CROYDON

Final Internal Audit Report

Housing Repairs – In-house Contact Centre

March 2025

Distribution: Corporate Director of Housing
Director of Housing Management
Head of Contact Centre, Estates and Environmental Services
Contact Centre Manager
Strategic Support Officer (Housing)
Head of Finance (Housing)
Corporate Director of Resources (Section 151 Officer) (Final only)
Director of Finance (Deputy Section 151 Officer) (Final only)

Assurance Level	Issues Identified	
Substantial	Priority 1	0
	Priority 2	5
	Priority 3	0

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2. Introduction

1.1 Croydon London Borough Council ("the Council") maintains a stock of around 13,500 Housing Revenue Account (HRA) homes, commonly known as "council homes", as of 31 March 2022. The Council has a responsibility for carrying out repairs and maintenance of Council homes. Residents can report a repair need in one of two ways: a dedicated telephone number or through their online housing account, known as Housing Online.

1.2 Until August 2023, the Council used an external contractor, Axis, to handle calls from tenants and triage repair cases for action. On 1 August 2023, the Council transitioned to an in-house Contact Centre, which now handle all repair enquiries. The main method of reporting is via the telephony system, Ignite. As at the time of audit (October 2024), although operational, Housing Online remained in a testing phase and so was not widely advertised to customers.

1.3 When reports are received from residents, agents have a script to be followed (which requires them to verify customers' identities), supporting flowcharts and the Repair Finder tool within the housing management system, NEC. The flowcharts and Repair Finder tool instructs agents on the questions that need to be asked and the information to be gathered to ensure that the correct diagnosis is made, and a first time fix is achieved.

1.4 The contact centre's performance is monitored via monthly Heads of Service meetings, and in September 2024 reported that a total of 10,881 calls were received, of which 92% were answered and 65.2% were answered within 20 seconds, which a key performance indicator used by the Council to benchmark performance. In future months, the Council intends to extend the range of KPIs used to include, as an example, the results of quality assurance exercises whereby each manager reviews five agent calls per month. These had not commenced at the time of audit.

1.5 The audit was undertaken as part of the agreed Internal Audit Plan for 2024/25. The objectives, approach and scope are contained in the Audit Terms of Reference at Appendix 1.

3. Key Issues

Priority 2 Issues
There was no policy or other formal documentation which set out the approach to managing repairs. **(Issue 1)**
Reporting requirements for call queue management were not outlined in a policy and targets were not in place to benchmark performance for average call time and average wait time. **(Issue 2)**
Agents did not follow the Contact Centre's processes to verify caller identities. **(Issue 3)**
Training requirements and completion records were not maintained. **(Issue 4)**
Incomplete complaints documentation retention, slow responses and the absence of a lessons learnt process. **(Issue 5)**

3. Actions and Key Findings/Rationale

Control Area 1: Regulatory, organisational and management requirements.

Priority	Action Proposed by Management	Detailed Finding/Rationale – Issue 1
2	**Implement New Repairs and Maintenance Policy** Repairs policy drafted and due to go live from 1 April 2025. Consultation has taken place with residents during October & November 2024.	**Expected Control** Formal policy or procedural documents are in place that underpin the Council's approach to managing repair cases reported via the call centre and from Housing Online, an online portal for residents to report repairs. These documents are expected to cover, as a minimum, roles and responsibilities for staff working within the Contact Centre, the training requirements for staff, the KPIs that are used to monitor performance, how the performance of the Contact Centre aligns with the Council's wider objectives, the channels by which tenants can make reports and signposting of any relevant legislation. **Finding/Issue** The Head of Contact Centre, Estates and Environmental Services and the Contact Centre Manager advised that at the time of audit there was no policy or procedural documents which recorded the detail mentioned above and that, with the Contact Centre still in its infancy, the Contact Centre Standards which sets out the framework for quality assurance over the performance of agents, was still a work in progress. **Risk** Where there is a lack of clear guidance in place for Contact Centre staff on the strategic and operational approach to managing repair reports from customers, this can lead to a lack of clarity and accountability for performance and a lack of organisational knowledge as staff turnover occurs.

