



Office of the Auditor General / Bureau du vérificateur général

AUDIT OF CLIENT SERVICE CENTRES

2012

VÉRIFICATION DES CENTRES DU SERVICE À LA CLIENTÈLE

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EXECUTIVE SUMMARY

Introduction

The Audit of Client Service Centres was included in the 2012 Audit Plan of the Office of the Auditor General (OAG), approved by City Council on December 14, 2011.

Background

The Client Service Centres (CSC) assist various departments and branches throughout the City to provide information, support and access to City services in person. The City's seven Client Service Centres are listed below:

Urban Locations:

1. Ottawa City Hall - Laurier Client Service Centre
2. Kanata Client Service Centre
3. Ben Franklin Place Client Service Centre
4. Orléans Client Service Centre

Rural Locations:

5. Metcalfe Client Service Centre
6. West Carleton Client Service Centre
7. North Gower Client Service Centre

The four urban Client Service Centres are open Monday to Friday and the three rural centres are open one day per week. Client Services are also partners in two Government Service Centres (Laurier and Kanata) to provide a one-stop service centre for access to information and services for federal and provincial services in addition to municipal government services.

The Client Service Centres have approximately 40 Full Time Equivalents (FTEs) representing 33% of the newly created ServiceOttawa department as at December 2011. The Client Service Centres portion of the 2011 adjusted budget was \$3.2 million in expenditures including \$2.9 million for compensation. There was \$1.4 million in budgeted revenues relating to Marriage Licenses and Ceremonies, Death Registrations, Commissioner of Oaths and sales of goods. Management initially estimated the CSC processed approximately 170,000 transactions for 2011 which would include transactions relating to their budgeted revenue as well as transactions processed on behalf of other operational areas.

Audit Objectives and Scope

The audit objectives were to:

- Confirm the completion of an operational risk assessment for the Client Service Centres;
- Assess the degree to which the Client Service Centre systems and processes are aligned with strategic priorities including Service Excellence and support efficient and effective service delivery. This would include cash handling and how the City measures client satisfaction;
- Ensure that the City has maximized the use of non face-to-face interaction for services provided through the Client Service Centres; and,
- Identify areas of potential savings for the City in the efficient and effective management and operation of the Client Service Centres.

The scope of this audit was limited to the review and analysis of the efficiency and effectiveness of the Client Service Centres for fiscal year 2011.

Although Laurier and Kanata centres provide access to federal and provincial information and services, this audit only included the services the City provides.

This audit also reviewed the key issues identified in the 2002 Audit of Client Service Centres conducted by the former Audit and Consulting Services and the extent that they were addressed by management.

This audit did not include the 3-1-1 Contact Centre as this area was audited in 2007 and the follow-up conducted in 2009.

Summary of Key Findings

1. The lack of an updated operational risk assessment at the Client Service Centres unit level as required by the April 2010 Council approved Enhanced Risk Management (ERM) Framework and Policy. Management indicated that the department conducted a Departmental Risk Assessment, which they believe met the corporate requirement. However, this would still require an operational risk assessment at the CSC unit level. As part of ServiceOttawa's 2013 work plan, management is conducting an in-depth operational risk assessment of the Client Service Centres.
2. ServiceOttawa Department is still in the process of developing the strategic risk register to accompany the ServiceOttawa Strategic Departmental Plan which would identify and classify risks. Although not completed at the time of the audit, management has indicated that they have completed the development of the strategic risk register. ServiceOttawa management indicated there are risks to business continuity in their environment as a result of significant changes to staff, technology, processes and transfer of business lines.

3. Risks of staff capacity and budget were identified as medium rated risks by the former Organizational Development and Performance department at the departmental planning level in January 2011.
4. CSC Procedural documents are not consistent with the Corporate Administrative Procedures template, do not always clearly articulate the CSC role or the actual process followed, and are not always supported with authorized validation of the process by the business process owner.
5. System accesses used by staff at Client Service Centres are not always appropriate such as accesses not being removed for terminated or transferred employees, delayed removal of accesses for terminated employees, generic user accesses, and more extensive accesses than required for the position's functions. We found that for Datasym there were 83 individuals with accesses which is approximately twice the number of positions within the Client Service Centres. A clean-up was performed in the Datasym cash register system in July/August 2012 during the course of this audit to review, update, and delete accesses for cashiers that were no longer working in the area. Management indicated that this clean-up occurred as a result of the Cash Register Replacement Project. Some of these accesses should have been deleted in September 2011.
6. Data provided to Council as performance data for 2011 was incomplete as it was based on manual compilation of cash register transaction volume data which reports strictly raw numerical quantities of transactions representing levels of activities and doesn't measure performance. The report does not provide any sense of the nature of the transaction or service, the level of effort involved, performance information such as time and line measures or radius of delivery or quality information such as customer service. They do not have performance measures or formally adopted standards. The management report also excludes data from other systems for transactions processed by CSC staff such as Vital Statistics for Death Registrations and Class for Program Registrations, Memberships and Bookings and services that don't result in payments.
7. Different versions of reports provided by management to us during the course of the audit for 2011 contained different quantities and categories of transactions as there was a lack of understanding of the systems used to report transactions. For instance some reports totalled 170,000 versus 182,265.
8. Analysis of service fees (such as Marriage License, Commission of Oaths, Travel Documents, etc.) was not available to determine whether or not full costs of services were appropriately recovered. Although management indicated that there had been reports provided to Council in 2005 and 2006 relating to Marriage Ceremonies, these have not been updated within the last six years.

9. There are issues impacting the efficiency and effectiveness of cash handling and compliance to the Cash Handling Policy and Procedures. Examples of non-compliance include: Lack of control over items of monetary value assigned to the CSC, segregation of duties issues, CSC staff going directly to the bank for change, lack of indemnity forms for some cashiers, lack of a cash drawer (at Laurier) for the separate Class cash register, and risk of not issuing payment card refunds to the same payment card as the original transaction.
10. The report to Committee and Council by Finance department for the new cash register system did not quantify the benefits.
11. The results of the 2011 Client Satisfaction Survey conducted by management during 2011 showed that the Client Satisfaction categories of "Timeliness, Got what I needed, Accessibility (Laurier only) and One-stop satisfaction (Laurier only)" had dissatisfaction ratings greater than 10%. In our opinion, this was a high level of dissatisfaction. These results which were to serve as a baseline were not provided to Committee and Council.
12. The analysis of options to maximize non face to face interactions for service delivery and potential savings of alternative delivery methods was not complete. Transactions processed at the CSCs included 42,708 Tax and Water payments which represented approximately 23% of the total. There are opportunities for further promoting automated Tax and Water payments and discouraging in-person payments.
13. CSC resources are allocated across seven locations with four locations open five days a week and three locations open one day per week creating the potential for downtime at some locations which is not available to be utilized at other locations. As detailed in Section 5.4.1 of the full report, there is an estimated low volume of transactions processed at CSCs. Based on the 2011 daily average transactions ranged from an estimated 11 to 31 per Client Service Representative per day across the seven CSCs. The details are in the following chart:

2011 Daily Average Transactions Processed by Client Service Representative (CSR)

	Laurier	Ben Franklin Place	Orléans	Kanata	Metcalfe	Kinburn	North Gower	Overall Summary
Total annual number of transactions	93,245	38,484	25,438	19,354	2,269	1,217	2,257	182,264
Number of days centres open during year	248	248	248	248	54	53	52	1,151
Daily average number of transactions	376	155	103	78	42	23	43	N/A
2011 Actual FTEs - Restated to reflect 2 staff assigned from Ben Franklin, Orléans and Kanata to rurals for one day per week	12.0	7.6	4.6	5.6	2.0	2.0	2.0	31
Daily average transactions processed by CSR	31	20	22	14	21	11	22	26

14. Management reports to support monitoring capacity and utilization are not always available, and where they are produced, are not always complete, fully understood or validated through a QA process.
15. Based on the OAG analysis using available information from management as detailed in Section 5.4.2 of the full report, CSC resources are not fully utilized. Based on the estimated volume of transactions across all locations, in our opinion there is an estimated 13 FTEs underutilized for a potential savings of \$824,000. Cost saving opportunities include considering closing some of the CSCs based on low usage rates. We realize there may be other reasons that the City may wish to consider in evaluating if locations should be closed. There are also opportunities to find efficiencies at Laurier and Ben Franklin Place.
16. The costs recovered for the Government Service Centres did not include the complete cost of salaries, benefits and overhead for greeters in accordance with established agreements with Service Ontario / Service Canada for a potential additional recovery estimated at approximately \$35,800.

Recommendations and Management Responses

Recommendation 1

That the City implement an operational risk assessment for Client Service Centres.

Management Response

Management agrees with this recommendation.

Management will complete an operational risk assessment for the Client Service Centres by the end of 2013.

Recommendation 2

That the City complete the implementation plan to address areas of risk relating to Vital Statistics.

Management Response

Management agrees with this recommendation.

Management has implemented nine of the thirteen recommendations from the 2012 external consultant review of the Vital Statistics Program. The remaining four recommendations are within the purview of the provincial government. The City will continue to work with the provincial government on implementing these outstanding recommendations; however the City does not have the authority to complete them. Therefore, management considers implementation of this recommendation to be complete.

Recommendation 3

That the City validate and authorize procedures by the business process owner; make them consistent with the Corporate Administrative Procedures template; clearly articulate the CSCs role; and, monitor practices against the procedure.

Management Response

Management agrees with this recommendation.

Management has commenced the process of validating all procedures with the appropriate business process owners and will obtain/track the authorization of all procedural changes as required.

ServiceOttawa will develop a template for departmental procedures based on the Corporate Administrative Procedures template, and will update the current internal procedures to ensure consistency. Procedures will also be updated to include the CSC role. This will be completed by the end of Q4 2013 and procedures will be reviewed and updated annually as required.

Recommendation 4

That the City review and update system accesses for staff working at Client Service Centres to an appropriate level and remove or revise these as staff change positions or leave the City.

Management Response

Management agrees with this recommendation.

System accesses will be fully reviewed and updated by the end of Q2 2013. Moving forward, management will conduct an annual review of staff system access. In addition, a departure check-list for staff has been introduced to ensure that accesses are removed or revised appropriately as staff change jobs or leave the City.

Recommendation 5

That the City measure performance to adequately reflect it against strategic priorities and operational objectives to provide adequate information to Council and improve effectiveness.

Management Response

Management agrees with this recommendation.

Since the time of the audit, management has implemented quality assurance measures at the Client Service Centres in support of Council's "*Improved Operational Performance*" and "*Ensure a positive experience for every customer interaction*" priorities. Appropriate performance measures supporting operational objectives will be identified through the review of the current service delivery model, currently under development and will be finalized by the end of 2015.

Recommendation 6

That the City develop adequate standards for wait times and quality and monitor actual performance against these standards.

Management Response

Management agrees with this recommendation.

ServiceOttawa has standards for quality of service provided at the CSCs and a baseline quality score has been established. Management will review and set a target at the beginning of each year to ensure quality standards are being achieved.

In addition, a new queuing system will be implemented at the Laurier CSC in Q2 2013. The queuing system will provide measures for time-waiting-in-line broken down by transaction type. Management will develop and set a target that will measure acceptable levels of performance, which will also be available by transaction type. These measures will be implemented by the end of Q4 2013.

Recommendation 7

That the City develop complete and accurate reports in order to understand their volumes of transactions for the services provided.

Management Response

Management agrees with this recommendation.

ServiceOttawa is in the process of reviewing all of the transactions that are processed at the CSCs and is identifying opportunities for automation and integration of transactional data. This initiative will provide a mechanism to generate accurate transaction volumes at the counters by the end of 2014.

Recommendation 8

That the City conduct an analysis of service fees for services provided by the CSC to appropriately recover full costs.

Management Response

Management agrees with this recommendation.

The City will conduct an analysis of service fees that fall within the mandate of the ServiceOttawa department by the end of Q2 2015 to ensure that appropriate costs are being fully recovered. However, this work will only be undertaken after the refined FTE capacity analysis has been completed (identified in Recommendation 14) and once the new counter service delivery model has been implemented (identified in Recommendation 16). Should the fees require adjustment, ServiceOttawa will recommend the new fees to Council for approval.

Recommendation 9

That the City comply with all aspects of the Cash Handling Policy and Procedures including the Monitoring/Contraventions section.

Management Response

Management agrees with this recommendation.

Process improvements have been made to ensure ongoing compliance with the Cash Handling Policy and Procedures, and compliance requirements have been communicated to staff; these include procedures for coin orders, use of the reconciliation room, and counting cash when changing hands. Slip printing issues have been resolved through the introduction of the new cash register system.

A quality assurance program has been introduced and, as part of this program, compliance to departmental and corporate procedures is monitored on a monthly basis to identify where action may be required.

Management is conducting a review of segregation of duties and, in accordance with the Cash Handling Policy and Procedures, will be working with the Finance department to further develop mitigation measures when the segregation of duties is not practical. Management will also implement a departmental refund policy which takes into account the varying requirements of the business process owners. By creating a refund policy at the departmental level, the CSCs will be in compliance with this aspect of the Cash Handling Policy & Procedures. The review of segregation of duties and the implementation of a departmental refund policy will be completed and in place by the end of Q4 2013.

Lastly, the Finance department has included an annual compliance review of cash handling for selected sites in their work-plan. The last review was completed in the fall of 2012.

Recommendation 10

That the City properly manage inventory items.

Management Response

Management agrees with this recommendation.

Management has implemented an inventory control tracking sheet to monitor the inventory of marriage licences and parking tokens on a daily basis at each of the CSCs. Management considers implementation of this recommendation to be complete.

