



# AUDITOR GENERAL'S REPORT ACTION REQUIRED

## Implementation of Recommendations in Audit Report “311 Toronto – Full Potential For Improving Customer Services Has Yet To Be Realized”

<b>Date:</b>	June 10, 2013
<b>To:</b>	Audit Committee
<b>From:</b>	Auditor General
<b>Wards:</b>	All
<b>Reference Number:</b>	

### SUMMARY

The implementation of recommendations contained in the 2011 audit report entitled “311 Toronto – Full Potential For Improving Customer Service Has Yet To Be Realized” was assessed in early 2013. The purpose of this report is to inform the Audit Committee of the implementation status of recommendations in the 311 audit report.

The 2011 audit report contained 12 recommendations. Based on information provided by management staff and our independent analysis and verification, we have determined that nine recommendations have been fully implemented. The remaining three recommendations were partially implemented.

Since our 2011 audit, 311 Toronto has significantly improved its call response capacity resulting in more calls being answered in a timely manner. The percentage of calls answered within 30 seconds has increased from 35 per cent in 2011 to 66 per cent in 2013. Equally important is fewer calls with wait time longer than three minutes. In 2011, on average nine per cent of callers waited longer than three minutes before answered by an agent. In 2013, only two per cent of callers needed to wait longer than three minutes for their calls to be answered. The unplanned absent days per year, according to management staff, have decreased from an average of 22.9 days in 2011 to 16.2 days in 2012.

### RECOMMENDATION

**The Auditor General recommends that:**

1. City Council receive this report for information.

## **Financial Impact**

The recommendation in this report has no financial impact.

## **DECISION HISTORY**

The audit report entitled “311 Toronto – Full Potential for Improving Customer Service Has Yet to Be Realized” was presented at the November 23, 2011 Audit Committee meeting. In adopting the recommendations contained in the report, the Audit Committee requested the Auditor General to provide an interim progress report to the Audit Committee in June 2012 on the implementation of the recommendations.

The audit recommendations were adopted as amended by City Council at its February 6, 2012 meeting. In light of the relatively short time frame for staff to fully implement the 12 recommendations contained in the audit report, in July 2012 the Auditor General advised the Audit Committee that it would be a more efficient use of audit resources to defer the assessment to 2013. The Auditor General also indicated that a separate report on the implementation status would be provided to the Audit Committee in the second quarter of 2013.

This interim progress report is provided in response to the request by Audit Committee.

## **ISSUE BACKGROUND**

The Auditor General conducts an annual follow-up process to determine whether management has taken appropriate action to implement recommendations contained in previously issued audit reports. The follow-up process is part of the Auditor General’s Annual Work Plan. Results of the 2013 audit follow-up of outstanding recommendations, including recommendations in the 311 audit report, are consolidated in an audit report entitled “Auditor General’s Status Report on Outstanding Audit Recommendations for City Divisions” to the July 2013 Audit Committee meeting.

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

## **COMMENTS**

Based on information provided by management staff and our independent analysis and verification, of the 12 recommendations contained in the audit report, nine had been fully implemented as of April 2013, and three were partially implemented.

Appendix 1 lists recommendations that are fully implemented, and Appendix 2 lists recommendations that are partially implemented along with management's action plan/time frame.

### Improvements to Call Response Capacity

Overall, management has made significant strides in improving 311 Toronto's customer services since the issuance of the audit report in 2011. One of the key concerns raised in the 2011 audit report related to 311 Toronto's call response capacity. During the 2011 audit, on average 1 in 5 calls to 311 Toronto was not answered, and 1 in 10 callers waited longer than 3 minutes before the call was answered.

Recommendation 1 in the 2011 audit report states:

*“City Council request the Director, 311 Toronto Division, to take steps to reduce call wait time and call abandoned rate (i.e. percentage of calls not answered). Such steps should include but not be limited to:*

