

FROM: Audit and Risk Manager **SUBJECT:** Equality and Diversity

TO: Chief Executive
HR Manager
Senior HR Officer (TM) **DATE:** 14 December 2016

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Head of Finance

1 Introduction

- 1.1 In accordance with the Audit Plan for 2016/17, an examination of the above subject area has been completed recently and this report is intended to present the findings and conclusions for information and action where appropriate.
- 1.2 Wherever possible, results obtained have been discussed with the staff involved in the various procedures examined and their views are incorporated where appropriate. My thanks are extended to all concerned for the help and co-operation received during the audit.

2 Background

- 2.1 Equality and Diversity (E&D) is a term widely used nationally as the reference to a framework of law, regulation and organisational processes for defining and championing equality, diversity and human rights as pivotal values of society. Central to this framework is the Equality Act 2010 (referred to hereafter as 'the Act') which consolidated many previous pieces of legislation.
- 2.2 The Act codifies nine personal characteristics on which it unlawful to discriminate, called the 'protected characteristics', and defines the scenarios where persons are protected from discrimination. In brief, those scenarios relevant to Warwick District Council are:
- at work
 - as a consumer
 - when using public service
 - when renting property.
- 2.3 Of particular impact from the Act is the advent of the single Public Sector Equality Duty which has three main aims:
- eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act
 - advance equality of opportunity between people from different groups
 - foster good relations between people from different groups.

- 2.4 The Equality and Human Rights Commission (EHRC) is responsible for monitoring and enforcing the Equality Duty nationwide and is also a primary source of guidance on managing the duty.
- 2.5 An 'Equality Framework for Local Government' was developed by Local Government Improvement and Development (LGID) as a self-assessment and improvement tool for corporate E&D frameworks. Management reports from the time of the Act coming into force show a commitment on the part of the Council to work towards Level 2 (Achieving) under this Framework, but later reports show that the Council was lowering its sights giving overriding priority to compliance with Public Sector Equality Duty.

3 Scope and Objectives of the Audit

- 3.1 The audit examination was undertaken for the purpose of reporting a level of assurance on the adequacy of the corporate framework for facilitating the fulfilment of the Council's duties under the Equality Act 2010.
- 3.2 The examination took the form of an evidential overview of the corporate management framework focusing on the following key themes:
- strategies and policies
 - roles and responsibilities
 - action planning and implementation
 - monitoring and review
 - performance and improvement.
- 3.3 The findings are based on discussions with key contacts and examination of relevant documentation and records. The principal contact for the audit was Tarandeep Mahal, Senior HR Officer.

4 Findings

4.1 Developments since previous report

- 4.1.1 Almost seven years have passed since the previous audit of E&D, when the Equality Act 2010 was on the threshold of coming into force. The audit report noted that, despite having structures and processes in place aimed at achieving Level 2 of the Equality Framework, the corporate appetite for working towards this end was already showing signs of waning.
- 4.1.2 The report also recognised that a certain amount of adjustment was required in the wake of the Act coming into force and an E&D refresh to address this was in its early stages. In consequence the report refrained from making recommendations in the expectation of a further audit review at an appropriate juncture.
- 4.1.3 From available SMT records, the picture to emerge since the previous report is one of continued efforts towards achieving Level 2 of the Framework up to 2013, but based on expectations of input from the HR Team that they did not have the capacity to deliver.

- 4.1.4 A Corporate Equalities Group was constituted in 2011, but effectively ceased to function in the following year after delivering some awareness sessions. Annual update reports to SMT indicate that training on E&D awareness and Equality Impact Assessments has continued to be provided under the corporate Learning and Development Programme.
- 4.1.5 An update report in 2013 recognised that attaining official Level 2 status under the Framework is not crucial to being compliant with the Act.
- 4.1.6 An agenda to refresh the Council's approach to E&D started to emerge under SMT direction from April 2015. Interestingly the SMT minutes from that time refer to a re-branding of the framework as 'Positive Diversity', although it would appear seem that this term never really took hold.

4.2 **Strategies and Policies**

- 4.2.1 Furtherance of the E&D agenda is now subsumed within the People Strategy and related Action Plan. This way, progress is managed at strategic level through an already established monitoring and review regime centred around the People Strategy Steering Group. A refreshed People Strategy was approved by Employment Committee in June 2016, along with a new Equality Policy.
- 4.2.2 The Policy is built upon a re-defined set of Equality Objectives endorsed by Senior Management Team in late 2015, and is appropriately aligned with the aforementioned scenarios applicable under statute (Para 2.2 above).
- 4.2.3 Two pre-existing policies, Equality in Procurement and Dignity at Work, are now effectively expansions of the Equality Policy in their respective fields.

4.3 **Roles and Responsibilities**

- 4.3.1 It was emphasised from the outset that active ownership by the Council as an organisation is pre-requisite to an effective E&D compliance regime, and this is reflected in key action provisions. The recognised role of HR is limited to steering and, to some extent, facilitating E&D compliance processes.
- 4.3.2 A governance illustration provided by HR shows a three-layer framework where the key players are:
- the People Strategy Steering Group (PSSG)
 - the People Strategy Action Group (PSAG)
 - the HR Team
 - the Warwickshire County Council Equality and Diversity Team (under a consultancy arrangement funded from the existing Equalities budget).
- 4.3.3 At the top layer, the PSSG monitors progress on the People Strategy reports back to CMT/SMT and Employment Committee. At the second layer, the PSAG oversees implementation of the People Strategy Action Plan.

