FINAL INTERNAL AUDIT FOLLOW-UP REPORT

Equality Impact Assessments

Appendix 1
Nottingham City Council
Internal Audit

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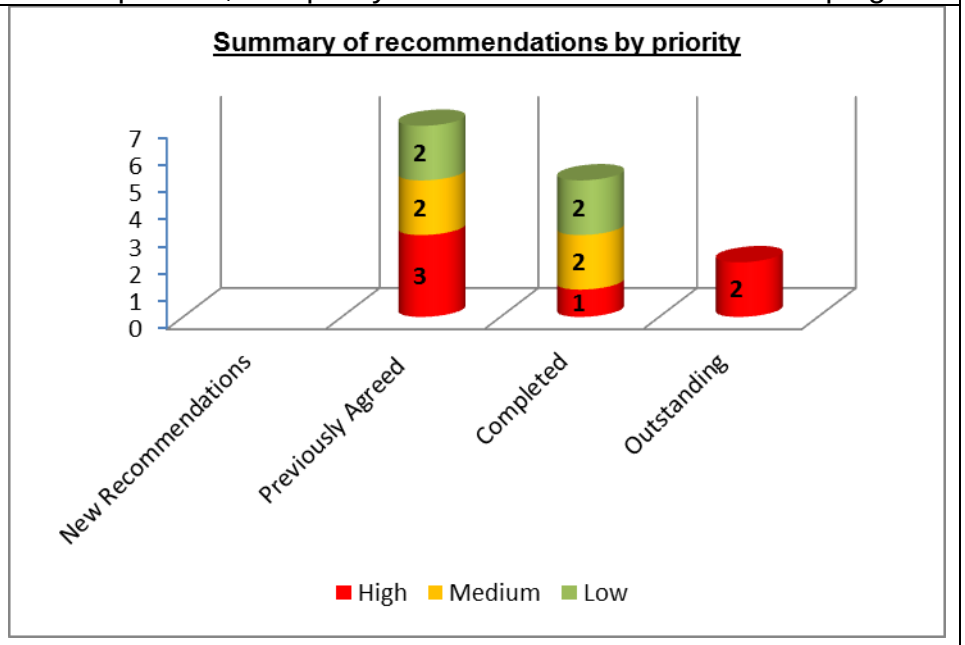
Executive Summary

Organisation: Nottingham City Council Directorate: HR & Transformation Previous reviews: Equality Impact Assessments 14 September 2014	Overall Opinion: **Limited Assurance**		Direction of Travel:
	Scope and Approach: The scope was limited to the ECR Team's work with departments to improve the early consideration of Equalities, the quality of written EIAs and record keeping.		

High Priority Recommendations

R1 ECR Team, with the Equalities Board, to consider and implement good practice in early monitoring of activity across NCC.

R2 Importance of 'SMART' actions and monitoring to be reinforced in future training and ECR Team quality checking. Names/job title and dates to be added to actions. Actions and monitoring to be included on service implementation plans.



Introduction and Background

1.1 We have undertaken a follow-up review of Equality Impact Assessments as part of the Internal Audit Plan. Seven recommendations were made in the original report which concerned the early recognition of Equality considerations across NCC's work, the quality of EIAs produced and the administration of the process by the Equality & Community Relations (ECR) Team. It is pleasing to note that four of the recommendations have been actioned in full and that work has started on the outstanding actions through a proposed long term improvement plan to be undertaken with departments.

Key Findings

1.2 Our previous audit revealed there was not a coherent system in place across the Council for early identification of Equality issues. A recent development has been the creation of Equality Action Plans by departments that will be reviewed quarterly by the Leader of the Council. It is hoped these will encourage the mainstreaming of Equalities and the ECR Team have begun discussions with HR Business Partners (HRBP) with the aim of further improving the early identification of Equality issues within departments. The Equalities Board will be provided with updates on progress with a report planned to be presented at the July 2016 meeting. Once agreement is reached on an improved mechanism, the ECR Team plan to attend each DLT to roll out.

1.3 Our previous work highlighted issues in the quality of final EIAs, specifically in unmeasurable actions and inadequate monitoring and consultation. The ECR Team have begun to address these issues in a number of ways;

- Weaknesses in written EIAs and training needs, will form part of the discussions with HRBP as at 1.2
- The ECR Team have begun discussions with Commissioning colleagues regarding improvements to contract monitoring and will attend a team meeting later in the year
- Spot Checks were undertaken earlier in the year and the ECR Team intends to review each EIA in future.
- Departments will be required to enter details into Covalent. This will be checked by the ECR Team at review

1.4 Four recommendations were made to improve the administration of EIAs by the ECR Team. These have been completed; the EIA template and Team Tracker have been reviewed and updated and confirmation has been received that the publishing of EIAs is up to date. EIAs are now RAG rated with the intention that training will be targeted at poor performing Services.