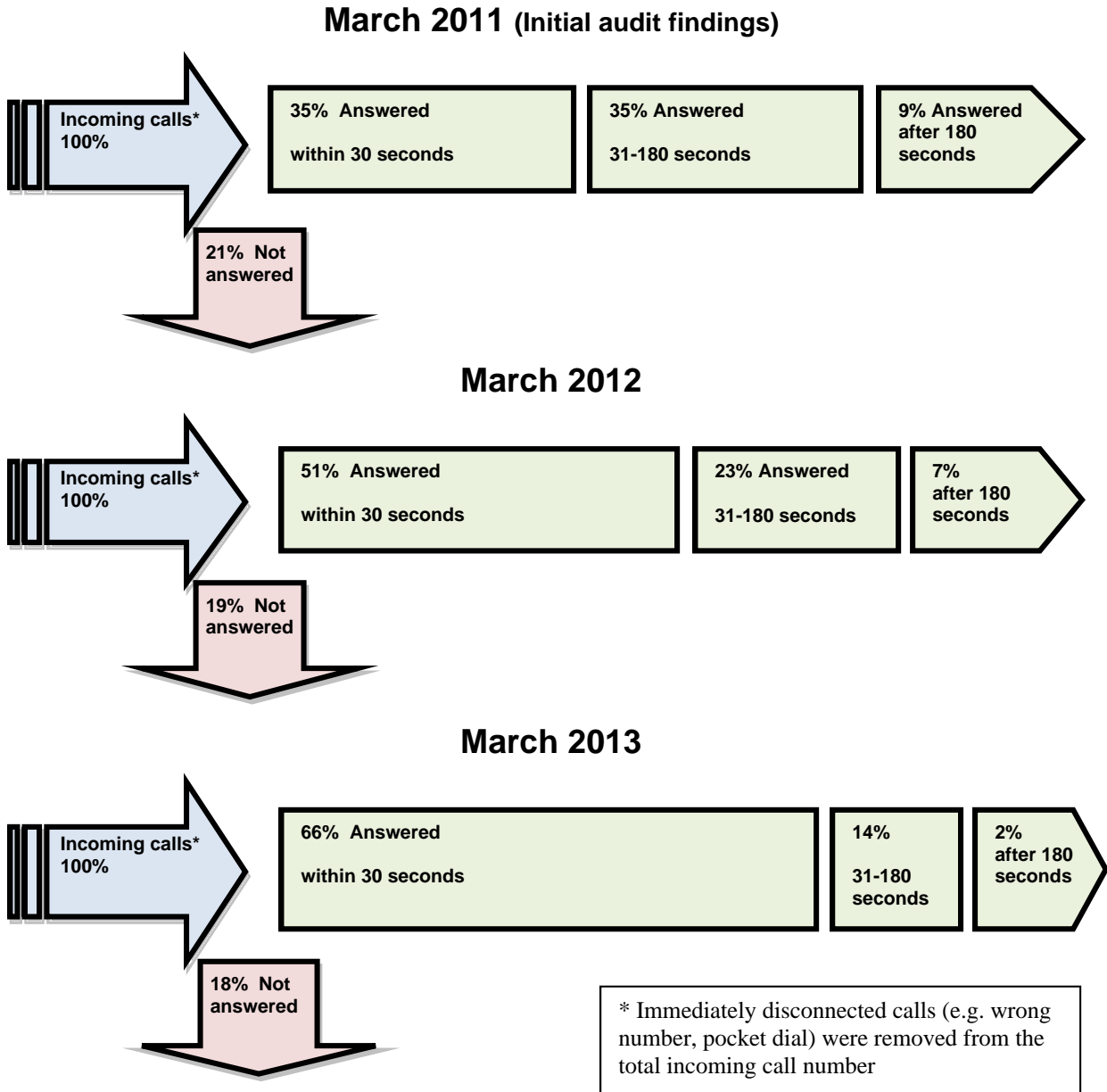
- a. Increasing the number of calls answered per staff per day;*
- b. Addressing the daily absenteeism issue among contact centre staff; and*
- c. Ensuring effective monitoring measures.”*

In response to the audit recommendation, 311 Toronto management staff have initiated a number of measures to improve staff performance and decrease absenteeism. According to staff, the average number of calls answered per staff per hour has increased from 7.4 calls in 2011 to 9.6 calls in the second half of 2012.

The unplanned absent days per year among full-time contact centre staff have decreased from an average 22.9 days in 2011 to 16.2 days in 2012.

To assess the overall effect of management measures on improving customer services, we analysed 311 Toronto's weekly performance metrics and call wait time data provided by staff. Figure 1 shows the changes to 311 Toronto's call response statistics from 2011 to 2013 using March statistics as the basis for comparison.

