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Ministry of Social Development: How it deals with complaints

Progress in responding to
the Auditor-General's
recommendations



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Introduction

- 1.1 The Ministry of Social Development (the Ministry) is the largest public service department in New Zealand. Each year it administers more than \$20 billion in government expenditure and provides services to help more than 1.1 million people and 110,000 families.
- 1.2 In August 2014, we published a report on how well the Ministry managed complaints about how it delivers its services. We looked at:
 - how easy it was to complain to the Ministry;
 - how responsive the Ministry was to complaints; and
 - how the Ministry used information about complaints and other comments to keep improving.
- 1.3 We considered that the Ministry would be an appropriate department to assess performance in managing complaints because of its significant interaction with the public.
- 1.4 We chose complaints management because it is a useful way to measure an organisation's commitment to customer service. Complaints are also a valuable source of information for improving services and systems.
- 1.5 Because there was no single complaints process for the Ministry, our performance audit looked at how the Ministry's Work and Income, Senior Services, and StudyLink service delivery units managed complaints. We did not audit the Child, Youth and Family complaints process because external consultants had independently reviewed it.
- 1.6 In 2014, Work and Income had 162 Work and Income service centres, Community Links, and satellite sites, organised into 11 regions that were each led by a Regional Commissioner. At that time, frontline staff case-managed about 400,000 people each month and helped 86,000 people get work each year. Work and Income's five contact centres received more than 125,000 telephone calls a week in any of 12 languages.
- 1.7 When we did our audit in 2014, the Senior Services section worked from the Work and Income offices, delivering benefit services to almost every senior citizen in New Zealand. StudyLink had a centralised processing centre in Palmerston North and six Outreach sites in main university centres. As at 2014, StudyLink processed more than 240,000 student loan applications and about 150,000 student allowance applications a year.

Our 2014 audit findings and recommendations

- 1.8 Overall, we found that the Ministry handled complaints well but that it could improve some minor aspects of the process.
- 1.9 As part of our 2014 audit, we commissioned a survey and interviews of a sample of people who had complained to the Ministry. Most of the people surveyed felt that their complaint was resolved and the Ministry's final decision about the complaint was fair. Most of the people surveyed and interviewed felt that complaining to the Ministry was worthwhile and that there were many positive aspects to the way the Ministry dealt with complaints. These included:
- making it reasonably easy for people to complain;
 - dealing with problems early at an appropriate organisational level;
 - staff acting professionally and giving people the opportunity to say all that they wanted to say, as well as correctly understanding the person's complaint;
 - having a focus on resolving complaints; and
 - changing some practices as a result of complaints and other comments.
- 1.10 We felt the Ministry could improve by:
- managing expectations better by more clearly explaining the complaint process and time frames;
 - keeping people well informed about how their complaint is being dealt with; and
 - informing people of any improvements to service delivery as a result of their complaint.
- 1.11 The Ministry did not have a consistent approach to managing complaints. Each of the major departments in the Ministry ran its own process. This resulted in inconsistency in how complaints were managed, monitored, and reported, which meant that the Ministry did not have a complete picture of how many complaints it received and resolved.
- 1.12 Our 2014 report had two recommendations for the Ministry. These were:
- to prepare an approach that enables it to collect information about complaints from throughout the Ministry, monitor and report this information to the Ministry's Leadership Team consistently, and use the information to improve its systems and how it delivers services; and
 - to improve the clarity of standards and response times for responding to complaints, and how well it keeps people informed of progress and outcomes.

What we did to follow up our audit findings and recommendations

- 1.13 To follow up our 2014 audit, we focused our work on what progress the Ministry had made against our two recommendations. This included:
- requesting the Ministry to complete a self-assessment of progress, which we then analysed;
 - reviewing documents about the complaints process and the Ministry's progress; and
 - conducting interviews with managers responsible for complaints management in the Ministry.
- 1.14 We did not conduct another survey or re-interview complainants because most people were satisfied with how their complaint was handled when we did our survey and interviews in 2014.

Summary of progress since 2014

- 1.15 During our follow-up review, we found that:
- the Ministry has made some progress but has yet to fully put in place our recommendations;
 - although the Ministry started several initiatives to improve complaints management, other organisational changes and conflicting priorities resulted in resources not being available to continue this work;
 - a whole-of-Ministry complaints project was started in June 2014 before we published our report but was put on hold in July 2015 because of resourcing issues; and
 - in August 2016 the Ministry began a new project on complaints management to specifically address our recommendations. Progress is being made on preparing a Ministry-wide strategy on complaints management, followed by the development of an improved IT system to manage, monitor, and report complaints.
- 1.16 Overall, the Ministry has made slower progress than expected since our 2014 report. Changes to the organisation of services, such as the transfer of work from Housing New Zealand to the Ministry and the formation of the Ministry for Vulnerable Children, have taken priority and slowed progress. Responding to unanticipated events, such as the Ashburton shootings in September 2014 and the Kaikoura Earthquake in November 2016, and changes to the Ministry's systems have also affected progress. The Ministry needs to ensure that its current project to improve complaints management is appropriately managed

and resourced to achieve its intended benefits. We will not do further follow-up work but will continue to monitor the Ministry's progress in addressing our recommendations through our regular engagement with it.

- 1.17 The following sections describe the Ministry's progress in addressing our 2014 recommendations.