Recommendation 11

That the City update policies, procedures and processes to maximize the functionality and features of the new cash register system and realize potential operational effectiveness and efficiencies.

Management Response

Management agrees with this recommendation.

The City's Cash Handling Policy and Procedure was updated in January 2013, which included communication to all staff. In addition, CSC staff were trained on the new cash register system when it was deployed in 2012. As the new cash register system project transitions to sustainable mode in 2013, staff will continue to monitor and report on the performance of the new cashing system. Management considers implementation of this recommendation to be complete.

Recommendation 12

That the City complete the development of a Quality Assurance program for monitoring, assessing and reporting on the quality of services delivered to the public.

Management Response

Management agrees with this recommendation.

A Quality Assurance Program for Counter Services was implemented in November 2012. The program tracks and monitors the experience clients and residents have with Counter Services through an agent monitoring program, client surveys, a mystery shopper program and point of service surveys. Agents are provided with individual results and are coached on personal improvement opportunities. In addition to individual results, management is provided overall branch results, which inform larger continuous improvement opportunities and training requirements. Management considers implementation of this recommendation to be complete.

Recommendation 13

That the City identify and implement opportunities to increase the use of non face-to-face interaction and alternative service delivery across the City.

Management Response

Management agrees with this recommendation.

ServiceOttawa is conducting a review of services provided at the Client Service Centre counters. The first phase of the project will identify the services that will be automated and migrated to the online channel. This phase will be completed by the end of Q2 2013. The last phase of the project will be the implementation of these counter services to Ottawa.ca. The implementation plan for the migration of these services will be completed by the end of 2014.

Recommendation 14

That the City formalize their staff deployment model to optimize efficient and effective management and operation of the Client Services Centres.

Management Response

Management agrees with this recommendation.

Management is reviewing and validating capacity at the Client Service Centres.

ServiceOttawa will refine the FTE capacity analysis calculation. The FTE calculation will take into consideration 2012 transaction volumes. Management cannot agree with the assertion that there are 13 FTEs of excess capacity (worth approximately \$800,000) until the FTE capacity analysis calculation referenced in Recommendation 16 is refined.

ServiceOttawa will develop a counter service delivery model that will maximize the efficiency of delivery while maintaining access to City services. The new counter service delivery model will include a review of the services provided and the location of service delivery. Should the new model anticipate significant changes from the existing service delivery model those recommended changes will be sent to Council for approval. This work will be completed by the end of 2014.

Recommendation 15

That the City monitor the level of services provided to the public including the level of effort and knowledge required and assess utilization of staff to identify and realize efficiencies.

Management Response

Management agrees with this recommendation.

As indicated in the management response to Recommendation 14, management is reviewing and validating capacity at the Client Service Centres and is assessing the utilization of staff as a cross-functional workforce in providing service both on the phone and in person. This review will be completed by the end of 2014.

Recommendation 16

That the City refine the FTE Capacity Analysis calculation and rationalize the CSC staffing and locations including consideration of closing some centres.

Management Response

Management agrees with this recommendation.

As indicated in the management response to Recommendation 14, management is reviewing and validating capacity at the Client Service Centres and will refine the FTE capacity analysis calculation. The FTE calculation will take into consideration 2012 transaction volumes and a number of processes that are required to deliver services to residents, such as: opening and closing procedures, entry of Vital Stats, processing information requests that are timely and do not always result in a cash transaction, etc.

ServiceOttawa will develop a counter service delivery model that will maximize the efficiency of delivery while maintaining access to City services. The new counter service delivery model will include a review of the services provided and the location of service delivery. Should the new model anticipate significant changes from the existing service delivery model those recommended changes will be sent to Council for approval. This work will be completed by the end of 2014.

Recommendation 17

That the City fully recover costs relating to the Government Service Centres from the provincial and federal governments in accordance with the established agreements.

Management Response

Management agrees with this recommendation.

Management is currently negotiating with the provincial and federal governments occupying the shared space in the Government Service Centre at 110 Laurier, to review and update the Memorandum of Understanding and Service Level Agreement currently in place. The City will review all of the costs incurred and will include the Auditor's recommendations in the scope of the negotiations with the provincial and federal governments. The updates to the Memorandum of Understanding and Service Level Agreement will be completed and finalized by the end of 2013.

Potential Savings

Based on information from management for the estimated overall transaction level at the CSCs in 2011, by improving the efficiency of operations, we estimate there is the potential for annual staff savings of \$824,000. This would be based on potential savings of 13 FTEs. There would also be other non-compensation operating costs that could be saved for the centres which are closed. This calculation should be further refined by management as part of their FTE Capacity Analysis calculation.

There appears to be costs incurred by the City relating to the Government Service Centres that could have been recovered from the federal and provincial governments in accordance with established agreements which we estimate at \$35,800.

The potential impact of full cost recovery for areas not fully cost recovered has not been quantified.

Conclusion

The seven Client Service Centres were established at amalgamation. Since that time, the operations of the three rural centres were reduced from being open five days per week to one day per week. This results in CSC resources being allocated across seven locations creating the potential for lost productivity and the risk of not being able to fully support efficient and effective service delivery and service excellence. We believe from reviewing the transaction levels and their nature that there is underutilized capacity. Cost saving opportunities include considering reducing the number of CSC locations. This would be additional to transactions shifted from the CSCs to the Internet or savings arising from other system and process efficiencies.

Although we found there were initiatives underway to improve CSC systems and processes and service excellence and increase non face to face interactions, some issues were identified. These included that: an operational risk assessment had not been completed at the Client Service Centre unit level, performance data provided to Council and residents was not complete and accurate, staffing capacity and utilization was not monitored on an ongoing basis to identify and realize potential savings, and non-compliance with the City's Cash Handling Policy and Procedures.

The results of the 2011 Client Satisfaction Survey conducted by management during 2011 showed that the Client Satisfaction categories of "Timeliness, Got what I needed, Accessibility (Laurier only) and One-stop satisfaction (Laurier only)" had dissatisfaction ratings greater than 10%. In our opinion, this was a high level of dissatisfaction.

Acknowledgement

We wish to express our appreciation for the cooperation and assistance afforded the audit team by management.

RÉSUMÉ

Introduction

La Vérification des centres du service à la clientèle s'inscrit dans le cadre du plan de vérification de 2012 du Bureau du vérificateur général (BVG), approuvé par le Conseil le 14 décembre 2011.

Contexte

Les sept centres du service à la clientèle (CSC) d'Ottawa apportent leur assistance à divers services et directions dans tous les secteurs de la Ville en fournissant de l'information, du soutien et un accès direct aux services municipaux. Ces centres sont les suivants.

Centres desservant les zones urbaines

1. Hôtel de ville d'Ottawa – Centre du service à la clientèle, avenue Laurier
2. Centre du service à la clientèle de Kanata
3. Centre du service à la clientèle de la Place-Ben-Franklin
4. Centre du service à la clientèle d'Orléans

Centres desservant les zones rurales

5. Centre du service à la clientèle de Metcalfe
6. Centre du service à la clientèle de West Carleton
7. Centre du service à la clientèle de North Gower

Les quatre centres du service à la clientèle desservant les zones urbaines sont ouverts du lundi au vendredi et les trois centres desservant les zones rurales sont ouverts un jour par semaine. Deux centres du service à la clientèle (avenue Laurier et Kanata) ont également conclu un partenariat avec deux centres de services gouvernementaux afin d'offrir un accès unique à l'information et aux services des administrations fédérale, provinciale et municipale sous un même toit.

En décembre 2011, les centres du service à la clientèle totalisaient environ 40 équivalents temps plein (ETP), ce qui représente 33 % des effectifs du nouveau Service appelé ServiceOttawa. Le montant dévolu aux centres du service à la clientèle dans le budget des dépenses ajusté pour 2011 totalisait 3,2 millions de dollars. De ce montant, 2,9 millions de dollars étaient consacrés à la rémunération. Les recettes de 1,4 million de dollars inscrites au budget provenaient des licences et des services de mariage, des enregistrements de décès, des assermentations et des ventes de biens. Initialement, la direction a estimé que les CSC ont traité environ 170 000 transactions en 2011, ce qui inclut des transactions relatives aux recettes projetées et des transactions traitées au nom d'autres secteurs opérationnels.

Objectifs et portée de la vérification

Les objectifs de la vérification étaient les suivants :

- Confirmer l'exécution d'une évaluation du risque opérationnel rattaché aux centres du service à la clientèle;
- Évaluer la mesure dans laquelle les processus et les systèmes des centres du service à la clientèle sont en adéquation avec les priorités stratégiques, y compris l'excellence du service, et soutiennent une prestation de services efficiente et efficace, ce qui inclut la manipulation de l'argent et la façon dont la Ville mesure la satisfaction de la clientèle;
- Assurer que la Ville a optimisé la prestation à distance des services fournis par les Centres du service à la clientèle;
- Trouver des secteurs dans lesquels la Ville pourrait réaliser des économies grâce à une gestion et à une exploitation efficaces et efficientes des centres du service à la clientèle.

La portée de la vérification était limitée à l'examen et à l'analyse de l'efficacité et de l'efficience des centres du service à la clientèle pour l'exercice 2011.

Bien que les centres de l'avenue Laurier et de Kanata donnent accès à l'information et aux services des administrations fédérale et provinciale, la vérification ne portait que sur les services assurés par la Ville.

La vérification a également inclus un examen des principales enjeux soulevés à l'occasion de la vérification de 2002 des centres du service à la clientèle menée par l'ancienne Direction des services de vérification et de consultation ainsi que des mesures de suivi prises par la direction.

L'exercice n'a pas porté sur le Centre d'appels 3-1-1 du fait que celui-ci a fait l'objet d'une vérification en 2007 et de mesures de suivi en 2009.

Sommaire des principales constatations

1. Aucune évaluation à jour du risque opérationnel n'a été réalisée à l'échelon des centres du service à la clientèle; celle-ci est pourtant requise conformément au cadre et à la politique de gestion améliorées des risques approuvés par le Conseil en avril 2010. La direction a déclaré que le service avait réalisé une évaluation des risques du Service qui, estime-t-elle, était conforme aux exigences municipales. Cependant, cela ne dispensait pas le service de l'obligation de procéder à une évaluation des risques opérationnels à l'échelon des CSC. La direction procède actuellement à une évaluation approfondie des risques opérationnels rattachés aux centres du service à la clientèle conformément au plan de travail de ServiceOttawa pour 2013.
2. ServiceOttawa poursuit l'élaboration de son registre des risques stratégiques qui doit accompagner son plan directeur stratégique, lequel servira à définir et à

catégoriser les risques. La direction a précisé que, si elle n'avait pas terminé le plan directeur à la date de la vérification, elle avait toutefois achevé l'élaboration du registre. Elle a ajouté qu'il existe des risques pour la continuité des activités à ServiceOttawa en raison des changements importants qui ont été apportés au personnel, aux technologies et aux processus de même qu'en raison du transfert des secteurs d'activités.

3. En janvier 2011, les risques liés aux effectifs et au budget ont été catégorisés comme risques d'importance moyenne au chapitre de la planification du Service par l'ancien Service du développement et du rendement organisationnels.
4. Les documents de procédure des CSC ne concordent pas avec le modèle des procédures administratives municipales, ne définissent pas toujours clairement le rôle des CSC ni le processus réellement suivi et ne sont pas toujours étayés par une validation autorisée du processus par le responsable des processus opérationnels.
5. Les autorisations d'accès aux systèmes octroyées au personnel des centres du service à la clientèle ne sont pas toujours appropriées. Il est question, par exemple, d'autorisations d'accès qui sont toujours valides pour des employés ayant cessé d'exercer leur emploi ou ayant été mutés, d'autorisations d'accès d'anciens employés qui n'ont pas été immédiatement retirées, d'autorisations d'accès associées à des comptes d'utilisateurs génériques et d'autorisations d'accès dont la portée est plus vaste que celle qui est nécessaire pour les fonctions de l'emploi visé. Nous avons constaté que 83 personnes avaient accès au système Datasym, ce qui représente environ deux fois le nombre de personnes employées par les centres du service à la clientèle. Une opération de nettoyage a été effectuée dans le système de caisse enregistreuse Datasym en juillet et en août 2012, au cours de la présente vérification. Cette opération portait sur l'examen, la mise à jour et la suppression d'autorisations d'accès octroyées à des caissiers qui avaient quitté leur poste. La direction précise que ce nettoyage faisait suite au projet de remplacement des caisses enregistreuses. Certaines des autorisations d'accès visées auraient dû être supprimées en septembre 2011.
6. Les données sur le rendement fournies au Conseil pour 2011 étaient incomplètes du fait qu'elles provenaient d'une compilation manuelle des données relatives au volume des transactions des caisses enregistreuses, qui n'indiquent que le nombre brut de transactions et, de ce fait, ne représentent qu'une mesure des niveaux d'activité et non pas du rendement. Le rapport ne donne aucune idée de la nature de la transaction effectuée ou du service offert ni du niveau d'effort consenti. En outre, il ne donne aucune information sur le rendement, comme les mesures des temps et des files d'attente et le rayon de la zone desservie, ou sur la qualité comme le service à la clientèle. Aucune mesure du rendement ni norme officielle n'ont été adoptées. Le rapport de la direction ne fournit

également aucune donnée provenant des autres systèmes de traitement des transactions utilisés par le personnel des CSC, comme celles concernant l'état civil pour l'enregistrement des décès, les inscriptions aux programmes, les adhésions et les réservations (logiciel Class) et les services pour lesquels un paiement n'est pas exigé.