Responsible Officer	Deadline
Head of Repairs and Maintenance	1 April 2025

Control Area 2: Call queue management.

<table>
<tr><th>Priority</th><th>Action Proposed by Management</th><th>Detailed Finding/Rationale – Issue 2</th></tr>
<tr><td rowspan="2">2</td><td>Repairs and Maintenance Policy to outline monitoring and reporting of KPIs.

As of April 2025, performance reviews to include exception reporting from service heads where performance is not being met with remedial actions to be outlined.</td><td rowspan="2">Expected Control

The Council has a documented framework for regularly reporting call queue management performance against agreed targets.

Finding/Issue

The Team KPIs 24-25 spreadsheet used in monthly Heads of Service meetings included reporting on caller queue management. However, the requirement to include this reporting was not captured within any document.

A review of the Team KPIs 24-25 spreadsheet showed that both the average call length and average wait time were also reported against. However, there was no target in place to benchmark this performance against.

(It should be noted that a recalculation of KPIs to confirm accuracy was not completed as part of this review.)

Risk

Where reporting requirements are not properly documented, there is a risk that metrics are not consistently reported against, resulting in a lack of accountability and persistent performance lag.

Where metrics in place to monitor performance do not have a target level of performance, there is a lack of understanding as to what constitutes good performance and what requires urgent attention.</td></tr>
<tr><td><table><tr><th>Responsible Officer</th><th>Deadline</th></tr><tr><td>Head of Repairs and Maintenance</td><td>1 April 2025</td></tr></table></td></tr>
</table>

Control Area 3: Caller verification.

<table>
<tr><th>Priority</th><th>Action Proposed by Management</th><th>Detailed Finding/Rationale – Issue 3</th></tr>
<tr><td rowspan="3">2</td><td>Monitoring of Contact Centre Staff to ensure caller verification is taking place.

All staff given caller verification mandatory script to use.

Calls are monitored by service managers via monthly Quality Assurance Call monitoring with feedback given to advisors for each call listened to – automatic fail if verification not made. Performance improvement plan implemented for recurring fails.</td><td rowspan="3">Expected Control

Within the Housing Responsive Repairs Script process flowchart maintained to instruct agents on how to take calls from customers and identify the repair works to be raised, there is a section which states that agents are required to ask customers to provide their name, address, contact number and date of birth.

Finding/Issue

A review of a sample of five repair call recordings received from tenants identified:

• Three cases where the agent did not ask the customer to confirm their address.

• In all five cases the agent did not ask the tenant to confirm their date of birth.

The Contact Centre Manager advised that the reason that staff did not follow the process was because not all staff had completed all applicable training and that there was a need to refresh training for the agents as a whole. The Contact Centre Manager further noted that, they intend to begin performing quality assurance exercises with managers reviewing five agent calls a month to identify areas of non-compliance with the process and further training needs.

Risk

Where customer identities are not verified, sensitive information is shared with fraudulent actors, creating the potential for financial loss to the Council and breaches of data protection legislation.</td></tr>
<tr><td>Responsible Officer</td><td>Deadline</td></tr>
<tr><td>Contact Centre Manager</td><td>1 April 2025</td></tr>
</table>

Control Area 4: Customer experience.

<table>
<tr><th>Priority</th><th>Action Proposed by Management</th><th>Detailed Finding/Rationale – Issue 4</th></tr>
<tr><td rowspan="3">2</td><td>Implement Training Matrix for Contact Centre Staff.

Training packs in place for new starters.

Quality Assurance call monitoring taking place with individual coaching plans for staff based on findings.

Training Matrix to be maintained by team managers.</td><td rowspan="3">Expected Control

Training requirements for Contact Centre staff are clearly documented and a record of training delivered is maintained.