**Figure 1 Call disposition and wait time, 311 Toronto, March 2011, 2012 and 2013**



While the percentage of calls not answered improved marginally from 21 per cent in 2011 to 18 per cent in 2013, a significantly higher percentage of calls were answered in a timely manner in 2013 when compared to 2011. The percentage of calls answered within 30 seconds has increased from 35 per cent in 2011 to 66 per cent in 2013.

Equally important is fewer calls with wait time longer than three minutes. In 2011, on average nine per cent of callers waited longer than three minutes before answered by an agent. In 2013, only two per cent of callers needed to wait longer than three minutes for their calls to be answered.

Other measures implemented by management staff in addressing our audit recommendations have also contributed to improved call response capacity. These included better alignment of call volume with staff level and use of telephone self-serve technologies to handle high call volume due to unplanned events.

The call disposition and wait time analysis shows that 311 Toronto has improved its customer services since 2011 when the audit was conducted. Nonetheless, there is room for further improvements to reduce the percentage of calls not answered and answer more calls in a timely manner. Management should continue efforts to further reduce unplanned staff absence and improve work efficiency.

#### Additional motion referred by the Audit Committee

In adopting the audit recommendations at its November 2011 meeting, the Audit Committee also referred an additional motion by Councillor Crisanti to the Director, 311 Toronto and the Auditor General, in order that they may determine if any further recommendations will be needed as part of the Auditor General's follow-up report on this matter.

Motion moved by Councillor Crisanti:

That:

1. Recommendation 10 be amended by adding the words "The Director also be requested to consider incorporating telephone surveying to facilitate timely customer feedback", so that Recommendation 10 reads:
  10. City Council request the Director, 311 Toronto Division, to consider including a customer satisfaction survey questionnaire in the 311Toronto website to facilitate timely customer feedback. The Director also be requested to consider incorporating telephone surveying to facilitate timely customer feedback. The survey results be periodically analysed and reported on the 311 website or through other means."
2. The Director, 311 Toronto Division be requested to:
  - a. identify and implement incentives for 311 employees to meet targets set by management;
  - b. report to the Audit Committee on process improvements between 311 and City Divisions that would decrease the time spent by operators following up with City Divisions on service requests;
  - c. report to the Audit Committee on the changes necessary in order to achieve the level of efficiency obtained by New York City;
  - d. adjust the service standard to 30 seconds for answering calls.

The additional motion was reviewed by the Auditor General in conjunction with the Director, 311 Toronto as part of the 2013 recommendation follow-up process.

Management response to the specific suggestions in the additional motion is attached to this report as Appendix 3.

Based on our review of management initiatives and staff reports, the suggestions in the additional motion either have been addressed or will be addressed when the 2011 audit recommendations are fully implemented. As such in our view additional recommendations are not needed.

Our assessment of management efforts regarding the additional motion is as follows:

Regarding additional motion (1):

311 Toronto commissioned a survey by Ipsos Reid in November and December 2012 to gauge customers' level of satisfaction of 311's services.

Regarding additional motion (2a):

Management staff reported that they have implemented various "incentive-based" and "corrective-based" initiatives to reduce absenteeism. The specific initiatives and the impact on staff absenteeism are outlined in a management report entitled "Improving Customer Service at 311 Toronto" to the Employee and Labour Relations Committee in October 2012. Our 2013 recommendation follow-up process also noted improved call response capacity by 311 Toronto.

Regarding additional motion (2b):

Improving the business process between 311 and the five service Divisions is part of audit recommendation number 2 in our 2011 audit report. Management staff reported in 2013 that they were working on implementing this recommendation. When implemented, it is expected that the suggestion raised by Councillor Crisanti in 2b will also be addressed.

Regarding additional motion (2c):

As indicated in our 2011 audit report, one of the advantages of New York City 311 system is its use of telephone self-serve technologies during unplanned emergencies such as winter storms. In response to audit recommendation number 9, 311 Toronto has since incorporated Interactive Voice Response (IVR), a form of self-serve technologies, into its operation to help address high call volume due to planned events. In a Briefing Note to the Mayor and City Councillors dated September 14, 2012, the Director of 311 Toronto credited the use of IVR for reducing the risk of call overload and shorter call wait time during the recreational course registration period. The incorporation of IVR, along with other improvements made by 311 Toronto, will help improve overall efficiency of 311 Toronto.

Regarding additional motion (2d):

As indicated in our 2011 audit report, the public expectation, according to a national survey of Canadian citizens conducted by the Institute for Citizen-Centred Service, is 30 seconds or less call wait time. According to staff, 311 Toronto currently sets 30 seconds as the service standard or key performance indicator for average call wait time. Staff reported that the average call wait time in 2012 was 38 seconds.