The Ministry's progress in developing a more consistent approach to collecting, monitoring, and reporting complaints

Early progress

- 1.18 In March 2014, before we published our report, the Ministry began taking steps to clearly identify problems with how it managed complaints and the approach it needed to take to improve handling complaints, based on its own internal reviews.
- 1.19 In July 2014, the Corporate and Governance Committee gave the Ministry approval to investigate options and prepare a proposal for establishing a high-quality, whole-of-Ministry approach to complaints to improve service design and performance throughout the Ministry. The recommendations from our 2014 report reflected a need to improve in this area.
- 1.20 A project to prepare the whole-of-Ministry complaints approach, implement a complaints management strategy, and identify a complaints system that would work across the Ministry was established. The Ministry aimed to complete these improvements by 30 June 2015. Our recommendations were included as part of this project.
- 1.21 In November 2014, the Ministry appointed a contractor to create a visual concept for the whole-of-Ministry approach to complaints and to run workshops to progress the concept. One of these workshops aimed to establish a Ministry-wide definition of a complaint to clearly distinguish between complaints and reviews of decisions. The workshop also sought to examine best practice in complaints management by social service organisations worldwide and to align these practices with the findings of our 2014 audit.
- 1.22 Since May 2015, to help the Ministry take a uniform approach to managing complaints, most of its service delivery units have entered information about complaints into a single platform (the existing system, the HIYA platform). The HIYA platform allows simple recording and management of a complaint from receipt to resolution, with built-in escalation and standards for resolving complaints.

- 1.23 The StudyLink unit of Regional Services used to be a service line in its own right. It records and monitors all its complaints through a separate database that it maintains. This is mainly because its products and processes are different from those of the rest of the Ministry.
- 1.24 This means that StudyLink's complaints processes were not compatible with the HIYA platform unless some major changes were incorporated into HIYA. Because of low numbers, the Ministry considered that StudyLink could continue to manage its complaints through a separate database.
- 1.25 Apart from the StudyLink unit of Regional Services, all of the Ministry's service delivery units now use the HIYA platform to record and track complaints. The Ministry considers that consolidating complaints data into the HIYA platform has considerably improved the efficiency of its data collection.
- 1.26 A collated report of complaints based on the HIYA database and the complaints managed by StudyLink is now compiled centrally for reporting to the Ministry's Performance Committee. However, it is not clear whether this improved reporting has led to, or is leading to, service improvements.

Delays in the development of a whole-of-Ministry approach to complaints management

- 1.27 In July 2015, the Ministry decided to put the whole-of-Ministry complaints project on hold. Other changes and events (outlined in paragraph 1.16) happening around this time were given priority, and the information technology (IT) team in the Ministry was at full capacity. Developing an IT-based solution for a more standardised approach to complaints management was a crucial part of the whole-of-Ministry complaints project. The Ministry decided it could not progress without sufficient IT resources.
- 1.28 There was also some uncertainty at this time about the shared governance structure in the Ministry and how complaints would be managed overall.

Progress towards a whole-of-Ministry approach to managing complaints has started again

- 1.29 In August 2016, the Ministry began a new project on complaints management to specifically address the recommendations in our 2014 report.
- 1.30 This is a two-phase project. The first phase is to develop and implement a Ministry-wide strategy and approach for complaints management and reporting in a coherent framework based on the principles of accessibility, consistency, responsiveness, natural justice, accountability, and learning. This phase includes

preparing an agreed definition of a complaint and clarifying standards, response times, and consistency of reporting.

- 1.31 The second phase includes developing an IT system to replace the ageing HIYA platform or to integrate it with the Ministry's existing systems. It is expected that this phase will involve identifying and investing in an IT-based solution. This solution could be developed by using one of the Ministry's existing IT platforms or by acquiring a new commercial solution. This phase will involve deploying the solution, including training.
- 1.32 The Ministry expects the complaints management strategy to:
- take a Ministry-wide view, aligning complaints management with the Ministry's purpose and strategic and business goals;
 - strengthen the integrity of the complaints management system through a clear and consistent Ministry-wide approach that is objective and fair to the complainant;
 - collect and monitor information about complaints and report it to the Ministry's Leadership Team; and
 - allow the Ministry to analyse complaints, report on underlying issues or trends, and use this information to improve its handling of complaints and service delivery.
- 1.33 The first elements of this programme are progressing. It is unclear when the first phase of the project will be completed.

Limited improvements made in the past two years on improving communication with complainants

- 1.34 Because the complaints project that was started in 2014 was put on hold for about a year, improvements to how the Ministry handles complaints have been slow to emerge. Some limited improvements have been made in the past two years on how the Ministry communicates with complainants.

Improvements made

- 1.35 Several small changes have been made to the complaints process and communication with complainants in the StudyLink unit of Regional Services. In December 2014, the information on the StudyLink website about the complaints process was improved. The new information includes the definition of a complaint, how long it can take to resolve a complaint, the Ministry's responsibilities in the complaints process, and what recourse is available if the complainant is not satisfied with the outcome.

- 1.36 In early 2015, further improvements made in the StudyLink unit included an operational process to ensure that all complainants are contacted to discuss their issues before the complaint is investigated. At this point, the complainants should be given an estimated time frame for resolution. An email complaint acknowledgement template, including time frames for resolution, has also been developed. Templates for letters to complainants were improved.
- 1.37 About the same time, a new Database Administrator role was established. The Database Administrator is responsible for monitoring and following up all complaints to ensure that estimated time frames are met.
- 1.38 In May 2016, the Ministry's website was updated to make the distinction between complaints and reviews of decisions clearer to the general public. The "Contact us" page in the Ministry's website was redesigned with separate tabs for "Making a Complaint" and "Review of decision" to make it easier to make a complaint or to apply for a review of a decision.

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