Finding/Issue

At the time of the internal audit (October 2024), there was no records maintained of the training delivered, who was in attendance and which staff had not completed individual training sessions.

The Contact Centre Manager stated that they intend to begin recording the completion of training in the next few months and that team members would be required to sign a form stating that they have completed and understood their training.

Risk

Training requirements and training records are not maintained, resulting in variances in the level of competence of staff and subsequently performance lag.</td></tr>
<tr><td>Responsible Officer</td><td>Deadline</td></tr>
<tr><td>Contact Centre Manager</td><td>1 April 2025</td></tr>
</table>

Control Area 4: Customer experience.

<table>
<tr><th>Priority</th><th>Action Proposed by Management</th><th>Detailed Finding/Rationale – Issue 5</th></tr>
<tr><td>2</td><td>Head of Service to continue to monitor service area complaints on a weekly basis to ensure complaints handled in time and to the required standard.

Weekly complaints report monitored with outstanding/late complaints raised with the team for immediate action.</td><td rowspan="3">Expected Control

The Council should respond promptly and in line with its Complaints Policy (2024) when any complaints are received in relation to the Contact Centre and a record should be kept of each stage of the process. Where complaints are upheld, a lessons learned exercise should be completed and recorded within an action log to help drive performance improvements.

Details of the complaint and steps taken are recorded on the Council’s complaints management system Infreemation.

Finding/Issue

A review of a sample of five complaints and corresponding documentation received in the last 12 months concerning the Contact Centre identified the following:

<u>Acknowledgements were late or missing</u>

In two cases the report extracted from Infreemation, which is supposed to contain information relating to all stages of the complaint, did not contain the letter of acknowledgement, which management advised should be automatically generated.

<u>Responses were late or missing</u>

In three cases, the report extracted from Infreemation did not include the resolution letter sent to the tenant at the conclusion of the investigation.

In four cases where either the letter of resolution could be reviewed or there were date stamps within Infreemation, the time to resolve the case was in excess of ten working days with a range of 12 to 79 working days. In each of these cases, a letter had not been evidenced as sent to the complainant to advise them of the need for an extension.</td></tr>
<tr><td>Responsible Officer</td><td>Deadline</td></tr>
<tr><td>Head of Contact Centre, Estates and Environmental Service</td><td>28/02/25</td></tr>
</table>

		The Contact Centre Manager advised that previously, staff were sending emails to complainants rather than attaching letters to Infreemation and that this explained the absence of letters of resolution. In one case, a deadline for resolution was set for ten working days after the ten working days allowed for stage one complaints. The Contact Centre Manager stated that they were unsure why this was the case but that there had been instances in which deadlines had been delayed due to cases being initially allocated to the incorrect team for investigation. <u>Lessons learned</u> The Head of Contact Centre, Estates and Environmental Services advised that no such process was in place at the time of the internal audit and therefore management could not demonstrate where lessons had been recorded, and actions subsequently taken in response to an upheld complaint. The Contact Centre Manager stated that since May 2024 there has been staff turnover and a change in management of the Contact Centre to improve performance. Since May 2024, the Contact Centre has received only one complaint in relation to poor performance. The Head of Contact Centre, Estates and Environmental services and the Contact Centre Manager stated that where complaints are upheld in future, these will be investigated by themselves. **Risk** The Council does not issue prompt acknowledgements and responses to tenants, resulting in tenant dissatisfaction and escalation to the Housing Ombudsman. Lessons learned are not completed, resulting in a missed opportunity to improve performance.

Appendix 1

AUDIT TERMS OF REFERENCE

Housing Repairs In-House Contact Centre

1. INTRODUCTION

1.1 Croydon London Borough Council ("the Council") maintains a stock of around 13,500 Housing Revenue Account (HRA) homes, commonly known as "council homes" as of 31 March 2022. The Council has a responsibility for carrying out repairs and maintenance of Council Homes. Residents can report a repair need in one of two ways: a dedicated telephone number or through their online housing account.