7. Les différentes versions des rapports que nous a fournies la direction au cours de la vérification de 2011 contiennent différentes quantités et catégories de transactions en raison d'une mauvaise connaissance des systèmes utilisés pour la déclaration des transactions. Par exemple, un rapport pouvait totaliser 170 000 transactions et un autre, 182 265 transactions.
8. L'analyse des frais de service (licences de mariage, assermentations, documents de voyage, etc.) n'était pas disponible. Il a donc été impossible de déterminer si le coût intégral des services a été adéquatement recouvré. Bien que la direction affirme que des rapports ont été présentés au Conseil en 2005 et en 2006 relativement aux cérémonies de mariage, ces documents n'ont fait l'objet d'aucune mise à jour au cours des six dernières années.
9. Certains problèmes ont une incidence sur l'efficacité et l'efficience de la manipulation de l'argent et le respect de la politique et des procédures sur les manipulations d'argent. Parmi les exemples de non-conformité, citons le manque de surveillance des articles de valeur monétaire confiés au CSC, les problèmes touchant la séparation des fonctions, le fait que des membres du personnel du CSC se rendent directement à la banque pour obtenir de la monnaie, l'absence de formulaires de demandes d'indemnisation à certaines caisses, l'absence d'un tiroir-caisse (au centre de l'avenue Laurier) à la caisse enregistreuse du poste sur lequel est installé le logiciel Class et le risque de ne pas remettre les remboursements sur la même carte de paiement que celle ayant été utilisée pour la transaction d'origine.
10. Le rapport présenté au Comité et au Conseil par le Service des finances sur le nouveau système de caisse enregistreuse ne présentait pas d'évaluation quantitative des avantages associés à ce système.
11. Les résultats du sondage sur la satisfaction de la clientèle mené par la direction en 2011 ont montré que les catégories de réponses relatives à la rapidité, à la satisfaction des besoins exprimés, à l'accessibilité (avenue Laurier seulement) et à la satisfaction à l'égard du service à guichet unique (avenue Laurier seulement) étaient associées à des taux d'insatisfaction supérieurs à 10 %. À notre avis, ces taux d'insatisfaction sont élevés. Ces résultats, qui devaient servir de référence, n'ont pas été présentés au Comité et au Conseil.
12. L'analyse des options permettant d'optimiser la prestation de services à distance et les économies pouvant découler des autres méthodes de prestation n'était pas complète. Les transactions traitées dans les CSC incluaient 42 708 paiements de comptes de taxes et d'eau, qui représentaient environ 23 % du total. Il est

possible de promouvoir davantage les services automatisés de paiement des comptes de taxes et d'eau et de rendre moins attrayants les paiements en personne.

13. Les ressources des CSC sont réparties entre sept emplacements, dont quatre sont ouverts cinq jours par semaine et trois sont ouverts un jour par semaine, ce qui risque de se traduire par des temps morts dans certains centres, ces ressources ne pouvant être mises à profit dans d'autres centres. Comme l'indique la section 5.4.1, du rapport intégral, le volume estimé de transactions traitées dans les CSC est faible. D'après le nombre moyen de transactions quotidiennes enregistrées en 2011, on estime que de 11 à 31 transactions sont traitées par représentant du service à la clientèle et par jour dans les sept CSC. Le tableau suivant donne les détails du volume de transactions.

Nombre moyen quotidien de transactions traitées par représentant du service à la clientèle (RSC) en 2011

	Laurier	Place-Ben-Franklin	Orléans	Kanata	Metcalfe	Kinburn	North Gower	Total
Nombre total annuel de transactions	93 245	38 484	25 438	19 354	2 269	1 217	2 257	182 264
Nombre de jours durant lesquels les centres sont ouverts durant l'année	248	248	248	248	54	53	52	1 151
Nombre moyen quotidien de transactions	376	155	103	78	42	23	43	S.O.
ETP réels en 2011 – rajustés pour tenir compte de l'affectation de 2 postes de Place-Ben-Franklin, d'Orléans et de Kanata aux centres ruraux un jour par semaine	12,0	7,6	4,6	5,6	2,0	2,0	2,0	31
Nombre moyen quotidien de transactions traitées par les RSC	31	20	22	14	21	11	22	26

14. Les rapports de la direction à l'appui de la surveillance de la capacité et de l'utilisation ne sont pas toujours disponibles; et lorsqu'ils le sont, ils ne sont pas

toujours complets, entièrement compris ou validés par un processus d'assurance de la qualité.

15. D'après l'analyse, par le BVG, des informations disponibles obtenues de la direction et décrites à la section 5.4.2 du rapport intégral, les ressources des CSC ne sont pas pleinement utilisées. À notre avis, d'après le volume estimé des transactions à l'ensemble des emplacements, nous estimons que 13 ETP sont probablement sous-utilisés, ce qui représente une valeur monétaire de 824 000 dollars. Il est notamment possible d'envisager la fermeture de certains CSC affichant un faible taux d'utilisation. Nous sommes conscients qu'il peut y avoir d'autres raisons que la Ville pourrait désirer examiner dans son évaluation de la fermeture possible de ces emplacements. Il est aussi possible d'améliorer l'efficacité aux centres de l'avenue Laurier et de la Place-Ben-Franklin.
16. Les coûts recouverts pour les centres de services gouvernementaux ne comprenaient pas le coût complet des salaires, des avantages et des frais généraux pour l'accueil des clients, conformément aux accords établis avec Service Ontario/Service Canada à l'égard de ces centres. Les coûts supplémentaires pouvant ainsi être recouverts sont estimés à environ 35 800 dollars.

Recommandations et réponses de la direction

Recommandation 1

Que la Ville mette en œuvre une évaluation du risque opérationnel pour les centres du service à la clientèle.

Réponse de la direction

La direction accepte la recommandation.

La direction réalisera une évaluation du risque opérationnel pour les centres du service à la clientèle d'ici la fin de 2013.

Recommandation 2

Que la Ville parachève le plan de mise en œuvre afin de se pencher sur les risques relatifs aux services de l'état civil.

Réponse de la direction

La direction accepte la recommandation.

La direction a mis en œuvre neuf des treize recommandations qui ont fait suite à l'examen du programme de services de l'état civil mené par un consultant externe en 2012. Les quatre dernières recommandations sont du ressort du gouvernement provincial. La Ville poursuivra son travail avec le gouvernement provincial sur la mise en œuvre de ces recommandations auxquelles il n'a pas été donné suite; cependant, la Ville n'a pas l'autorité de parachever cette mise en œuvre. En conséquence, la direction considère la recommandation 2 comme ayant été mise en œuvre.

Recommandation 3

Que la Ville valide et autorise les procédures adoptées par le responsable des processus opérationnels, qu'elle les rende conformes au modèle des procédures administratives municipales, qu'elle définisse clairement le rôle des CSC et qu'elle fasse le suivi des pratiques en regard des procédures établies.

Réponse de la direction

La direction accepte la recommandation.

La direction a entrepris la validation de l'ensemble des procédures avec les responsables appropriés des processus administratifs et veillera à obtenir les autorisations requises et à en effectuer le suivi pour tous les changements de procédures, au besoin.

ServiceOttawa mettra au point un modèle pour les procédures du Service, fondé sur le modèle des procédures administratives municipales, et mettra à jour les procédures internes actuelles afin d'en assurer la cohérence. Il mettra également à jour les procédures afin d'y inclure le rôle des CSC. Cet exercice sera parachevé d'ici la fin du quatrième trimestre de 2013 et les procédures seront passées en revue et mises à jour chaque année, au besoin.

Recommandation 4

Que la Ville examine et mette à jour à un niveau approprié les autorisations d'accès octroyées au personnel des centres du service à la clientèle et qu'elle supprime ou révise ces autorisations lorsque des membres du personnel changent d'emploi ou quittent la Ville.

Réponse de la direction

La direction accepte la recommandation.

Toutes les autorisations d'accès seront examinées et mises à jour d'ici la fin du deuxième trimestre de 2013. À l'avenir, la direction procédera à un examen annuel des autorisations d'accès accordées au personnel. En outre, une liste de contrôle des départs a été élaborée, qui permet de s'assurer que les autorisations d'accès sont supprimées ou révisées de façon appropriée lorsque des membres du personnel changent d'emploi ou quittent la Ville.

Recommandation 5

Que la Ville mesure le rendement afin de rendre compte adéquatement de ce dernier en regard des priorités stratégiques et des objectifs opérationnels, et ce, afin de fournir des informations adéquates sur le rendement au Conseil et d'assurer une gestion plus efficace.

Réponse de la direction

La direction accepte la recommandation.

À la suite de la vérification, la direction a mis en place des mesures d'assurance de la qualité dans les centres du service à la clientèle à l'appui des priorités du Conseil, à savoir *améliorer le rendement opérationnel et assurer une expérience positive à chaque interaction avec la clientèle*. L'examen du modèle actuel de prestation de services, qui est en cours, permettra de proposer des mesures de rendement appropriées à l'appui des objectifs opérationnels, lesquelles seront finalisées d'ici la fin 2015.

Recommandation 6

Que la Ville élabore des normes adéquates au chapitre des temps d'attente et de la qualité du service et qu'elle assure un suivi du rendement réel en regard de ces normes.

Réponse de la direction

La direction accepte la recommandation.

ServiceOttawa a établi des normes relatives à la qualité du service offert dans les CSC de même qu'une note de référence pour la qualité. La direction examinera et fixera un objectif au début de chaque année pour garantir le respect des normes de qualité.

En outre, un nouveau système de files d'attente sera mis en œuvre au CSC de l'avenue Laurier au deuxième trimestre de 2013. Ce système fournira des mesures du temps passé par les clients dans les files d'attente, ventilées selon le type de transaction. La direction élaborera et fixera un objectif définissant les niveaux acceptables de rendement, lesquels seront également disponibles selon le type de transaction. Ces mesures seront mises en œuvre d'ici la fin du dernier trimestre de 2013.

Recommandation 7

Que la Ville présente des rapports complets et exacts, qui contiennent de l'information sur les volumes des transactions effectuées pour les services fournis.

Réponse de la direction

La direction accepte la recommandation.

ServiceOttawa examine actuellement toutes les transactions qui sont traitées dans les CSC et vérifie les possibilités d'automatisation et d'intégration des données sur les transactions. Cette initiative se traduira par la mise en place d'un mécanisme permettant de générer des informations précises sur les volumes des transactions effectuées aux guichets d'ici la fin de 2014.

Recommandation 8

Que la Ville procède à une analyse des frais des services assurés par les CSC afin de rendre possible un recouvrement complet et adéquat des coûts.

Réponse de la direction

La direction accepte la recommandation.

La Ville procédera à une analyse des frais de service qui relèvent du mandat de ServiceOttawa d'ici la fin du deuxième trimestre de 2015 pour vérifier si les coûts appropriés sont entièrement recouverts. Toutefois, ce travail ne sera entrepris qu'après la fin de l'analyse approfondie de la capacité en ETP (voir la recommandation 14) et la mise en œuvre du nouveau modèle de prestation de services au comptoir (voir la recommandation 16). Si les frais exigés devaient être modifiés, ServiceOttawa recommanderait au Conseil d'approuver les nouveaux frais.

Recommandation 9

Que la Ville se conforme à tous les aspects de la politique et des procédures sur les manipulations d'argent, y compris sur les plans de la surveillance et des contraventions.

Réponse de la direction

La direction accepte la recommandation.

Des améliorations ont été apportées aux processus pour assurer le respect continu de la politique et des procédures sur les manipulations d'argent, et les exigences relatives au respect de cette politique et de ces procédures ont été communiquées au personnel. Il est question, notamment, des procédures à suivre pour les commandes de pièces de monnaie, l'utilisation de la salle des recettes et le comptage des espèces lors du changement de mains. Les problèmes d'impression des bordereaux ont été résolus grâce à l'introduction du nouveau système de caisse enregistreuse.

Dans le cadre d'un programme d'assurance de la qualité récemment mis sur pied, la conformité aux procédures du Service et municipales fait l'objet d'une surveillance mensuelle visant à relever les secteurs dans lesquels la prise de mesures pourrait s'imposer.

La direction procède à un examen de la répartition des tâches et, conformément à la politique et aux procédures sur les manipulations d'argent, collaborera avec le

Service des finances afin de proposer de nouvelles mesures d'atténuation à prendre lorsque la séparation des tâches ne se révélera pas pratique. La direction mettra également en œuvre une politique sur le remboursement à l'échelon du service, qui tient compte des diverses exigences des responsables des processus administratifs. Grâce à la création d'une politique pour le remboursement à l'échelon du service, les CSC pourront se conformer à cet aspect de la politique et des procédures sur les manipulations d'argent. L'examen de la question de la répartition des tâches sera terminé et la politique sur le remboursement à l'échelon du service sera mise en œuvre d'ici la fin du quatrième trimestre de 2013.

Enfin, le Service des finances a prévu dans son plan de travail la réalisation d'un examen annuel de la conformité à la politique et aux procédures sur les manipulations d'argent à certains sites. Le dernier examen date de l'automne 2012.

Recommandation 10

Que la Ville gère les articles en stock de façon adéquate.

Réponse de la direction

La direction accepte la recommandation.

La direction a mis en place une fiche pour le contrôle quotidien de l'inventaire des licences de mariage et des jetons de stationnement à chacun des CSC. La direction considère cette recommandation comme ayant été mise en œuvre.

Recommandation 11

Que la Ville mette à jour ses politiques, procédures et processus afin d'optimiser l'utilisation des fonctionnalités et des caractéristiques du nouveau système de caisse enregistreuse et de réaliser des gains potentiels sur le plan de l'efficacité et l'efficacité opérationnelle.

