

Assurance Report

1508 Customer Service Review

May 29, 2015

Cindy Rougeou, Executive Director
The LASERS Audit Committee

EXECUTIVE SUMMARY

During the review of the Customer Service (CS) section within the Member Services Division, the processes related to telecommunication and face-to-face counseling sessions with customers (e.g., members, retirees) was observed and evaluated. While the project was being completed, the initial steps to acquire a new telephone system began which altered the scope of this review. Please see the Scope, Objectives, and Methodology section of this report below for further details. There were no issues identified during this review.

BACKGROUND

This was a planned engagement on the fiscal year end 2015 Audit Plan. The fieldwork for this engagement was completed on May 18, 2015.

The Customer Service team within LASERS Member Services Division performs an import role in ensuring that LASERS stated goal to “Offer exceptional customer service” is accomplished. This goal is an integral part in achieving LASERS Mission Statement. The CS team facilitates information to current members, former members, and anyone needing information about LASERS through telephone and face-to-face counseling and serves as the primary point of contact for LASERS. For June through April of fiscal year end 2015, the CS team answered approximately 57,600 phone calls and performed approximately 2,700 consultations.

SCOPE, OBJECTIVES, AND METHODOLOGY

The scope of this project included the examination of information associated with LASERS Customer Service processes and procedures. The two main areas of customer interaction are through the telephone and face to face counseling sessions; therefore, these were the planned areas of focus for this

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review. A large portion of the testing related to the phone system was to include a review and analysis of call logs, reports, etc. to confirm efficiency and effectiveness. However, as we attempted to gather information for this testing, we realized that the limitations of the current phone system would make our testing difficult and in some cases not possible. Through this preliminary discovery, we began to evaluate the phone system and realized it had multiple weaknesses and limitations. These are a few examples to support this conclusion:

- Obsolete equipment significantly limits the ability for a timely recovery in the event of a disaster.
- The current features of the phone system are limited and require the CS representatives to perform unnecessary steps while performing their daily duties.
- The call statistics that are available to be tracked are minimal and inadequate. Call statistics are important for CS management to be able to forecast call volumes, evaluate current call volume and hold times, evaluate staffing needs, and evaluate the CS staff performance.

After Audit Services encountered testing restrictions and became aware of the limitations and weaknesses in the phone system, discussions were held regarding the current state of the phone system. Executive, in consultation with Member Services and IT, then decided that it was necessary to perform an analysis and determine whether the current phone system should be upgraded and, if so, the options available to accomplish this. The conclusion of this analysis was a recommendation to move forward with an upgrade of the current phone system. Audit Services was involved in aspects of these discussions and was in full agreement with this decision. The preliminary analysis suggests that an upgrade will address the issues cited above along with improve the overall efficiency and effectiveness of the CS section. It should be noted that there were long term plans to upgrade the phone system; however, this discussion and analysis revealed the importance of making this a higher priority to be completed in the short term. The plan to upgrade the phone system resulted in certain fieldwork testing to not be performed during this review. However, the testing not performed will be performed during a follow up review (as noted below).

The primary objectives of this engagement were to determine if:

- Performance goals and objectives are sufficient and utilized to evaluate whether the customer service department is operating efficiently and effectively.
- Customer service staff are qualified, receive adequate training, and department resources are sufficient and effectively utilized to accomplish the department's mission.
- Customer service related procedures are comprehensive, effectively maintained, and adhered to by staff.


Procedures used to complete this engagement included:

- Interviewing Customer Service staff.
- Observation and evaluation of phone system.
- Evaluation of the process controls for phone calls and face-to-face counseling sessions.
- Conducting other inquiries considered necessary to achieve engagement objectives.


This engagement was conducted in accordance with the Institute of Internal Auditors' International Standards for the Professional Practice of Internal Auditing.

FOLLOW-UP

A follow-up to this engagement is tentatively scheduled for fiscal year end 2017 to ensure a review of the items that were not covered during this project are assessed.



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