1.2 Until August 2023, the Council used an external contractor, Axis, to handle calls from tenants and triage repair cases for action. On 1st August 2023, the Council transitioned to an in-house Contact Centre, which will now handle all repair enquiries going forward.

1.3 In preparation for the handover from Axis, a shadow in-house Contact Centre had begun operation earlier in 2023. The shadow Contact Centre aimed to ensure that the centre was prepared, and that staff had been trained to begin processing repair requests from August 2023.

1.4 This audit is being undertaken as part of the agreed Internal Audit Plan for 2024/25.

2. OBJECTIVES AND METHOD

2.1 The overall audit objective was to provide an objective independent opinion on the adequacy and effectiveness of controls / processes.

2.2 The audit for each control / process being considered:

- Walked-through the processes to consider the key controls;
- Conducted sample testing of the identified key controls, and
- Reported on these accordingly.

3. SCOPE

3.1 This audit, focused on the In-house Contact Centre, was undertaken as part of the 2024/25 Internal Audit Plan. The specific scope included the following areas and recommendations:

Control Areas/Risks	Issues Raised		
	Priority 1 (High)	Priority 2 (Medium)	Priority 3 (Low)
Regulatory, organisational and management requirements	0	1	0
Call queue management	0	1	0
Caller verification	0	1	0
Customer experience	0	2	0

Control Areas/Risks	Issues Raised		
	Priority 1 (High)	Priority 2 (Medium)	Priority 3 (Low)
Logging of repair requests	0	0	0
Management reporting	0	0	0
Total	**0**	**5**	**0**

Appendix 2

Definitions for Audit Opinions and Identified Issues

In order to assist management in using our reports:

We categorise our **audit assurance opinion** according to our overall assessment of the risk management system, effectiveness of the controls in place and the level of compliance with these controls and the action being taken to remedy significant findings or weaknesses.

	Full Assurance	There is a sound system of control designed to achieve the system objectives, and the controls are constantly applied.
	Substantial Assurance	While there is basically a sound system of control to achieve the system objectives, there are weaknesses in the design or level of non-compliance of the controls which may put this achievement at risk.
	Limited Assurance	There are significant weaknesses in key areas of system controls and non-compliance that puts achieving the system objectives at risk,
	No Assurance	Controls are non-existent or extremely weak, leaving the system open to the high risk of error, abuse, and reputational damage.

Priorities assigned to identified issues are based on the following criteria:

Priority 1 (High)	Fundamental control weaknesses that require immediate attention by management to action and mitigate significant exposure to risk.
Priority 2 (Medium)	Control weakness that still represent an exposure to risk and need to be addressed within a reasonable period.
Priority 3 (Low)	Although control weaknesses are considered to be relatively minor and low risk, still provides an opportunity for improvement. May also apply to areas considered to be of best practice that can improve for example the value for money of the review area.

Statement of Responsibility

We take responsibility to London Borough of Croydon for this report which is prepared on the basis of the limitations set out below.

The responsibility for designing and maintaining a sound system of internal control and the prevention and detection of fraud and other irregularities rests with management, with internal audit providing a service to management to enable them to achieve this objective. Specifically, we assess the adequacy and effectiveness of the system of internal control arrangements implemented by management and perform sample testing on those controls in the period under review with a view to providing an opinion on the extent to which risks in this area are managed.

We plan our work in order to ensure that we have a reasonable expectation of detecting significant control weaknesses. However, our procedures alone should not be relied upon to identify all strengths and weaknesses in internal controls, nor relied upon to identify any circumstances of fraud or irregularity. Even sound systems of internal control can only provide reasonable and not absolute assurance and may not be proof against collusive fraud.

The matters raised in this report are only those which came to our attention during the course of our work and are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be made. Recommendations for improvements should be assessed by you for their full impact before they are implemented. The performance of our work is not and should not be taken as a substitute for management's responsibilities for the application of sound management practices.