Réponse de la direction

La direction accepte la recommandation.

La politique et les procédures sur les manipulations d'argent ont été mises à jour en janvier 2013, et l'information relative à cette mise à jour a été communiquée à l'ensemble du personnel. En outre, le personnel du CSC a reçu une formation sur le nouveau système de caisse enregistreuse lorsque ce dernier a été déployé en 2012. En 2013, pendant que le projet de système de caisse enregistreuse passe en mode à long terme, le personnel continuera de surveiller le rendement de ce nouveau système et de produire des rapports à cet égard. La direction considère cette recommandation comme ayant été mise en œuvre.

Recommandation 12

Que la Ville termine l'élaboration d'un programme d'assurance de la qualité pour surveiller et évaluer la qualité des services offerts au public ainsi que produire des rapports à cet égard.

Réponse de la direction

La direction accepte la recommandation.

Un programme d'assurance de la qualité des services au comptoir a vu le jour en novembre 2012. Ce programme permet d'assurer le suivi et le contrôle de l'expérience que la clientèle et les résidents ont des services au comptoir par l'entremise d'un programme de surveillance des agents, de sondages sur la satisfaction de la clientèle, d'un programme de client mystère et d'enquêtes menées dans les points de service. Les agents reçoivent les résultats de leur suivi de même qu'un accompagnement quant aux possibilités d'amélioration personnelle qui s'offrent à eux. En plus des résultats propres à chaque agent, la direction reçoit les résultats pour l'ensemble de la Direction, lesquels jettent un éclairage sur les possibilités d'amélioration continue de portée plus vaste et les formations requises. La direction considère cette recommandation comme ayant été mise en œuvre.

Recommandation 13

Que la Ville propose et mette en œuvre des solutions pour promouvoir les interactions à distance et les autres modes de prestation de services dans tous les secteurs de la Ville.

Réponse de la direction

La direction accepte la recommandation.

ServiceOttawa procède actuellement à un examen des services offerts aux guichets des centres du service à la clientèle. La première phase du projet permettra de décider des services qui seront automatisés et transférés vers le mode de prestation en ligne. Cette phase se terminera d'ici la fin du deuxième trimestre de 2013. La dernière phase du projet sera la mise en œuvre de ces services au comptoir à Ottawa.ca. Le plan de mise en œuvre pour la migration de ces services sera parachevé d'ici la fin de 2014.

Recommandation 14

Que la Ville officialise son modèle de déploiement du personnel afin d'optimiser la gestion et le fonctionnement efficaces et efficients des centres du service à la clientèle.

Réponse de la direction

La direction accepte la recommandation.

La direction examine et valide actuellement la capacité des centres du service à la clientèle.

ServiceOttawa parachèvera les calculs de l'analyse de la capacité en ETP. Ces calculs tiendront compte des volumes des transactions traitées en 2012. La direction ne pourra confirmer l'existence de 13 ETP excédentaires (d'une valeur d'environ 800 000 dollars) que lorsqu'on aura parachevé les calculs de l'analyse de la capacité en ETP mentionnés à la recommandation n° 16.

ServiceOttawa mettra au point un modèle de prestation de services au comptoir pour maximiser l'efficacité de la prestation tout en maintenant l'accès aux services municipaux. Ce nouveau modèle inclura un examen des services fournis et du lieu de prestation. Si ce modèle prévoit des changements importants en regard du modèle de prestation actuel, les changements recommandés seront présentés au Conseil aux fins d'approbation. Ces travaux se termineront d'ici la fin de 2014.

Recommandation 15

Que la Ville surveille les niveaux de services offerts au public, y compris le niveau d'effort consenti et les connaissances nécessaires et évalue l'utilisation qui est faite du personnel dans le but de trouver des moyens de réaliser des économies.

Réponse de la direction

La direction accepte la recommandation.

Comme il est indiqué dans la réponse de la direction à la recommandation 14, la direction examine et valide actuellement la capacité des centres du service à la clientèle et elle évalue l'utilisation du personnel en tant que main-d'œuvre interfonctionnelle pour la prestation de services tant par téléphone qu'en personne. Cet examen se terminera d'ici la fin de 2014.

Recommandation 16

Que la Ville parachève les calculs de l'analyse de la capacité en ETP et procède à une rationalisation des effectifs et des emplacements des CSC et qu'elle examine notamment la possibilité de fermer certains centres.

Réponse de la direction

La direction accepte la recommandation.

Comme il est indiqué dans la réponse de la direction à la recommandation 14, la direction examine et valide actuellement la capacité des centres du service à la clientèle et parachèvera les calculs de l'analyse de la capacité en ETP. Ces calculs

tiendront compte des volumes des transactions traitées en 2012 et d'un certain nombre de processus qui sont nécessaires pour la prestation des services aux résidents tels que les procédures d'ouverture et de fermeture, la saisie des statistiques de l'état civil, le traitement en temps opportun des demandes de renseignements qui ne donnent pas toujours lieu à une transaction en espèces, etc.

ServiceOttawa mettra au point un modèle de prestation de services au comptoir pour maximiser l'efficacité de la prestation tout en maintenant l'accès aux services municipaux. Ce nouveau modèle inclura un examen des services fournis et du lieu de prestation. Si ce modèle prévoit des changements importants en regard du modèle de prestation actuel, les changements recommandés seront présentés au Conseil aux fins d'approbation. Ces travaux se termineront d'ici la fin de 2014.

Recommandation 17

Que la Ville recouvre entièrement les coûts engagés pour les besoins des centres de services gouvernementaux auprès des gouvernements fédéral et provincial conformément aux accords établis.

Réponse de la direction

La direction accepte la recommandation.

La direction négocie actuellement avec les gouvernements fédéral et provincial, dont les services se partagent l'espace du centre de services gouvernementaux situé au 110 de l'avenue Laurier, afin de passer en revue et de mettre à jour le protocole d'entente et l'accord sur les niveaux de service actuellement en place. La Ville passera en revue l'ensemble des coûts engagés et inclura les recommandations du vérificateur dans ses négociations avec les gouvernements fédéral et provincial. Les mises à jour du protocole d'entente et de l'accord sur les niveaux de service seront achevées d'ici la fin de 2013.

Économies potentielles

D'après les informations présentées par la direction concernant le volume global estimé des transactions traitées aux CSC en 2011, nous estimons qu'il est possible, en améliorant l'efficacité des opérations, de réaliser des économies annuelles de 824 000 dollars au chapitre des coûts de personnel. Ce calcul repose sur l'économie potentielle de 13 ETP. La fermeture de certains centres pourrait également se traduire par d'autres économies associées aux coûts de fonctionnement non liés à la rémunération. Ce calcul doit être encore parachevé par la direction dans le cadre de ses calculs de l'analyse de la capacité en ETP.

Il semble que la Ville ait engagé des coûts pour les centres de services gouvernementaux, que nous estimons à 35 800 dollars, qui auraient pu être recouverts auprès des gouvernements fédéral et provincial conformément à une entente établie.

L'incidence potentielle du recouvrement de l'ensemble des coûts pour les secteurs dans lesquels ces coûts n'ont pas été entièrement recouverts n'a pas été quantifiée.

Conclusion

Les sept centres du service à la clientèle ont été établis au moment de la fusion des municipalités. Depuis lors, les trois centres situés en zone rurale, qui étaient ouverts cinq jours par semaine, ne le sont plus qu'un jour par semaine. De ce fait, les ressources des CSC sont réparties entre sept emplacements, ce qui risque d'occasionner une perte de productivité et d'empêcher les centres de soutenir pleinement une prestation de service efficace et efficiente et l'excellence du service. Nous estimons, après avoir examiné les volumes et la nature des transactions, qu'il serait possible de réaliser des économies, dans l'immédiat et à l'avenir, en réduisant le nombre de CSC. Ces économies s'ajouteraient à celles découlant du transfert des transactions traitées dans les CSC vers des services en ligne ou, encore, aux économies découlant d'autres gains d'efficacité associés aux systèmes et aux processus.

Bien que nous ayons constaté que des initiatives étaient en cours pour améliorer les processus et les systèmes des CSC, l'excellence du service et les interactions à distance, certains problèmes ont été relevés. Parmi ceux-ci figurent les suivants : l'absence d'évaluation du risque opérationnel à l'échelon du centre du service à la clientèle; la présentation de données sur le rendement incomplètes et inexactes au Conseil et aux résidents; les ressources humaines et l'utilisation des effectifs n'ayant pas fait l'objet d'une surveillance continue afin de rendre possibles la recherche et la réalisation d'économies potentielles; le non-respect de la politique et des procédures de la Ville sur les manipulations d'argent.

Les résultats du sondage sur la satisfaction de la clientèle mené par la direction en 2011 ont montré que les catégories de réponses relatives à la rapidité, à la satisfaction des besoins exprimés, à l'accessibilité (avenue Laurier seulement) et à la satisfaction à l'égard du service à guichet unique (avenue Laurier seulement) étaient associées à des taux d'insatisfaction supérieurs à 10 %. À notre avis, ces taux d'insatisfaction sont élevés.

Remerciements

Nous tenons à remercier la direction pour la coopération et l'assistance accordées à l'équipe de vérification.

1 INTRODUCTION

The Audit of Client Service Centres was included in the 2012 Audit Plan of the Office of the Auditor General (OAG), approved by City Council on December 14, 2011.

2 BACKGROUND

The Client Service Centres assist various departments and branches throughout the City to provide information, support and access to City services in person. The City's seven Client Service Centres are listed below:

Urban Locations:

1. Ottawa City Hall - Laurier Client Service Centre
2. Kanata Client Service Centre
3. Ben Franklin Place Client Service Centre
4. Orléans Client Service Centre

Rural Locations:

5. Metcalfe Client Service Centre
6. West Carleton Client Service Centre
7. North Gower Client Service Centre

The four urban Client Service Centres are open Monday to Friday and the three rural centres are open one day per week. Client Services are also partners in two Government Service Centres (Laurier and Kanata) to provide a one-stop service centre for access to information and services for federal and provincial services in addition to municipal government services.

The Client Service Centres have approximately 40 Full Time Equivalent (FTEs) representing 33% of the newly created ServiceOttawa department as at December 2011. The Client Service Centres portion of the 2011 adjusted budget was \$3.2 million in expenditures including \$2.9 million for compensation. There was \$1.4 million in budgeted revenues relating to Marriage Licenses and Ceremonies, Death Registrations, Commissioner of Oaths and sales of goods. Management initially estimated the CSC processed approximately 170,000 transactions for 2011 which would include transactions relating to their budgeted revenue as well as transactions processed on behalf of other operational areas.

3 AUDIT SCOPE AND OBJECTIVES

The scope of this audit was limited to the review and analysis of the efficiency and effectiveness of the Client Service Centres for fiscal year 2011.

Although Laurier and Kanata centres provide access to federal and provincial information and services, this audit only included the services the City provides.

This audit also reviewed the key issues identified in the 2002 Audit of Client Service Centres conducted by the former Audit and Consulting Services and the extent that they were addressed by management.

This audit did not include the 3-1-1 Contact Centre as this area was audited in 2007 and the follow-up conducted in 2009.

3.1 Audit Objective 1: Confirm the completion of an operational risk assessment for the Client Service Centres.

Criteria:

- Determine if an operational risk assessment has been completed for the Client Service Centres.

3.2 Audit Objective 2: Assess the degree to which Client Service Centre systems and processes are aligned with strategic priorities including Service Excellence and support efficient and effective service delivery. This would include cash handling and how the City measures client satisfaction.

Criteria:

- Determine if Client Service Centre systems and processes are aligned with strategic priorities including Service Excellence;
- Determine if Client Service Centre systems and processes are designed to support efficient and effective service delivery ensuring that clients are provided appropriate, timely, consistent and accurate services;
- Determine if Client Service Centres have addressed issues identified in prior audits and are effectively and efficiently handling cash; and,
- Determine if the City effectively measures client satisfaction for the Client Service Centres.

3.3 Audit Objective 3: Ensure that the City has maximized the use of non face-to-face interaction for services provided through the Client Service Centres.

Criteria:

- Determine if management has analyzed services provided through the CSC and options for increasing the use of non face-to-face interaction.

3.4 Audit Objective 4: Identify areas of potential savings for the City in the efficient and effective management and operation of the Client Service Centres.

Criteria:

- Determine if Client Service Centre resource deployment is efficient and effective;
- Determine if Client Service Centre resources are fully utilized; and,
- Determine if Client Service Centres have considered alternate delivery models.

4 APPROACH

Information has been obtained through:

- Interviews with key personnel including a system walkthrough to determine an overview of Client Service systems and processes;
- Documentation gathering, review and analysis; and,
- Review of client service performance data including complaints and compliments.

5 DETAILED FINDINGS, OBSERVATIONS AND RECOMMENDATIONS

5.1 Audit Objective 1: Confirm the completion of an operational risk assessment for the Client Service Centres.

5.1.1 Operational Risk Assessment

In June 2012, ServiceOttawa management indicated that they had not done an operational risk assessment for the Client Service Centres. A Risk Assessment was previously done for Organizational Development and Performance (ODP) in January 2011 at the Departmental Planning level but not at the Client Service Centre unit level and as a result of the ServiceOttawa reorganization was in the process of being redone.

The January 2011 ODP risks, as rolled into the Corporate Risk Profile, which were combined for Client Services Centres, the 3-1-1 Call Centre, Corporate Business Services, Client Service Strategies and Organizational Development branches, noted most risks in the low to medium risk category and included mitigation strategies. Risks of budget, including risk of not achieving efficiency targets, and staff capacity were identified as medium rated risks by the former ODP.