Opinion

1.5 We are required to provide an opinion on the adequacy and effectiveness of internal controls in relation to the area under review. Our opinion is based on the work performed. Overall, our assurance remains at **Limited Assurance** on the controls in this area, this is because whilst work on embedding EIAs into NCC decision making and improving the quality of EIAs has begun, this is at an early stage and has yet to be established.

Summary of Recommendations

1.6 Details of all of the issues arising from this review, along with our recommendations and management responses, are set out in the attached Action Plan.

1.7 Within the Action Plan we have assigned a priority ranking to each recommendation to reflect the degree of risk that the issue that they relate to pose in the context of the audited area and hence the urgency with which the recommended actions should be addressed. The recommendations are summarised as follows:

Priority	Previous Recommendations	Completed	Recommendations Outstanding
High	3	1	2
Medium	2	2	0
Low	2	2	0
Total	**7**	**5**	**2**

Added Value

Equality Impact Assessments

1.8 This audit adds value by highlighting that certain areas are not adequately protected and by making recommendations to strengthen control in these areas.

Ref	Finding Risk	Recommendation	Priority	Previous Management Response and responsibility	Current finding and Recommendation	Update April 2017
01 2014/15	There is no systematic embedding of EIAs into all NCC decision making. Early notifications of possible impacts on Equalities are not made to ECR Team. <u>Risk</u> NCC is unable to confirm Equality Impacts are consistently and rigorously considered across the organisation.	ECR Team to investigate instance of not receiving EIA to quality check. ECR Team, with the Equalities Board, to consider and implement good practise in early monitoring of activity across NCC.	High	Departmental Leadership Teams (DLT) should horizon scan for equality issues as part of their regular meetings and/or performance boards on upcoming activity and feedback to ECR team (via HR Business partners). DLT equalities rep to provide update at Equalities Board meeting. Equality Board Departmental Leads March 2016	Departments are now required to have Equality Action Plans that are reported on quarterly. The ECR Team are in discussions with HRBP to further improve the early recognition of Equality issues within departments. **Action in Progress**	Departmental Action Plans in place and reviewed quarterly by Leader of the Council. Departmental Equality Leads in place, attending Equalities Board and DLTs. DLTs to review their priority EIAs. Business Plans to include Equality information and the EIAs required. Plans shared with ECR Team at early stage. Equality Boards/ Groups set up in C&O and Adults. Increase in referrals to ECR Team from Committee Services and Legal team.

Ref	Finding Risk	Recommendation	Priority	Previous Management Response and responsibility	Current finding and Recommendation	Update April 2017
02 2014/15	Effective monitoring is hindered by non specific actions and officers other than the EIA author being responsible for actions. <u>Risk</u> Ineffective actions to reduce negative /increase positive Equality impacts and ineffective monitoring. Actions and monitoring not carried out.	Importance of 'SMART' actions and monitoring to be reinforced in future Training and ECR Team quality checking. Names/job title and dates to be added to actions. Actions and monitoring to be included on service implementation plans. ECR Team to carry out regular 'spot checks' to ensure actions and monitoring take place.	High	Senior leaders to ensure managers access corporate EIA learning opportunities. Mitigating actions and monitoring actions to be entered into Covalent by ECR with details of the accountable officer. This information should form part of the equalities reports tabled at departmental performance boards. Directors/ HoS ECR March 2016	Departments are required to enter EIAs onto Covalent. Spot Checks have taken place and reviews of all EIAs will occur in future. Training requirements are to be discussed with HRPBs. Monitoring is being discussed with Commissioning colleagues. **Action Partly Complete**	ECR Team reports an improvement in EIA quality. Service Areas requiring more training to be highlighted at Equalities Board for targeted training. Mitigating actions uploaded to Covalent and ECR Team to consider how to further assist Managers with monitoring. ECR Team to expand current spot checks to carry out monitoring review of every EIA. ECR Team to work with Commissioning Teams to improve contract monitoring documentation and review process. EIA training sessions scheduled for 2017/18.

