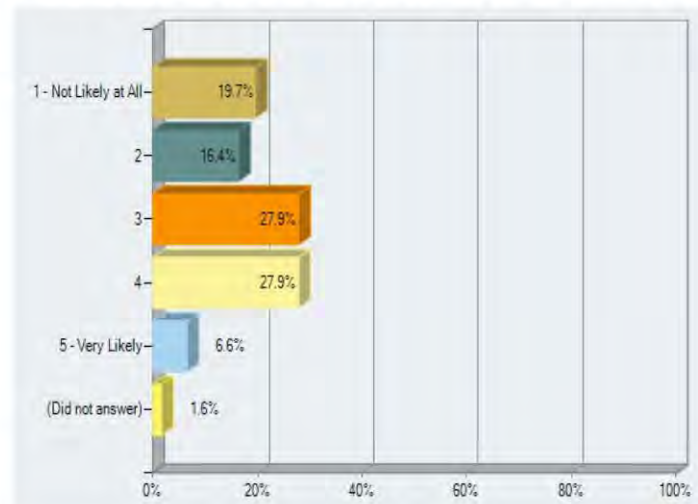
- I am a rate payer. Also chair of 2 community groups and work closely with Shire staff. Some issues take longer to resolve as they include outside services.
- No consistency with who you speak to.
- Some areas of council are great, some are poor, sometime way too old school
- I think they listened and responded to me on the 2 items i addressed with the shire.
- Face to face, friendly and efficient.
- More polite staff and less waiting time than in other Shire offices I have been in contact with.
- The licensing side have been very helpful in the past the shire planning department come across very arrogant and seem to have a chip on their shoulder.
- Senior Staff have little regard for their ratepayers and have the ability to engage with them. Snr staff are not friendly nor helpful to work with.
- The smaller shires we deal with have a smaller and more personal workforce.
- All my concerns have been personally addressed by the staff and answers have been supplied.
- My perception is there is a distinct holier than thou self-importance that treats people as objects. They have forgotten what 'public service' means.
- Do not respond to get the job done effectively in an acceptable time frame. Have to keep going back with the same complaints & I still not satisfied.
- The shire do what is required, no more no less!
- They only have 2 at the front counter and sometimes there is quite a line up but then they are efficient workers.
- Pay huge rates for little to no service.
- They seem to listen well but don't do what they say they will do.
- It's quicker to get in and out.
- There not friendly there just there to do a job.



Customer Service Management System Audit



Q11. How likely is it that you would speak highly of the Shire of Northam and its staff to a friend or colleague?





Customer Service Management System Audit



Q12. Do you have any other recommendations, comments, questions or concerns that will help improve the customer service provided by the Shire of Northam?

- No one can make a decision and you have to deal with 10 people and go round in circles to still get no resolution.
- I would like the shire to preserve the establish trees that the town and surround have rather than cutting so many of them down.
- Excellent staff member on front counter Jack and Barbara. Others very ill informed and lack any interest in helping. CEO disengaged, indifferent.
- Another survey to simply go through the motions and tick a local government management objective.
- It's not a good thing to say when talking about the Shire Policies ... "it's not worth the paper it's printed on!"
- Respond to clients queries and action taken on rectifying there concerns.
- Make the staff realise they are here to help the ratepayers not the other way around!!
- Everyone should be treated equal regardless of where you reside in this town. Complaints should be taken seriously & acted on.
- Later opening hours (5pm) as it is difficult to get there after work and they are closed on the weekends.
- Get some new staff on the counter.
- I believe they do a good job apart from the ranger.
- Try helping, try talking and stop threatening legal action for the slightest infraction.
- Not through personal experience, but am aware through discussions, the planning/building staff could be eminently more helpful than they are currently.
- Importance of feedback from Res/RtPyr to Shire to resolve issues. Working as a Team.
- In building, have 1 person dealing with your folder.
- If you say you're going to return a call then do it and don't pass the buck through the shire staff.
- Tidy up the town help everyone go ahead stop knocking ideas.
- Shire send out fire notices to rate payers about fire hazards what about looking after the verges that are fire hazards.
- I have had regular contact with the Shire office staff over the last eight years, I would say the standard of service has improved during that time.
- Have all staff attend a customer service course.
- Senior staff have excellent employee packages but fail in having the right impersonal or knowledge skills. CEO show little leadership direction.



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- Mainly listen to people for what they want, try to help with their enquiries by directing to the right person, not answer enquiries with little knowledge.
- Deal with feral cats immediately. Listened to my submission re the taking down of the old hospital.
- See people who walk through the door as real people with feelings. The Northam shire council is filled with are self-important arses who don't care.
- Listen, absorb, react appropriately, I pay your wages you inefficient money wasters.
- Not much privacy at the counter.
- Focus on real issues and assist businesses to grow.
- Mostly very accommodating of our requests.
- Anti-social behaviour is a large problem & tolerated by the authorities, not good enough.
- Put words into actions.
- Follow issues through to a finality.



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SECTION 10 – IMAGES AND GENERAL ATTACHMENTS



6. URGENT BUSINESS APPROVED BY PERSON PRESIDING OR BY DECISION

Nil.

7. DATE OF NEXT MEETING

The next Audit Committee meeting is proposed to be held on 23rd May 2018 unless otherwise advised.

8. DECLARATION OF CLOSURE

There being no further business the Presiding Member, Cr C R Antonio declared the meeting closed at 4:54pm.

"I certify that the Minutes of the Audit Committee meeting held on Thursday, 8th March 2018 have been confirmed as a true and correct record."

_____ Presiding Member

_____ Date