In the ServiceOttawa department Strategic Plan for 2011 to 2014, the Table of Contents lists, "Appendix B - Strategic Risk Register". However, in July 2012 management confirmed that they were still in process of developing the risk register which would accompany the (ServiceOttawa) Departmental Strategic Plan which would identify and classify risks. Although not completed at the time of the audit, management has indicated that they have completed the development of the strategic risk register.

Management indicated that the CSC reorganized into ServiceOttawa which resulted in a redo of the Departmental Strategic Plan including setting objectives which were aligned with Corporate Initiatives. They indicated the last phase would be the Risk Assessment on the Departmental Plan. As part of the Departmental Plan, management indicated that they were making a number of changes to operations which were being planned between July 2012 and the fall and then plan to do the risk assessment. ServiceOttawa management indicated areas of risk would be to business continuity in an environment of significant changes to staff, technology, and processes and transfer of business lines.

The lack of a completed operational risk assessment at the Client Service Centre unit level is required by the April 2010 Council approved Enhanced Risk Management (ERM) Framework and Policy. Management indicated that the department conducted a Departmental Risk Assessment, which they believe met the corporate requirement. As part of ServiceOttawa's 2013 work plan,

management is conducting an in-depth operational risk assessment of the Client Service Centres.

The objectives of the policy are to “Embed Risk Management into the culture of the City; Reduce events or conditions that create uncertainty; and, Ensure that unplanned events are managed effectively.” The policy states that, “Staff are responsible to report incidents, assess exposures, reduce, control and monitor risk in corporate programs and operations.” This would still require an operational risk assessment at the CSC unit level.

The policy includes "specific directions to accomplish the ERM Policy objectives including:

- Identify, assess, analyze, evaluate, categorize and prioritize risks;
- Accept or mitigate risks;
- Monitor, report and document risk activity;
- Communicate risks mitigation strategies to Council, Committee, senior management and internally;
- Choose compensation policies and performance metrics to promote and track the pursuit of a risk-aware corporate strategy."

There was documentation which showed that some initial training had occurred and where they were in the process of identifying risks for the CSC.

Recommendation 1

That the City implement an operational risk assessment for Client Service Centres.

Management Response

Management agrees with this recommendation.

Management will complete an operational risk assessment for the Client Service Centres by the end of 2013.

5.1.2 Vital Statistics

The Vital Statistics Act and the Marriage Act authorize the City of Ottawa to appoint Client Service Representatives (CSRs) to register vital events. This would include issuing marriage licenses, solemnizing marriages in Ottawa, registering deaths, processing commissioner of oaths and issuing burial permits. The Registrar General of Ontario has ultimate responsibility to register these events. Birth registrations are now carried out directly by the province and therefore are no longer the responsibility of the City.

Management had provided an example of an area of risk where they were concerned with Vital Statistics as a result of errors found when they did the quality program. Management indicated some concerns in areas such as legislative compliance and privacy. They further indicated that IBM conducted an external review. There is an implementation plan for Vital Statistics to retrain staff, conduct an oath of privacy, and establish new reporting formats during 2012.

IBM's report dated February 2012 noted some risk areas, including: procedures not always strictly adhered to or enforced, particularly when staff get busy; some death registrations contained administrative errors and omissions of information; perceived inconsistent awareness of staff of their full responsibilities and obligations under all applicable legislation and policy, particularly privacy legislation; inconsistent transfer and tracking of forms; and, limited ability to intake forms and documents for marriage licenses and death registration in a private area at CSC.

The Vital Statistics Program Status Update indicated that the recommendations to address the above findings were in progress during 2012.

Recommendation 2

That the City complete the implementation plan to address areas of risk relating to Vital Statistics.

Management Response

Management agrees with this recommendation.

Management has implemented nine of the thirteen recommendations from the 2012 external consultant review of the Vital Statistics Program. The remaining four recommendations are within the purview of the provincial government. The City will continue to work with the provincial government on implementing these outstanding recommendations; however the City does not have the authority to complete them. Therefore, management considers implementation of this recommendation to be complete.

5.2 Audit Objective 2: Assess the degree to which Client Service Centre systems and processes are aligned with strategic priorities including Service Excellence and support efficient and effective service delivery. This would include cash handling and how the City measures client satisfaction.

Council's Strategic Priority of Service Excellence as stated July 2011 was to: "Improve Client Satisfaction with the delivery of municipal services to Ottawa residents by measurably increasing the culture of service excellence at the City, by improving the efficiency of City Operations and creating positive client experiences."

5.2.1 CSC Systems and Processes

5.2.1.1 Procedural Documents

Client Service Centre staff process a wide range of transactions and services from accepting payments on account for tax and water bills to registering deaths, issuing marriage licenses and commissioning documents. Access to on-line procedural documents (cross-referenced to corporate policies, legislation and systems) supplemented by formal and informal training as well as coaching from supervisors and information from colleagues provides CSC staff with the tools to perform every transaction.

The procedures do not specifically reference the City policies for bilingualism, records management, accessibility or privacy legislation. However, the training summary has been provided to show that staff have been provided accessibility training.

The main system used to process transactions where there is a payment would be Datasym, the cash register system. In many cases, where a client arrives at the CSC with their invoice, it would be a matter of scanning the bar code (sku code). Management has identified issues with this system and implementing a replacement is in progress. (Some specific cash register issues have been identified with the cash handling section.)

The subsystems which were referenced in the procedures where staff would have access include Vtax, Autoprocess, Aquacis, Map, SAP, VitalStats, and Class resulting in staff accessing multiple systems. In addition, there are also statistics and logs maintained manually.

Some exceptions were noted in the procedural documents used by CSC staff for reference purposes as follows:

The CSC procedure format differs from the Corporate Administrative Procedures template and does not include specific sections for Application, Monitoring/Contraventions, References, Legislative and Administrative Authorities.

The CSC staff process transactions for areas where they have primary responsibility such as Vital Statistics but mostly for areas where they do not have primary responsibility. The procedural documents include a section for the validation contact. We found examples where the validation contact reference was a Division or Branch and not a position, referenced more than one position or where it was not clear that this contact would have authority or responsibility to validate the procedure. Management indicated that the proof of validation by the contact would be via email. However, example emails requested to support the validation of procedures were not always from the business process owner and were not always available.

Class procedures do not clearly articulate the CSC role or the process for Class deposits. We also found that a separate “As is” process document for payments and explanations from staff differs from the actual practice with respect to Class deposits which we found were not being entered into Datasym in 2011. (Specific issue identified with the cash handling section.)

This would result in the risk of errors, different levels of service, non-compliance to legislation and policies, and inefficiencies where there are differences between procedural or process documents and practice.

As there continue to be changes to systems (e.g., cash register) and staffing (July 20, 2012 reorganization), updating procedural documents and training staff on the updates in order to improve service (excellence) will continue to be important.

Recommendation 3

That the City validate and authorize procedures by the business process owner; make them consistent with the Corporate Administrative Procedures template; clearly articulate the CSC role and monitor practices against the procedure.

Management Response

Management agrees with this recommendation.

Management has commenced the process of validating all procedures with the appropriate business process owners and will obtain/track the authorization of all procedural changes as required.

ServiceOttawa will develop a template for departmental procedures based on the Corporate Administrative Procedures template, and will update the current internal procedures to ensure consistency. Procedures will also be updated to include the CSC role. This will be completed by the end of Q4 2013 and procedures will be reviewed and updated annually as required.

5.2.1.2 System Accesses

System accesses used by staff at Client Service Centres are not always appropriate.

In most cases, CSC Staff have the same system access regardless of whether their role is (Acting) Supervisor, Client Service Representative or Cashier. (Acting) Supervisors perform a coaching and verification role and are often at the counter for complicated transactions (e.g., site plan control). Roles can vary and for Laurier CSC, the schedule of assigned roles was posted in the Outlook calendar.

CSC staff have accesses to multiple systems and depending upon the system can have multiple accesses to the same system.

Within the CSCs, there has also been staff turnover over the past few years and many staff in acting positions.

We found that for Datasym there were 83 individuals with accesses which is approximately twice the number of positions within the Client Service Centres. The cashier setup documentation and indemnity forms required by the Cash Handling Policy and Procedures to be signed by cashiers were not available for all individuals. A clean-up was performed in the Datasym cash register system in July/August 2012 during the course of this audit to review, update, and delete accesses for cashiers that were no longer working in the area. Management indicated that this clean-up occurred as a result of the Cash Register Replacement Project. Deletions were normally performed by Financial Services Point of Service (POS) staff but in July/August 2012 instructions for deletions were provided to CSC. Some of these accesses should have been deleted in September 2011.

Class accesses may be more extensive than required as there are names listed that may not be appropriate to have access including terminated employees (five examples) and more extensive number of users than required (e.g., for Metcalfe).

There are also generic site specific accesses such as for the Water and Tax systems to re-print bill stubs and which are tracked by location and not by individual and for inquiries which are not tracked.

All of this results in the risk that City staff has unauthorized access to private and confidential information which they could inadvertently or deliberately release or use where there would not be a trail of their access. Access listings requested for this audit were not all provided (Aquacis and VitalStats outstanding.) Therefore, the risks and impacts could be greater.

Recommendation 4

That the City review and update system accesses for staff working at Client Service Centres to an appropriate level and remove or revise these as staff change positions or leave the City.

Management Response

Management agrees with this recommendation.

System accesses will be fully reviewed and updated by the end of Q2 2013. Moving forward, management will conduct an annual review of staff system access. In addition, a departure check-list for staff has been introduced to ensure that accesses are removed or revised appropriately as staff change jobs or leave the City.

5.2.2 Data and Reports

5.2.2.1 Performance Data for 2011

The 2011 reports used by management to monitor CSC performance and report to Committee and Council were based on cash register transaction volume data. Performance measure 18 was entitled, “Total Client Service Centre transaction volumes (by quarter; annually)” and represented levels of activity and did not measure performance. The reports were also incomplete.

The reporting of strictly raw numerical quantities of transactions does not provide a breakdown by the type of service, any sense of the level of effort involved which can range from 2 to 60 minutes per transaction, performance information (time and line measures or radius of delivery) or quality information (customer service).

There is one Performance/Outcome Measure in the Budget document for the Laurier Client Service Centre relating to the percentage of clients waiting less than five minutes. The target is 67% and for 2011 management reported 68.3%. Refer to section 5.4.2 relating to the queuing report for limitations relating to this measure.

As they do not have adequate performance measures they need to develop measures. As stated in the 2011 Audit of Performance Measurement, the cost-benefit of performance measurement activities at the City has been questionable in the past. It will be important for management to monitor the usefulness of any new performance measurement program to ensure it is adding value.

They have also not formally adopted adequate standards (e.g., for quality and time) for services provided against which performance could be monitored.

Management confirmed that the CSC transactions totalling 145,300 reported for 2011 in the Quarterly Performance Report to Council are manually compiled based on cash register reports adjusted for specific transaction types (e.g., bus tickets and merchandise) to better reflect the actual number of counter transactions. Management indicated that in Q4 it was determined that statistics reported for Q1 to Q3 were understated by 6,466 based on the established criterion. During the course of the audit, we found that restatement of the transaction numbers relating to bus tickets was being done based on 10 tickets per sheet and should have been done based on 6 as they are now sold in sheets of 6. Management indicated they restated the numbers in 2012 (for 2011) based on the agreed upon assumption. Management subsequently provided updated adjusted cash register transaction amounts totalling 166,206. These represented a difference of 14%. Management indicated a revised process will guard against future misstatements as a new methodology will be developed for reporting CSC transaction volumes to Council in 2012.

The reporting also excluded data from other systems for transactions processed by CSC staff such as the Vital Statistics system for Death Registrations and the Class system for Program Registrations, Memberships and Bookings as well as services that do not result in payments. These represented an additional volume of 16,059 or 11% of the initial amount reported.

Table 1: Differences in Total Transactions Reported to Council for 2011

	2011 Annual Total	Percentage
CSC Adjusted Total Cash Register Transactions	166,206	
CSC Adjusted Total Cash Register Transactions Reported to Council	145,300	
Difference	20,906	14%
Additional transactions not included in totals reported to Council:		
Death Registrations	5,506	
Class transactions	3,629	
Other manual transactions - some back end processing and administrative	6,924	
Total difference	36,965	25%

The above table shows that there were differences in the quantities of total transactions reported to Council for 2011 totalling 36,965 or 25% of the original total.

As a result, Council has not been provided with appropriate performance information.

Recommendation 5

That the City measure performance to adequately reflect it against strategic priorities and operational objectives to provide adequate information to Council and improve effectiveness.

Management Response

Management agrees with this recommendation.

Since the time of the audit, management has implemented quality assurance measures at the Client Service Centres in support of Council's "*Improved Operational Performance*" and "*Ensure a positive experience for every customer interaction*" priorities. Appropriate performance measures supporting operational objectives will be identified through the review of the current service delivery model, currently under development and will be finalized by the end of 2015.

Recommendation 6

That the City develop adequate standards for wait times and quality and monitor actual performance against these standards.

Management Response

Management agrees with this recommendation.

ServiceOttawa has standards for quality of service provided at the CSCs and a baseline quality score has been established. Management will review and set a target at the beginning of each year to ensure quality standards are being achieved.

In addition, a new queuing system will be implemented at the Laurier CSC in Q2 2013. The queuing system will provide measures for time-waiting-in-line broken down by transaction type. Management will develop and set a target that will measure acceptable levels of performance, which will also be available by transaction type. These measures will be implemented by the end of Q4 2013.