### Next Steps

For the nine recommendations in the 2011 audit report that have been verified as fully implemented by audit staff, no further work will be conducted on those recommendations in subsequent audit follow-up cycles. Ongoing implementation and maintenance of the audit recommendations, such as improved monitoring measures and controls, will rely on management's continuous efforts beyond the audit follow-up process.

The three recommendations assessed as partially implemented in 2013 will be re-assessed by audit staff in the 2014 recommendation follow-up cycle. Results of next year's assessment will be compiled in a consolidated audit follow-up report to the Audit Committee.

## **CONCLUSION**

Based on information provided by management staff and our independent analysis and verification, many of the customer service related recommendations in the 2011 audit report have been fully implemented. Of the 12 recommendations contained in the 2011 audit report, nine were verified as fully implemented and three partially implemented.

## **CONTACT**

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## **SIGNATURE**

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Jeff Griffiths, Auditor General

## **ATTACHMENTS**

- Appendix 1: Audit Report “311 Toronto – Full Potential For Improving Customer Services Has Yet To Be Realized”, Audit Recommendations – Fully Implemented
- Appendix 2: Audit Report “311 Toronto – Full Potential For Improving Customer Services Has Yet To Be Realized”, Audit Recommendations - Not Fully Implemented
- Appendix 3: Audit Report “311 Toronto – Full Potential For Improving Customer Services Has Yet To Be Realized”, Management Response to Additional Motion Referred by the Audit Committee



**Audit Report “311 Toronto – Full Potential For Improving  
Customer Service Has Yet To Be Realized”**

**Audit Recommendations – Fully Implemented**

**Recommendations:**

- (1) City Council request the Director, 311 Toronto Division, to take steps to reduce call wait time and call abandoned rate (i.e., percentage of calls not answered). Such steps should include but not be limited to:
  - a. Increasing the number of calls answered per staff per day;
  - b. Addressing the daily absenteeism issue among contact center staff; and
  - c. Ensuring effective monitoring measures.
- (4) City Council request the Director, 311 Toronto Division, to ensure timely response to divisional change requests such that information used by 311 agents is up-to-date to meet both divisional and customer needs.
- (5) City Council request the Director, 311 Toronto Division, to expedite the finalization of a Service Level Agreement with the five City divisions whose service requests are created by 311 Toronto. Protocol and procedures relating to updating divisional information, reporting frequency and criteria, and dispute resolution are to be adequately addressed in the Service Level Agreement.
- (6) City Council request the Director, 311 Toronto Division, to review daily call patterns and staff levels to ensure an appropriate level of staff coverage.
- (7) City Council request the Director, 311 Toronto Division, to ensure cost-effective deployment of staff in alignment with workload for the overnight shift.
- (8) City Council request the City Manager, in consultation with the Chief Information Officer and the Director of 311, to review the level of information technology staff resources in the 311 Toronto Division to identify cost saving opportunities. Such a review should include assessing the merits of merging 311 Toronto information technology resources into the Corporate Information and Technology Division.
- (9) City Council request the Director, 311 Toronto Division, to develop a business case on incorporating telephone self-serve technologies into 311 operation where necessary to improve service level and reduce call wait time. The business case should outline short-term and long-term costs and potential benefits.

- (10) City Council request the Director, 311 Toronto Division, to consider including a customer satisfaction survey questionnaire in the 311 Toronto website to facilitate timely customer feedback. The survey results be periodically analyzed and reported on the 311 website or through other means.
- (11) City Council request the General Manager, Parks, Forestry and Recreation Division, to assess the need for carrying forward the balance of the fund in the 311 Customer Service Strategy sub-project to 2012 Capital Budget. Should the fund be carried forward to future years, the General Manager of the Parks, Forestry and Recreation Division ensures consultation and coordination with the Director of 311 Toronto Division in future expenditures of the fund.

