

Guide to Complaints Management

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What is a complaints management system?

A complaints management system gives a supplier involved in a procurement activity or an agent acting in the interests of the supplier, mechanisms to raise concerns about how a health service manages a procurement activity.

An effective complaints management system is integral to providing quality customer service. It helps to measure customer satisfaction and is a useful source of information and feedback that can improve management of complaints.

It also maintains high standards of probity and complaints need to be handled in a consistent, fair and transparent manner. Complaints will ideally be resolved—to the satisfaction of both parties - within the organisation. Escalating complaints to outside parties can result in added costs and delays in delivering procurement activities.

A complaints management system should be available on the health service's website to assist organisations on how to raise concerns about how a health service manages a procurement activity.

Complaints

The complaint must relate to a procurement process issue. Matters of improper conduct, corruption or fraud etc. should be dealt with under other existing channels for review.

Preventing complaints

Preventing complaints from occurring saves an organisation and supplier time and valuable resources. Many complaints originate from lack of understanding on the part of procurement officers and suppliers and/or poor communication between them.

Organisations can help to prevent complaints by:

- Ensuring that procurement officers dealing with suppliers possess a high level of interpersonal skills, including verbal and written communications skills
- Ensuring that a thorough analysis of the relevant market is undertaken
- Building effective relationships with suppliers and providing regular feedback on performance
- Ensuring that suppliers are treated in an ethical and impartial manner
- Ensuring that clear specifications are developed
- Ensuring that negotiations with suppliers are well planned and documented.
- Ensuring that there is effective contract management
- Making debriefing sessions available for suppliers who have been unsuccessful in tending for the organisation's procurement activity
- Ensuring there is regular performance feedback to the supplier

Managing complaints about procurement

The following are factors to consider in the management of procurement complaints:

- In the first instance, complainants should be encouraged to resolve the matter through the area managing the procurement process
- Some complaints originate as a telephone call and these can be resolved relatively easily, with more information being provided by the organisation to improve the complainant's understanding of processes or practices. In such cases, direct contact with the area handling the procurement is the most effective and appropriate response

- If the complainant still wishes to pursue the matter, they should be advised to put their concerns in writing to the Chief Procurement Officer or Accountable Officer depending on the responsibilities within the organisation
- A central point of contact within the organisation should be designated for investigation of the complaint. Ideally, this central point should operate independently of the area against which the complaint has been made
- For complaints where there are allegations of official misconduct or corruption against a procurement offer, refer to the official misconduct section below
- When it not possible to resolve a procurement complaint the procurement officer or delegate may seek assistance from a central division which can help to resolve the complaint by facilitating open communication between the parties
- External independent review may also be taken. The Ombudsman and or the Independent Broad-based Anti-corruption Commission can investigate the administrative actions of Victorian organisations and make recommendations to the organisation for rectification.

Official misconduct

The Accountable Officer usually has a statutory obligation to report any matters concerning allegations of corrupt conduct in relation to procurement and may need to refer the matter to the following Australian Government organisation who also deals with complaints about procurement:

- Independent Broad-based Anti-corruption Commission, regarding contraventions of the *Independent Broad-based Anti-corruption Commission Act 2011 No. 66 (VIC)*
- Australian Competition and Consumer Commission, regarding contraventions of the *Competition and Consumer Act 2010 (Cth)*
- Australian Securities and Investment Commission, regarding contraventions of the *Corporations Act 2001 (Cth)*.

Developing an effective complaints management process for procurement

A complaints management system sets out the process and procedures to be followed by the organisation when addressing a complaint.

Depending on the size of the organisation, it may not be practical or efficient to have its own system for managing procurement complaints. The nature and level of procurement activity will vary from one organisation to another. Some organisations, for example, will not manage their own procurement, leaving this responsibility for example; to the Central Procurement Group either in Head Office or the Regions.

Many agencies may already have a single system for managing all complaints rather than having separate complaints systems dedicated to procurement matters. It may be appropriate for a Chief Procurement Officer or a Senior Manager etc., to configure a system for managing procurement complaints that incorporates the above elements in line with other procurement activities.

The following processes and issues should be considered when developing a complaints management process.

Roles

- Roles and responsibilities within the organisation should be established, recorded and the descriptions distributed to the relevant officers
- Officers involved in the complaints management process should be appropriately trained.

Responses

- The complaints handling process should be provided free of charge to the complainant
- Officers should ensure that their dealings with complainants are clearly documented: for example, maintaining signed and dated file notes of telephone conversations
- Complaints should be investigated in a timely and effective manner. Where a prolonged investigation is necessary, regular feedback should be provided to the complainant
- Complainants should be made aware that unless there has been a breach of contract between an organisation and the successful respondent, the contract may be overturned, as it is a legally binding document.

Systems

A database or appropriate record keeping system should be established to assist in recording information about complaints, to enable analysis of trends. Information which should be maintained about complaints includes:

- Details (name, company, postal address and email address etc.)
- A concise statement regarding the nature of the complaint
- Details of the complainant's attempt to address the matter within the invitation to supply process
- Action in progress
- Outcome.

An analysis of trends should be undertaken to highlight emerging patterns. Recurring complaints usually indicate the need for remedial action. Such a database/system may be useful in developing better procurement systems

Processes

- An acknowledgement of the complaint (outlining the process that will be followed) should be made in writing to the complainant - for example, the Organisation may decide to respond within 5 business days as being an acceptable time frame
- Reasons for upholding or rejecting the complaint should be recorded
- A tracking system with time frames should be developed to monitor the progress of the complaint. Processes for regular reporting to an appropriate officer regarding the status of complaints should be implemented
- Care should be exercised in respect of confidentiality issues regarding the complaint. The complainant should not be victimised or harassed as a result of any complaint

More information

Related documents and templates are available on the HSV website.

Disclaimer

The information presented in this document is general in nature and based on HealthShare Victoria's interpretation of the *Health Services Act 1988 (Vic)* and any ancillary legislation and regulations in effect at the time, and should not be relied upon as legal advice. Please consider seeking professional and independent advice from your legal representative as to the applicability and suitability of this information and the legislation to your own business needs or circumstances.

Appendix 1: Recommended timelines for complaints process

A complainant can refer a complaint about goods and services procurement to the CPO or relevant delegate for review if not satisfied with the findings and actions of the organisation for the procurement activity.

Below outlines recommended timelines and appropriate steps relating to the complaints process.

Figure 1: Recommended timeline for complaints process