5.2.2.2 Different Versions of Reports

Different versions of reports provided by management contained different quantities and categories of transactions as there appeared to be a lack of understanding of the systems used to report transactions.

For example, the 2011 estimated number of transactions of 170,000 for 2011 that appears in the Draft Audit Plan was questioned by CSC management even though this was the estimate provided by management. Management provided their Cost Analysis for the CSC which they indicated included total CSC transactions of 145,300 based on adjusted cash register transactions, as reported in the quarterly report to Council for 2011 as well as a percentage estimate of 17% to approximate additional non-cash register transactions for 2011 including some administrative and back office processes. Management indicated that they are aware that work remains in the area of reporting transactions.

Another example related to the 2011 Actual CSC Transactions spreadsheet which showed that CSC management and staff compiling the statistics relating to transactions processed through the various systems were not familiar with which transactions would have already been reflected within the cash register data. We determined that 6,547 of the 181,888 transactions contained in the 2011 CSC

Transactions spreadsheet were double-counted as some sub-systems (i.e., Vital Stats-Marriage Licences, Map and some Class) transactions were also included in the cash register total. Although 6,547 out of 181,888 would represent less than 4% of transactions, this could be more significant when considering the impact on time and level of effort for these categories of transactions/services.

A revised spreadsheet was provided which totalled 175,341 along with a list of manual transactions which totalled 6,924 for adjusted total transactions for 2011 of 182,265 including some administrative and back office processes. For analytical purposes as part of this audit, to determine level of effort, we have been using the 182,265 number.

Table 2: Comparison of Total Estimated Transactions for 2011

	Original Estimated Transactions per Management	Revised Estimated Transactions per Management
CSC Adjusted Total Cash Register Transactions		166,206
CSC Adjusted Total Cash Register Transactions Reported to Council	145,300	
Additional transactions not included in totals reported to Council:		
Additional transactions estimated at 17%	24,701	
Death Registrations		5,506
Class transactions		3,629
Sub-total		175,341
Other manual transactions - some back end processing and administrative		6,924
Total Estimated Transactions	170,001	182,265

These examples of differences result in management potentially not using appropriate information for decision-making purposes and consequently not providing the appropriate information to Council. Management has indicated, that staff reported all cash-based transactions in the Quarterly Report to Council that are system generated through the cash register; that staff is aware of the limitations of the data, recognizing that the data does not include non-monetary activities; and, that this knowledge has been factored into decision-making, including estimates based on manual transactions.

Recommendation 7

That the City develop complete and accurate reports in order to understand their volumes of transactions for the services provided.

Management Response

Management agrees with this recommendation.

ServiceOttawa is in the process of reviewing all of the transactions that are processed at the CSCs and is identifying opportunities for automation and integration of transactional data. This initiative will provide a mechanism to generate accurate transaction volumes at the counters by the end of 2014.

5.2.2.3 Recovery of full costs for providing services

Analysis of service fees (such as Marriage Licence, Commission of Oaths, Travel Documents, etc.) was not available to determine whether or not the full costs of providing the services are appropriately recovered.

Although management indicated that there had been reports provided to Council in 2005 and 2006 relating to Marriage Ceremonies, these have not been updated within the last six years.

User fees for Marriage Ceremonies were established through Council in April 2005 followed by a report to Council in June 2006 which was at the one-year review period. At that time, the Council report recommended that, "fees should be reviewed and adjusted annually as part of budget deliberations and continue to be aligned with the cost-recovery nature of the service." Management indicated the remainder of fees were set through the amalgamation process.

An analysis was not conducted based on actual costs and actual volumes to determine that full costs relating to providing the service were appropriately recovered.

This results in the risk that the full costs have not been appropriately recovered.

Recommendation 8

That the City conduct an analysis of service fees for services provided by the CSC to appropriately recover full costs.

Management Response

Management agrees with this recommendation.

The City will conduct an analysis of service fees that fall within the mandate of the ServiceOttawa department by the end of Q2 2015 to ensure that appropriate costs are being fully recovered. However, this work will only be undertaken after the refined FTE capacity analysis has been completed (identified in Recommendation 14) and once the new counter service delivery model has been implemented (identified in Recommendation 16). Should the fees require adjustment, ServiceOttawa will recommend the new fees to Council for approval.

5.2.3 Cash Handling

5.2.3.1 Non-compliance to Cash Handling Policy and Procedures

Although the Cash Handling Policy and Procedures have improved since the prior 2002 audit, as a result of this audit, in July 2012 CSC management has identified some non-compliance between the Corporate Cash Handling Policy and Procedures and CSC unit practices. In addition, the Office of the Auditor General has identified some issues impacting the efficiency and effectiveness of cash handling and compliance to the Cash Handling Policy and Procedures that relate to CSC and Finance department. The findings and recommendations from the 2010 Audit of the Revenue Branch that relate to the CSCs will be followed-up in 2012.

5.2.3.2 Segregation of Duties

The *Cash Handling Policy* states, “Where practical, no individual shall have responsibility for the receipt of cash and the deposit, recording and reconciliation of the cash. Where segregation of duties is not practical, the operating department, with the guidance of the Finance Department, shall develop and implement mitigation practices and compensating controls to reduce the risk of loss.”. CSC management has identified segregation of duties issues during the course of this audit which they indicated they were addressing. These included: duties of the cashier (receipt of cash) and Client Service Representative (deposit recording and reconciliation of the cash) being performed by the same person; brief time periods where cash drawers are not limited to one person; and, cash not always counted when changing hands. This could result in the lack of accountability and the potential risk of a loss of funds or items of monetary value, and the loss not being prevented or detected in a timely manner. There were also issues where staff were not always using the reconciliation room to count money which in addition to the prior points could also impact staff safety.

5.2.3.3 Deposits for Rural Locations

Deposits at the rural locations were reviewed as part of the Follow-up of the 2010 Audit of the Revenue Branch where they found deposits were made in a timely fashion and in accordance with policy and procedures.

5.2.3.4 CSC Staff Go Directly to Bank for Change

CSC management also identified that the policy does not address the provision of change (coin orders) and consequently staff (two employees) go directly to the bank or to the café. This would impact staff safety and productivity. The City has an option available to order change from a designated location to be picked up and delivered as part of the regularly scheduled armed courier service. The OAG confirmed with Finance department that the coin order instructions were not part of the Cash Handling or other policy and procedural documents available to Client Service Centre staff during the audit fieldwork.

5.2.3.5 Slip Printing Inconsistent

CSC management has identified that slip printing which results in the cash register information being imprinted on documents is also handled inconsistently across the CSCs with some locations imprinting all transactions and some locations imprinting documents with no bar codes on regular paper and then discarding the paper. This results in a loss of productive time and waste of paper. Finance department POS has indicated that slip printing is a limitation of the current Datasym cash register and that the new cash register would allow slip printing of selected transactions.

5.2.3.6 Lack of Cash Drawer with Class Cash Register

The OAG has found that at Laurier CSC, there is a lack of cash drawer with the separate Class cash register. As a work-around, cash and cheques are stored with the Datasym cash register, but it was also indicated that money is not counted when it changes hands. This does not provide accountability and control around the handling of cash or a professional service where change is required to be given to the client.

5.2.3.7 Refund Process

The *Cash Handling Policy and Procedures* assign responsibility to departments to develop and implement refund policies. The policy and procedural documents specify minimum requirements including a copy of the original customer receipt and that refunds are to be made using the same payment method (or by a City of Ottawa cheque, where applicable) as the original payment method.

The CSCs indicated that their practice is that refunds are usually only provided by a cheque which is requested through a payment without reference form sent by the CSC to the Finance department, Finance Service Unit (FSU) and provided to the client at a later date. The exception would be for discontinued parking card program where unused balances may also be refunded by parking tokens.

The CSC does not have a process in place to calculate the cost of processing refunds in the CSCs as they treat this process as administrative and indicated they follow directions provided by the business process owner and Finance department

Finance department - POS indicated that there are requirements of the City's payment card agreement where, "if a purchase using a card is returned, a credit or refund must be issued to the same Card completing a Transaction Receipt and not in cash." This issue is reflected in the refund section of the Cash Handling Policy and Procedures documents which provide guidelines to departments for establishing their policy for issuing refunds.

The practise at the CSCs for processing refunds would be non-compliant with the payment card agreement and the Cash Handling Policy and Procedures.

5.2.3.8 Lack of Overall Control of Items Assigned to CSC

Parking Token Inventory

Parking Operations issue parking tokens to the Client Service Centres to sell or to provide as refunds for the discontinued parking smart card program. Parking Operations record the total parking tokens issued to each CSC as part of their inventory tracking. Parking Operations does not monitor the controls at the CSC or their opening and closing inventories. The CSC tracks the parking tokens received and sold but also does not record the opening and closing inventories. This results in a potential gap in the controls over the parking token inventory relating to CSCs.

Parking tokens were initially purchased several years ago. The tokens used in parking meters are counted and returned to the City from the contractor and then are returned to inventory and are re-issued.

We found that the overall inventory listing maintained by Parking Operations for inventory at Bayview as at September 17, 2012 contained shortages of 35,603 tokens representing approximately \$35,603. During the course of this audit, management reviewed the differences and reconciled the discrepancy to 1,458 tokens representing approximately \$1,458.

Marriage Licence Forms Inventory

Client Services staff at Laurier CSC order marriage licence forms and issue them to the other CSCs. At the time of the audit, they indicated that they were not maintaining an overall tracking system but could obtain the information. The OAG had been provided information such as licences sold per the Vital Statistics system and paid per the Datasym cash register system and those spoiled for 2011. However, information relating to marriage licences ordered, issued to sites and on-hand at the beginning and end of the year to validate quantities sold was not provided. This information had been requested from Client Services prior to and on September 27, 2012 and was not been provided. Management subsequently indicated, "that there is an overall tracking system" in place. The licences are tracked in Vital Stats when initially received at the Laurier CSC, as well as when distributed to and received by the other CSCs from the Laurier location. Licences are sent in a blue bag that is used to send all Vital Stats documents. These bags have

a tracking number, along with the licence numbers, and destinations are recorded in Vital Stats when sending or receiving licences. Also, the licences are sent in sequence, to ensure further accuracy of the process.”

In summary, throughout section 5.2.3, there are several issues of non-compliance with the Cash Handling Policy. There were also further issues relating to Datasym accesses not being updated timely and a lack of indemnity forms for some cashiers, discussed in section 5.2.1. Staff that handle cash should comply with the Cash Handling Policy and Procedures. In cases where they need to deviate from the Policy, they should ask for authorization from the Finance department. The Finance department should monitor to ensure compliance with the Policy.

Recommendation 9

That the City comply with all aspects of the Cash Handling Policy and Procedures including the Monitoring/Contraventions section.

Management Response

Management agrees with this recommendation.

Process improvements have been made to ensure ongoing compliance with the Cash Handling Policy and Procedures, and compliance requirements have been communicated to staff; these include procedures for coin orders, use of the reconciliation room, and counting cash when changing hands. Slip printing issues have been resolved through the introduction of the new cash register system.

A quality assurance program has been introduced and, as part of this program, compliance to departmental and corporate procedures is monitored on a monthly basis to identify where action may be required.

Management is conducting a review of segregation of duties and, in accordance with the Cash Handling Policy and Procedures, will be working with the Finance department to further develop mitigation measures when the segregation of duties is not practical. Management will also implement a departmental refund policy which takes into account the varying requirements of the business process owners. By creating a refund policy at the departmental level, the CSCs will be in compliance with this aspect of the Cash Handling Policy & Procedures. The review of segregation of duties and the implementation of a departmental refund policy will be completed and in place by the end of Q4 2013.

Lastly, the Finance department has included an annual compliance review of cash handling for selected sites in their work-plan. The last review was completed in the fall of 2012.

Recommendation 10

That the City properly manage inventory items.

Management Response

Management agrees with this recommendation.

Management has implemented an inventory control tracking sheet to monitor the inventory of marriage licences and parking tokens on a daily basis at each of the CSCs. Management considers implementation of this recommendation to be complete.

5.2.4 Current Cash Register

5.2.4.1 Class Cash Registers are not Uploaded to the Cash Register System

The OAG has confirmed with the Finance department that Class cash registers are not uploaded to SAP, the accounting system and as a result the Finance department manually uploads the Class amounts when they conduct their daily processing and reconciliations. This results in ongoing manual effort to verify and record deposits in order to clear them and the merchant clearing accounts.

In 2011, there was an example identified as part of the Finance department reconciliation process where a cash register file had to be recreated for upload into SAP based on the manual cash register tapes. This resulted in the SAP accounts being correct but the cash register files for Laurier missing transactions in the amount of \$179,702 of which \$169,544 related to Municipal Property Tax.

This would result in a productivity impact as well as the potential that differences are not highlighted as manual changes are frequently made to uploads.

5.2.4.2 Void Transaction Compensating Control

A transaction is voided on a cash register to correct a mistake or remove an item. The Finance department confirmed the process used by CSCs to void transactions (reversing a transaction that has already been completed requires a manager's authorization). To void a transaction, the CSR turns the cash register key to the "Manager" setting.

A compensating control has been established whereby the Cashier/CSR that performs a void, completes a manual void form which includes the reason for the void and is signed off by another CSR and by the Supervisor when they review and sign-off the daily deposit backup. Currently, void paperwork would be stored with each deposit which is provided to Finance department daily and voids would be accessible only by manually going back through each deposit. We found that the void form does not require that the name and position title be printed. Therefore, for the examples provided as the signature was not always legible, it was not always possible to determine who signed off.