4.3.4 At the third layer, the HR Team oversees implementation of the E&D Action Plan in conjunction with the County Council consultant(s). Given the relatively insignificant level of spend involved, the consultancy arrangement was not examined from a procurement perspective as part of this review.

4.3.5 Another key player in evidence is Staff Voice which previously doubled as an 'E&D Steering Group' and continues to maintained a role as the Council's 'eyes and ears' on emerging E&D issues.

4.4 **Action Planning and Implementation**

4.4.1 The E&D Action Plan was found to be suitably aligned to the relevant section of the People Strategy Action Plan. An updated version of the former, supplied at the outset of the audit, shows completed and progressing areas of development. Those progressing at that time were mainly in the realms of:

- Intranet and website resources
- training
- Equality Impact Assessments.

4.4.2 It is noted that updates to Intranet and website content were actioned during the audit.

4.4.3 Training remains an ongoing area at the time of this report with e-learning policy awareness tools to be deployed alongside further County Council consultancy resources.

4.4.4 The Equality Impact Assessment (EIA) has been established for several years as the primary tool for addressing those provisions of the Equality Objectives relating to service delivery. While examples of EIAs are in evidence dating back as far as 2005, it was from 2010 that they came into prominence with the adoption of the Warwickshire County Council's toolkit and model for reporting on EIAs.

4.4.5 Indicative testing confirmed that Executive decisions on significant service and policy changes are duly supported by EIAs completed in the prescribed format, although it was not the purpose of testing to judge whether they had been properly completed. In some cases the completion of EIAs had to be confirmed directly with the Executive report authors as copies had not been placed in the central network repository and had not been attached as appendices to the reports. The testing had in fact shown a recent tendency away from the previously widespread practice of attaching EIAs to the Executive reports.

4.4.6 By the time of this report, the EIAs in question have been copied to the repository. Two possible contributory factors to this omission emerged from enquiries, both now historic:

- One of the report authors recalled difficulty in accessing the network folder when attempting to copy the EIAs (full access to the folder is now available to all staff)

- The standard instruction on the EIA template header sheet to copy the completed EIA to the network folder was lost through incomplete bespokeing of a revised version of the template recently uploaded to the Intranet (this has now been corrected).

4.5 **Monitoring and Review**

4.5.1 Active monitoring and review processes are in evidence based on:

- People Strategy updates to SMT and Employment Committee
- Quarterly review meetings of the People Strategy Action Group
- HR Team assignments under E&D Action Plan.

4.5.2 Collection and periodic reporting of equality data in relation to employment is a long-established function of HR. At the time of the audit, a revised equal opportunities form to align better with the protected characteristics under the Act was under consultation. The Senior HR Officer advised that a data refresh on existing employees is planned using the corporate policy management and awareness tool (Metacompliance).

4.6 **Performance and Improvement**

4.6.1 Measurement and reporting on performance against the Equality Objectives are a part of the refreshed corporate E&D framework that is still to be developed. In discussions, the Senior HR Officer confirmed that this is being actively considered and that clearer milestones are to be incorporated into the relevant Action Plans as a first step.

4.6.2 In terms of improvement, the defining aspiration that comes across from the framework documentation is the embedding of E&D ownership into the management processes organisation-wide. A key focus for this has for some time been the service area planning process this continues to be targeted under the refreshed framework.

4.6.3 The previous approach was to rely on the provision of awareness and EIA training along with an E&D 'prompt' in the Service Area Plan template, with mixed results. The 'prompt' was removed from the template after 2014/15.

4.6.4 The latest approach has been more proactive with County Council E&D specialists being deployed in face-to-face briefings to individual service teams and as an ongoing advisory resource. The effectiveness of this approach will only really become evident as the 2017/18 Service Area Plans emerge and through expert evaluation of EIAs.

5 **Conclusions**

5.1 Following our review, in overall terms we are able to give a SUBSTANTIAL degree of assurance that the systems and controls in place in respect of Equality and Diversity are appropriate and are working effectively.

5.2 The assurance bands are shown overleaf:

Level of Assurance	Definition
Substantial Assurance	There is a sound system of control in place and compliance with the key controls.
Moderate Assurance	Whilst the system of control is broadly satisfactory, some controls are weak or non-existent and there is non-compliance with several controls.
Limited Assurance	The system of control is generally weak and there is non-compliance with the controls that do exist.

- 5.3 From the overview examination, the refreshed corporate E&D framework comes across as fit for purpose with the essential elements of a coherent management system in place. This is subject to the recognition that some of these elements are only recently implemented at the time of this report and others are still under development.
- 5.4 The audit conclusions recognise, therefore, that the effectiveness of the refreshed corporate framework will only become truly manifest in time and further review may be warranted in due course.
- 5.5 There are no recommendations arising.

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