Ref	Finding Risk	Recommendation	Priority	Previous Management Response and responsibility	Current finding and Recommendation	Update April 2017
03 2014/15	ECR Team tracker is incomplete and does not reflect current operating structure. Risk Accurate reporting of department's performance to Equalities Board cannot take place.	ECR Team to update tracker and amend to reflect new operating system.	High	Corporate structure chart on HR intranet pages need to clarify which departments Early Intervention; Commercial &Neighbourhood services; and OT sit in. The structure chart should also clarify whether Resources is called 'Corporate Services' as stated in the current chart.	Tracker updated. **Action Complete**	N/A
04 2014/15	Variance in quality of Draft EIAs received by ECR Team. Risk Assessments not rigorous and inefficient use of ECR Team's resources.	ECR Team to continue to discuss and monitor variance in quality of 1st draft EIAs and report to Equalities Board on a regular basis. ECR Team to rank drafts by quality rather than number of recommendations required in order to reflect quality rather than complexity.	Medium	Agreed Internal Comms Team March 2016	RAG rating system for EIAs introduced and recorded on tracker. **Action Complete**	N/A
05 2014/15	Erratic publication of finalised assessments. Risk Assessments are unavailable for general public to view and respond to.	ECR Team to determine who is responsible for publication of completed EIAs. Departments to be reminded to attach EIAs to Published Decisions.	Medium	Agreed – ECR to Publish EIAs March 2016	Team have confirmed all publishing is up to date. **Action Complete**	N/A

Ref	Finding Risk	Recommendation	Priority	Previous Management Response and responsibility	Current finding and Recommendation	Update April 2017
06 2014/15	Consultation does not always take place and at an appropriate stage. <u>Risk</u> Relevant information or views may not be used to assess impact.	ECR Team to ensure importance of consultation is reinforced in future training.	Low	HRBPs to provide clear advice and guidance to DLTs and to escalate failure to comply to the Equalities Board. Constitutional Services should review report templates and place guidance regarding Equality Impact Assessments early in the report structure. ECR December 2015	The importance of consultation will be included in proposed half day EIA training. Improvements in EIAs to be discussed with HRPBS. **Action Complete**	N/A
07 2014/15	On EIA form; entries on 'date sent to equality team for publishing' used to indicate sent to Equality Team for checking rather than publication. <u>Risk</u> Inaccurate record of when/if assessment published	ECR Team to consider amending form to suit their tracking needs.		Agreed October 2015	EIA form has been reviewed. **Action Completed**	N/A

Client Responsibilities

- Whilst a number of recommendations are included in this report, it is the responsibility of management to determine the action that will be taken in response to each recommendation. Management should assess the risks to the objectives involved and the cost-effectiveness of the control improvements suggested

- It is expected that management will respond to this draft report within 10 working days of receipt.
- Management is responsible for ensuring that all agreed recommendations are implemented within the agreed timescales.
- Management should note that any recommendations that relate to Financial Regulations must be implemented unless a satisfactory business case has been agreed justifying why the recommendation will not be implemented.

Levels of Assurance

We use four categories to classify Internal Audit assurance over the processes examined, these are defined as follows:

High Assurance	High assurance that the system of internal control is designed to meet the organisation's objectives and controls are consistently applied in all the areas reviewed. Our work found some low impact control weaknesses which, if addressed, would improve overall control. These weaknesses are unlikely to impair the achievement of the objectives of the system.
Significant Assurance	Significant assurance that there is a generally sound system of control designed to meet the organisation's objectives and that controls are generally being applied consistently in the areas reviewed. However, some weakness in the design or inconsistent application of controls put the achievement of particular objectives at risk.
Limited Assurance	Limited assurance as weaknesses in the design or inconsistent application of controls put the achievement of the organisation's objectives at risk in the areas reviewed.
No Assurance	No assurance as weaknesses in control, or consistent non-compliance with key controls, could result in failure to achieve the organisation's objectives in the areas reviewed.

Where appropriate we may also comment on the level of assurance we can give that objectives will be met. This may apply when there are risks either partially or wholly outside of the control of management.

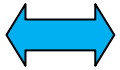
Categorisation of Recommendations

The recommendations within this report have been categorised by Internal Audit as:

High Priority	A fundamental weakness which presents material risk to the audited body and requires urgent attention by management.
Medium Priority	A significant weakness whose impact or frequency presents an unacceptable risk to the audited body that should be addressed by management.
Low Priority	The audited body is not exposed to any significant risk, but the recommendation merits attention.

In all cases Internal Audit will follow up implementation of the recommendations by the agreed date.

Key to Opinion & Direction of Travel

Overall Opinion				Direction of Travel	
High Assurance		Limited Assurance		Improving	
Significant Assurance		No Assurance		No changes	
				Deteriorates	