The form includes lines for three signatures including the Supervisor's. This may be more effort than should be required. Management could consider two signatures of appropriate level sufficient along with the printed names and position titles if the process and forms were consistently followed and completed.

We reviewed examples of voids and found that these related to five transactions. Of these, four related to voids that were required as a result of having to split payments (tax or accounts receivable) that were greater than \$99,999.99 as cashiers are only able to enter individual items amounts of \$99,999.99 or less and one was as a result of an incorrect tender type. Management provided explanations for all of these but the void forms were only provided for three of these. One of the void forms was not signed and on one of the forms the signature was not legible.

The compensating control for void transactions may be more effort than should be required. We found that in some cases, the void form was not completed or not signed off or the signature was illegible.

5.2.4.3 Void Transaction Report

Finance department's POS indicated that they could not generate a report of void transactions that could be used to trace to supporting documentation and that in order to obtain details from the cash register system would require that Information Technology Services Department (ITS) run a special script. This was done and for 2011 there were 610 voids totalling \$1.4 million. Although daily deposit backup is reviewed daily, the lack of ongoing reporting with sufficient details does not permit an analysis by CSCs management of the volume, validity or the trends of the reasons for voids.

Finance department's POS management indicated that the new POS will have an electronic journal and voids will be electronic. When there is a void the receipt would be captured as part of the daily sales report.

5.2.5 New Cash Register

5.2.5.1 Report to Council

In their April 2011 report to Council, Finance department requested funding for replacement of cash registers to minimize risk as cash registers are beyond their normal useful life resulting in more frequent breakdowns and issues with availability of parts and service. The report identified that the new system was to update technology and improve service delivery. The report indicated that the new POS system will have more functionality, better metrics and transaction reports to permit more informed business decisions and improved client satisfaction with the ability to process their requests. The report to Council included the cost of \$400,000 and qualitative benefits but did not quantify benefits.

5.2.5.2 Features and Functionality

There are some limitations of the current Datasym cash register such as void transaction approval and reporting and better managing POS accesses which Finance department POS plan to resolve with the functionality of the new POS system.

Management has indicated that the tracking and controls are much stronger as the system allows POS to set cashier access and timeframes. There is also an inventory control module to facilitate the tracking and controls over items assigned to the CSC. Management has indicated that the new cash register system may result in changes to processes and procedures.

There is the risk that opportunities previously identified in the April 2011 report to Council for the new cash register system, to improve system delivery, permit more informed business decisions and improved client satisfaction, would not be realized.

Recommendation 11

That the City update policies, procedures and processes to maximize the functionality and features of the new cash register system and realize potential operational effectiveness and efficiencies.

Management Response

Management agrees with this recommendation.

The City's Cash Handling Policy and Procedure was updated in January 2013, which included communication to all staff. In addition, CSC staff were trained on the new cash register system when it was deployed in 2012. As the new cash register system project transitions to sustainable mode in 2013, staff will continue to monitor and report on the performance of the new cashiering system. Management considers implementation of this recommendation to be complete.

5.2.6 2011 Client Satisfaction Survey

The results of the Client Satisfaction Survey conducted by management during 2011 showed that the Client Satisfaction categories of Timeliness, Got what I needed, Accessibility (Laurier only) and One-stop satisfaction (Laurier only) had dissatisfaction ratings greater than 10%. These results which were to serve as a baseline were not provided to Committee and Council. In our opinion, this was a high level of dissatisfaction.

Management considers the process used in 2011 to be the "old process" which was based on handing out comment cards and manually compiling the results. Management indicated they are planning to implement new, more automated processes to measure client satisfaction across all points of service, based on the "Confidential" Quality Assessment Reports from a IBM consultant relating to client

satisfaction including one dated December 2011 entitled Client Satisfaction Program.

Management indicated that for the new process, the results of the consultant's reports were provided to the ServiceOttawa Steering Committee as part of the overall Quality Assurance program in 2012. Management also indicated that for 2012 there was a departmental work plan for the QA program implementation which was contracted to an IBM consultant to create products, determine pieces listed and do the roll out. This came from the first recommendations of the 3-1-1 audit and was applied to the entire CSC and as at February 2012 the workplan and four IBM reports which identified gaps between current state and leading practices were not yet presented to Committee and Council but would be presented through the ServiceOttawa Steering Committee. Depending on what was approved, these would then go to Committee and Council when the QA program was packaged as a whole.

Management indicated that ServiceOttawa created the Quality Assurance and Standards Group and ensured resource capacity by moving functions to this Branch and hiring staff. They were developing the QA program in 2011 which was to be implemented in 2012. The QA program deliverable list for 2012 provided by management July 2012 shows the timing for the launch of the QA program and that the implementation of the interim QA program using existing technology was planned for the third quarter of 2012.

Recommendation 12

That the City complete the development of a Quality Assurance program for monitoring, assessing and reporting on the quality of services delivered to the public.

Management Response

Management agrees with this recommendation.

A Quality Assurance Program for Counter Services was implemented in November 2012. The program tracks and monitors the experience clients and residents have with Counter Services through an agent monitoring program, client surveys, a mystery shopper program and point of service surveys. Agents are provided with individual results and are coached on personal improvement opportunities. In addition to individual results, management is provided overall branch results, which inform larger continuous improvement opportunities and training requirements. Management considers implementation of this recommendation to be complete.

5.3 Audit Objective 3: Ensure that the City has maximized the use of non face-to-face interaction for services provided through the Client Service Centres.

5.3.1 Non Face-to-Face and Alternative Service Delivery

An analysis provided by management of options to maximize non face-to-face interactions for service delivery and potential savings of alternative delivery methods was incomplete.

The Counter Optimization report provided by management was created by internal business analysts working with consultants with a main focus on setting up the "As Is" process through working sessions and obtaining estimates of transaction volumes from departmental subject matter experts. Process times had been reflected for By-Law Services only. Management has indicated that process times were not included in the Counter Optimization report as its purpose was to identify additional departmental services that can be delivered by the CSCs. The report was not provided to Committee and Council. Management has also indicated that this project is on-going and the Counter Optimization report was provided to the Director for future consideration. Recommendations will be considered for future implementation. The report identifies additional departmental services that can be delivered by CSCs; services that can be migrated to CSCs; and, changes to CSC facilities and equipment to enable an updated citizen experience which enables in-person channel access and provides an opportunity for citizens to access additional channels while on-site.

The report recommends many options including that the existing CSC network be enhanced through increasing the hours of operation in current rural CSC locations, evaluating pilot operations in rural library locations and evaluating the opportunity to extend the CSC network to planned recreation centres in developing recreational areas. The report also recommends changes to CSC locations to ensure citizen coverage across the City by enhancing the rural presence. The report states longer term recommendations include developing a CSC in the planned Barrhaven Recreation Centre Complex that will be operational in 2014. The report includes the statement, "It is a priority of the City to have a significant presence in the rural locations." However, the source and rationalization for this statement was not indicated in the report.

The report also states that the transaction volumes and the service delivery costs of the recommended changes to the CSC services offered can be offset by the anticipated shift (estimated at 30%) of in-person transactions to Ottawa.ca. However, the report does not prioritize the recommendations or provide a complete summary and quantification of the costs and benefits or savings impacts of each recommendation.

We found transactions processed for 2011 at the CSCs included 42,708 Tax and Water payments which represented approximately 23% of the total. There are opportunities for further promoting automated Tax and Water payments and discouraging in-person payments. There was also a separate memo relating to alternative delivery of City branded merchandise which had been provided to Council in response to their motion to investigate sales of corporate merchandise.

There is a potential risk that the City does not maximize the use of non face-to-face interaction and alternative delivery models and realize possible savings.

Recommendation 13

That the City identify and implement opportunities to increase the use of non face-to-face interaction to alternative service delivery across the City.

Management Response

Management agrees with this recommendation.

ServiceOttawa is conducting a review of services provided at the Client Service Centre counters. The first phase of the project will identify the services that will be automated and migrated to the online channel. This phase will be completed by the end of Q2 2013. The last phase of the project will be the implementation of these counter services to Ottawa.ca. The implementation plan for the migration of these services will be completed by the end of 2014.

5.4 Audit Objective 4: To identify areas of potential savings for the City in the efficient and effective management and operation of the Client Service Centres.

5.4.1 Resource Deployment

Management did not have a detailed staff deployment model. Management indicated the appropriate minimum and maximum staff level at CSCs would be based on seasonality, absenteeism rates, historical volumes and trends or initiatives. However, they did not have detailed supporting analysis.

The staff and financial reporting is not broken down by the seven CSCs but shows City Hall separately and pairs each of the three rural CSCs with one of the remaining three larger CSCs.

Based on the transaction levels and standard times provided by management, on an overall basis, the calculation of required FTEs by CSC in section 5.4.2 shows there could be capacity available across the CSCs.

Table 3 shows that there is an estimated low volume of transactions processed at the CSCs. Based on the actual Client Service Representatives in 2011, the daily average transactions ranged from an estimated 11 to 31 transactions across the seven CSCs.

As detailed in Section 5.2.2, the number of transactions is a combination of volumes based on actual transactions processed in Datasym, actual transactions processed in other systems that are also not processed in Datasym, and an estimate from management (which represents 4% of the total) of other non-monetary manual transactions including some back end processing and administrative transactions such as deposit reconciliation and preparation. Management indicated that this would not include all administrative activities where there is no interaction with the public.

Table 3: 2011 Daily Average Transactions Processed by Client Service Representative (CSR)

	Laurier	Ben Franklin Place	Orléans	Kanata	Metcalfe	Kinburn	North Gower		Overall Summary
Total annual number of transactions	93,245	38,484	25,438	19,354	2,269	1,217	2,257		182,264
Number of days centres open during year	248	248	248	248	54	53	52		1,151
Daily average number of transactions	376	155	103	78	42	23	43		N/A
2011 Actual FTEs - Restated to reflect 2 staff assigned from Ben Franklin, Orléans and Kanata to rurals for one day per week	12.0	7.6	4.6	5.6	2.0	2.0	2.0		31
Daily average transactions processed per CSR	31	20	22	14	21	11	22		26

It should be noted that the number of transactions does not relate to the number of clients as it is possible that a client may have more than one transaction.

When resources are allocated across the seven CSCs, with four locations open five days per week and three open one day per week, there is the potential for downtime at some locations which is not available to be utilized at other locations. Therefore, this results in the risk of not being able to fully support efficient and effective service delivery.

Recommendation 14

That the City formalize their staff deployment model to optimize efficient and effective management and operation of the Client Services Centres.

Management Response

Management agrees with this recommendation.

Management is reviewing and validating capacity at the Client Service Centres.

ServiceOttawa will refine the FTE capacity analysis calculation. The FTE calculation will take into consideration 2012 transaction volumes. Management cannot agree with the assertion that there are 13 FTEs of excess capacity (worth approximately \$800,000) until the FTE capacity analysis calculation referenced in Recommendation 16 is refined.

ServiceOttawa will develop a counter service delivery model that will maximize the efficiency of delivery while maintaining access to City services. The new counter service delivery model will include a review of the services provided and the location of service delivery. Should the new model anticipate significant changes from the existing service delivery model those recommended changes will be sent to Council for approval. This work will be completed by the end of 2014.

5.4.2 Staff Utilization and Efficiencies

5.4.2.1 2010 CSC Capacity Analysis

CSC management conducted a Capacity Analysis (spreadsheet) in late 2011 based on 2010 transaction volumes to substantiate that there was capacity within the CSCs to assume responsibility, starting in 2012, for a portion of By-Law and Regulatory Services - Business Licensing. They indicated this was research in draft format they compiled for 2010 and included the standard average time for each transaction/service multiplied by the total volume of the service across all CSCs for 2010 at a point in time. It should be noted that the transactions and services included some administrative and back office processes. Also, not all volumes of transactions and services were broken down by Client Service Centre.

Management has indicated that the times provided as part of the 2010 Capacity Analysis were standard average times. Documentation from management indicates that these standard average times were assigned to each service/process by leveraging existing Service Standards Analysis documentation and in consultation with CSC management and staff based on observation and audit. These standard average times have not been formally adopted by management and actual progress has not been monitored against these.

In addition to the available capacity of 4.27 FTEs out of their reported current total staff complement of 36.83, management projected using the 2010 transaction

volumes to cover Business Licensing responsibilities, there was an additional 50% (labelled as WFM-Work Force Management) which represented 10.89 FTEs. Management did not have supporting analysis for this additional 50% in order to ensure that some of the impacts had not already been considered as part of the transaction volumes. The appendix to their report listed items such as the rural CSCs, overtime, hours of operation, decentralized sites, cash reconciliation, peak service hours, information requests, back and front end processes, staffing/backfilling, knowledge management, and average wait times, however there is no impact analysis available for these. It should be noted that the available hours of work calculation for FTEs excluded statutory holidays, vacation leave, sick leave, training and ad hoc meetings and breaks. There were also computational errors in the report.

Management indicated that the work done in November 2011 (with 2010 data) was not a methodology to show capacity and was only to substantiate that there was capacity to assume Business Licensing in 2012 and that they are going through the process now to recognize capacity based on what is realizable and achievable and that they would have a better sense in 2014. Management further indicated that the 2010 Capacity Analysis were working documents that had not been validated through a Quality Assurance (QA) process and that there was no final QA as the report had not been seen, signed off or approved by the Director, ServiceOttawa.