**Audit Report “311 Toronto – Full Potential For Improving Customer Service Has Yet To Be Realized”**

**Audit Recommendations – Not Fully Implemented**

<b>Recommendation Not Fully Implemented</b>	<b>Management’s Comments and Action Plan/Time Frame</b>
<p>(2)City Council request the Deputy City Managers, in consultation with the Director of 311, to conduct a comprehensive review of business processes of the call centers operated by Solid Waste Management, Municipal Licensing and Standards, and Urban Forestry, with a view to streamlining processes to effect a consolidation of operations.</p>	<p>Business processes reviews for Service Requests will be conducted as part of the implementation and integration of a new Work Order Management solution in 2014-2015.</p> <p>ML&amp;S has completed a review of the Investigation Services Tier 2 call centre, which has resulted in the disbandment of the dedicated unit and the redeployment of the function and personnel to the District offices. 311 has also taken over the service request intake function for Animal Services calls while ML&amp;S has retained their call centre for Tier 2 escalation and dispatch functions. ML&amp;S continues to operate a call centre for the Licensing Issuance and Enforcement service lines, as this has not as yet been integrated with 311.</p>
<p>(3)City Council request the Director, 311 Toronto Division, in consultation with the General Managers/Executive Director of Solid Waste Management, Transportation Services, Toronto Water, Municipal Licensing and Standards, and Parks, Forestry and Recreation, to improve the service request status information such that customers are provided with accurate and clear status information on-line.</p>	<p>The Director, 311 in consultation with representatives of SMW, Transportation, Toronto Water, ML&amp;S, Parks, Forestry &amp; Recreation and Corporate IT are reviewing the current data provided to the 311 system from the divisional back-end systems to determine the best possible IT solution to provide more specific on-line public facing Service Request status notes.</p> <p>Implementation is dependent on the timing of the new Work Management Systems currently in development.</p>

<b>Recommendation Not Fully Implemented</b>	<b>Management's Comments and Action Plan/Time Frame</b>
(12) City Council request the Director, 311 Toronto Division, in consultation with the Chief Financial Officer, to ensure that the inter-departmental charges to divisions are based on updated and accurate information supporting the basis for funding and cost recoveries.	Staff from 311, Financial Planning and the Treasurer are currently working with divisions to review options regarding an appropriate service recovery model for 311. Additionally, 311 is upgrading its systems/technology to allow for enhanced tracking of general inquiries. This will provide more accurate and up to date information on the level of service provided to divisions. We anticipate completion by the end of 2013.

**Audit Report “311 Toronto – Full Potential For Improving Customer Service Has Yet To Be Realized”**

**Additional Motion Referred by Audit Committee, November 23, 2011 Meeting**

Additional Motion	Management’s Comments and Action Plan/Time Frame
<p>1. Recommendation 10 be amended by adding the words “The Director also be requested to consider incorporating telephone surveying to facilitate timely customer feedback”, so that Recommendation 10 reads:</p> <p>10. City Council request the Director, 311 Toronto Division, to consider including a customer satisfaction survey questionnaire in the 311Toronto website to facilitate timely customer feedback. The Director also be requested to consider incorporating telephone surveying to facilitate timely customer feedback. The survey results be periodically analysed and reported on the 311 website or through other means.”</p>	<p>Telephone customer service survey was completed by Ipsos Reid in December 2012. Results were posted on the Web in June 2013.  <a href="http://www.toronto.ca/311/survey_results.htm">http://www.toronto.ca/311/survey_results.htm</a></p>
<p>2. The Director, 311 Toronto Division be requested to:</p> <p>a. identify and implement incentives for 311 employees to meet targets set by management;</p>	<p>Incentives for 311 employees was covered in the report to Employee and Labour Relations.  <a href="http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2012.EL7.6">http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2012.EL7.6</a></p>

<b>Additional Motion</b>	<b>Management's Comments and Action Plan/Time Frame</b>
b. report to the Audit Committee on process improvements between 311 and City Divisions that would decrease the time spent by operators following up with City Divisions on service requests;	This will be addressed under Recommendation #2 from the audit report "311 Toronto - Full Potential For Improving Customer Service Has Yet To Be Realized". This is part of our ongoing work with the integrated service divisions.
c. report to the Audit Committee on the changes necessary in order to achieve the level of efficiency obtained by New York City;	311 Toronto has implemented an IVR application (Rec #9) similar to New York City and achieve efficiencies. 311 has achieved other efficiencies similar to New York with the April 2012 launch of the Mobile App., use of Twitter and with the expansion of on-line self services.
d. adjust the service standard to 30 seconds for answering calls.	311 Toronto currently has a key performance indicator (KPI) that the average call will be answered in 30 seconds. In 2012, the actual was 38 seconds.