Based on our review of the 2010 CSC Capacity Analysis provided by management, CSC transaction times ranged from 2 minutes for selling bus tickets or passes to 60 minutes for conducting a marriage ceremony, with approximately 87% of the transactions taking 10 minutes or less for a total of approximately 59% of the time and 13% of the transactions taking greater than 10 minutes for approximately 41% of the time.

It should be noted that 51% of the volumes, representing only 28% of the time, relate to payments on account transactions such as tax, water, parking ticket payments, or sales of items such as bus tickets and passes.

In reviewing the standard times with management, we found examples where the standard times from the 2010 Capacity Analysis were higher than those in the 2011 queuing report. The Capacity Analysis showed marriage licences at 33 minutes and marriage ceremonies at 60 minutes which were higher than the average ticket service times in the queuing report which were an average 21 minutes for marriage licences and an average 23 minutes for marriage ceremonies. Management explained that part of the difference may relate to basing the standards for marriage ceremonies on the total amount of time scheduled as opposed to the actual amount of time taken.

This level of information was not available from management for 2011 as CSC management did not conduct the same analysis. As noted in the prior section, management initially had some difficulty providing 2011 transaction volumes which also did not include all items tracked manually and information requests. The spreadsheet provided did not include time estimates to indicate the level of effort for these transactions and utilization of staff. This should be monitored on an ongoing basis and as a minimum on a quarterly basis and not just after the year end in order to assess ongoing capacity and efficiency.

5.4.2.2 Queuing Report

Management provided queuing statistics for 2011 based on the sequential numbers that are issued to clients. Management indicated these statistics are only available for Laurier CSC. The report does not take into consideration visits that go directly to the cash such as tickets and other payments, and management does not consider the statistics that appear to relate to other counters, such as Building Code, located at the CSC.

Management indicated that initially at the CSCs there was a requirement to obtain a “queuing ticket” but that there were many complaints. Currently, “tickets” are issued by the greeter and, on rare occasions by the information desk, but not in all cases.

We found the queuing report represents 27.4% of the total transactions at Laurier and 14% of the overall total CSC transactions. The total line shows the average ticket time as 10 minutes 55 seconds which is intended to represent the average amount of time to serve the client. However, this excludes tax and water which would take considerably less time and where based on their volumes, their inclusion would result in a much lower average.

Further by excluding marriage licences and marriage ceremonies, which are lower volume but where the amount of time taken was generally much higher, the average ticket time for other transactions is reduced to 7 minutes 42 seconds. This is about 1 minute and 42 seconds higher than the 6 minutes calculated for other transactions based on 2010 CSC Capacity Analysis. Management indicated this could be attributed to the fact that the clients that go through the queue may require more time than those going directly to the cash/counter as they may not have all documentation requirements with them.

Management indicated the average speed of answer of 6 minutes 42 seconds, which would be the amount of time from when the client was given the ticket to when their number was called (i.e., average waiting room time). This would also be higher than the actual average time for the same reasons as noted above.

Management reported a Performance/Outcome Measure in the budget document relating to the percentage of clients waiting less than five minutes at the City Hall CSC. The target is 67%; and for 2011, management reported an actual measure of 68.3%.

In summary, there is very little waiting and a very low wait time which indicates opportunities to rationalize staff.

5.4.2.3 2011 CSC Capacity Analysis

Although management did not complete a CSC Capacity Analysis for 2011, as part of this audit, the OAG estimated the overall capacity based strictly on the estimated 2011 transaction levels provided by management excluding the additional 50%¹.

Table 4: Summary of Services provided through Client Services Centres

Service Type	Total	Estimated average standard times per mgmt 2010 CSC Capacity Analysis in minutes	Time restated in total hours	Time restated in FTEs based on 1,312.5 available hours per annum
Municipal Property Tax Payments	27,135	3	1,357	1.0
Parking Ticket Payments	26,444	5	2,204	1.7
Transit Bus Ticket sales	21,962	2	732	0.6
SCard Parking Token Sales	15,275	6	1,528	1.2
Water Bill Payments	15,573	3	779	0.6
Payments collected on behalf of Building Code Services	7,965	3	398	0.3
Manual Transaction Volumes including reconciliations and preparation of deposits	6,924	ranges from 5 to 45 minutes	1,758	1.3
Issue Residential Monthly Parking Permit	6,674	6	667	0.5
Vital Statistics - Death Registration - including administrative processes	5,506	35	3,212	2.4
Affidavits - Commissioner of Oaths	4,740	18	1,422	1.1
Vital Statistics- Marriage Licences	4,521	33	2,487	1.9
Class - Program Registration	3,629	10	605	0.5
Vital Statistics Civil Marriages	1,146	60	1,146	0.9
Other	34,771	ranges from 3 to 20 minutes	4,832	3.7
Total	182,265		23,127	17.7

¹ As part of management's 2010 CSC Capacity Analysis referenced in 5.4.2.

There were estimated transaction levels of 182,265 multiplied by the standard times provided by management² for estimated required FTEs of 18 compared to actual FTEs of 31 (excluding vacancies) for the CSC Representatives for a difference of 13 FTEs.

As detailed in sections 5.2.2 and 5.4.1, the number of transactions is a combination of volumes based on actual transactions processed in Datasym, actual transactions processed in other systems that are also not processed in Datasym, and an estimate from management of other non-monetary manual transactions (representing 4% of total transactions) including some back end processing and administrative transactions such as deposit reconciliation and preparation.

Management has indicated that the transaction volumes do not include all administrative activities where there is no interaction with the public such as requests for information and that the estimated times provided have not been validated through a formal methodology. Management has also indicated that they will be conducting further analysis to determine capacity requirements for the CSCs.

Within the estimated times provided by management as part of their 2010 Capacity Analysis (Section 5.4.2) for certain transactions, there was more than one step. For example, there was total time of 35 minutes for the three steps relating to Death Certificates.

In addition to the above, the OAG noted that errors, complaints (management provided a list with less than 10 items), problem resolution or manually compiling reports and information would not be reflected here. Management indicated that the transactions and services included some administrative front and back office processes but that data for some was not available and this calculation assumes services provided back to back with no “lag” or “down” time. As not all volumes of transactions and services were broken down by Client Service Centre, these were allocated by the OAG based on the same proportion as the system captured transactions. The FTEs were based on average available hours per employee net of statutory holidays, vacation, sick, training and breaks. There was an amount of 28.5 days per annum per FTE assigned to training, ad hoc meetings and breaks. The actual FTEs excluded greeter and information clerks at Laurier and all supervisors and vacant positions. Including these would have resulted in a higher number for excess capacity.

² As part of management’s 2010 CSC Capacity Analysis referenced in 5.4.2.

Table 5: Potential Excess Capacity for 2011

	Laurier	Ben Franklin/ North Gower	Orléans / Metcalfé	Kanata / Kinburn	Total
2011 Estimated Volume of Transactions in thousands	93	41	28	20	182
2011 Estimate of FTEs required to provide services	10	4	2	2	18
2011 Actual FTEs	12	8	5	6	31
Potential excess capacity stated in FTEs	2	4	3	4	13

Management provided documents which showed the FTE impact of the transfer of a portion of business licensing from By-Law to CSCs ranged from the standard time of four to the "As Is" time of eight (which was reported in a memo to Council as operating efficiencies for 2012).

There were also four vacant Client Service Representative positions (representing approximately 3.5 FTEs) at the Client Service Centres as at December 31, 2011 which would have been available to offset the impact of the transfer of duties relating to Business Licenses.

We estimate the possible excess capacity of 13 positions would be potential annual savings of \$823,635 which should be further refined by management as part of their FTE Capacity Analysis calculation. Opportunities include consideration to closing some of the CSCs based on their low usage rate. We realize there may be other reasons that the City may wish to consider in evaluating if locations should be closed. There are also opportunities to find efficiencies at Laurier and Ben Franklin Place.

The ServiceOttawa Efficiencies – Organizational Development and Performance Department (which includes Client Service Centres) showed the total efficiency targets for City Operations – ODP for the period from 2010 to 2014 were \$434,000.

In August 2012, we reviewed CSC Capacity and Utilization with the Director and they responded there was a challenge regarding the locations and the level of transactions. Management indicated they recognize there are systemic issues built into having multiple sites. Management also indicated that within the same branch, for the call centre, there was no area to deal with peak requirements for the phone and the web and this could be addressed through CSC capacity. Management also indicated that business licenses are more time consuming than they originally thought with regards to handling the back-end processing piece as well as a higher than anticipated volume on email boxes and they were looking at the processes. They plan to automate pet and business licenses and parking in 2013.

Although we recognize there may be other factors to consider, strictly based on the volume and nature of transactions offered at the multiple CSC locations, we found that there are opportunities to rationalize the CSC staffing and locations and the services performed at the sites and realize annual cost savings.

Recommendation 15

That the City monitor the level of services provided to the public including the level of effort and knowledge required and assess utilization of staff to identify and realize efficiencies.

Management Response

Management agrees with this recommendation.

As indicated in the management response to Recommendation 14, management is reviewing and validating capacity at the Client Service Centres and is assessing the utilization of staff as a cross-functional workforce in providing service both on the phone and in person. This review will be completed by the end of 2014.

Recommendation 16

That the City refine the FTE Capacity Analysis calculation and rationalize the CSC staffing and locations including consideration of closing some centres.

Management Response

Management agrees with this recommendation.

As indicated in the management response to Recommendation 14, management is reviewing and validating capacity at the Client Service Centres and will refine the FTE capacity analysis calculation. The FTE calculation will take into consideration 2012 transaction volumes and a number of processes that are required to deliver services to residents, such as: opening and closing procedures, entry of Vital Stats, processing information requests that are timely and do not always result in a cash transaction, etc.

ServiceOttawa will develop a counter service delivery model that will maximize the efficiency of delivery while maintaining access to City services. The new counter service delivery model will include a review of the services provided and the location of service delivery. Should the new model anticipate significant changes from the existing service delivery model those recommended changes will be sent to Council for approval. This work will be completed by the end of 2014.

5.4.2.4 Full Recovery of Costs for Government Service Centres

Based on the existing agreements, the amounts recovered from Service Ontario and Service Canada did not include the complete cost of greeters for salaries, benefits and overhead.

The Service Level Agreement for the Government Service Centre in Ottawa includes the activity of “Four Greeters – salaries and wages, benefits and overhead” which is to be cost shared on the basis of square feet which is 55% for Service Ontario and 3% for Service Canada.

The actuals were based on the estimated cost of 2 greeters which should have in fact the equivalent to 2.3 greeters based on the square footage percentage allocation. Management has indicated that the greeter positions were paid at CUPE pay level 10 since January 2011. Based on the CUPE pay level 10 with a salary range of \$46,454 to \$54,352, the average cost of one greeter would be \$50,403. Benefits would be an estimated additional 25.7% for \$12,954 based on the Client Services Budget and Overhead would at minimum be an additional portion of the CSC/CC management (56% times \$290,573 for 1 out of 42.83 FTEs) of \$3,799.

Therefore, the estimated cost of 58% of four greeters would be at minimum \$155,802. The amount charged to Service Ontario and Service Canada for greeters was \$120,000. Therefore, we estimate the amount undercharged for greeters for 2011 was \$35,802.

Recommendation 17

That the City fully recover costs relating to the Government Service Centres from the provincial and federal governments in accordance with the established agreements.

Management Response

Management agrees with this recommendation.

Management is currently negotiating with the provincial and federal governments occupying the shared space in the Government Service Centre at 110 Laurier, to review and update the Memorandum of Understanding and Service Level Agreement currently in place. The City will review all of the costs incurred and will include the Auditor’s recommendations in the scope of the negotiations with the provincial and federal governments. The updates to the Memorandum of Understanding and Service Level Agreement will be completed and finalized by the end of 2013.

6 POTENTIAL SAVINGS

Based on information from management for the estimated overall transaction level at the CSCs in 2011, by improving the efficiency of operations, we estimate there is the potential for annual staff savings of \$824,000. This would be based on potential savings of 13 FTEs. There would also be other non-compensation operating costs that could be saved for the centres which are closed. This calculation should be further refined by management as part of their FTE Capacity Analysis calculation.

There appears to be costs incurred by the City relating to the Government Service Centres that could have been recovered from the federal and provincial governments in accordance with established agreements which we estimate at \$35,800.

The potential impact of full cost recovery for areas not fully cost recovered has not been quantified.

7 CONCLUSION

The seven Client Service Centres were established at amalgamation. Since that time, the operations of the three rural centres were reduced from being open five days per week to one day per week. This results in CSC resources being allocated across seven locations creating the potential for lost productivity and the risk of not being able to fully support efficient and effective service delivery and service excellence. We believe from reviewing the transaction levels and their nature that there is underutilized capacity. Cost saving opportunities include considering reducing the number of CSC locations. This would be additional to transactions shifted from the CSCs to the Internet or savings arising from other system and process efficiencies.

Although we found there were initiatives underway to improve CSC systems and processes and service excellence and increase non face-to-face interactions, some issues were identified. These included that: an operational risk assessment had not been completed at the Client Service Centre unit level, performance data provided to Council and residents was not complete and accurate, staffing capacity and utilization was not monitored on an ongoing basis to identify and realize potential savings, and non-compliance with the City's Cash Handling Policy and Procedures.

The results of the 2011 Client Satisfaction Survey conducted by management during 2011 showed that the Client Satisfaction categories of "Timeliness, Got what I needed, Accessibility (Laurier only) and One-stop satisfaction (Laurier only)" had dissatisfaction ratings greater than 10%. In our opinion, this was a high level of dissatisfaction.

8 ACKNOWLEDGEMENT

We wish to express our appreciation for the cooperation and assistance afforded the audit team by management.