



NOTTINGHAM CITY HOMES

REVIEW OF THE EQUALITY & DIVERSITY ARRANGEMENTS

Report issued: July 2010

Audit Plan: 2010/11

The matters raised in this report are only those that came to the attention of the auditor during the course of the internal audit review and are not necessarily a comprehensive statement of all the weaknesses that exist or all the improvements that might be made. This report has been prepared solely for management's use and must not be recited or referred to in whole or in part to third parties without our prior written consent. No responsibility to any third party is accepted as the report has not been prepared, and is not intended, for any other purpose. TIAA neither owes nor accepts any duty of care to any other party who may receive this report and specifically disclaims any liability for loss, damage or expense of whatsoever nature, which is caused by their reliance on our report.

Business Assurance

Review of the Equality & Diversity Arrangements

- EXECUTIVE SUMMARY -

INTRODUCTION

1. TIAA has reviewed the Equality & Diversity arrangements at Nottingham City Homes. The review was carried out in June 2010 as part of the planned internal audit work for 2010/11.

SUMMARY

2. One Key Risk Control Objectives was identified and tested and based on the findings from this work an overall evaluation of the overall adequacy of the internal controls was established (figure 1 below).

Figure 1 - Evaluation of the Effectiveness of the Internal Controls

Evaluation
Reasonable Assurance

KEY FINDINGS

3. The key control and operational practice findings that need to be addressed in order to strengthen the control environment are set out in the Management and Operational Effectiveness Action Plans. The prioritisation of the findings are summarised below (figure 2):

Figure 2 - Summary of Priorities of Findings

Urgent	Important	Routine	Operational
-	-	3	1

MANAGEMENT RESPONSES

4. Recommendations for improvements should be assessed by the Company for their full impact before they are implemented.

RELEASE OF REPORT

5. The table below sets out the history of this report.

Date draft report issued:	23 rd June 2010
Date management responses recd:	22 nd June 2010
Date final report issued:	23 rd July 2010



**MANAGEMENT ACTION PLAN
PRIORITY 1, 2 AND 3 RECOMMENDATIONS**

Risk	Finding	Recommendation	Priority	Management Comments	Implementation Timetable	Responsible Officer
Failure to direct the process through approved policy & procedures	Neither the current Equality and Diversity Policy nor the draft Single Equality Scheme makes reference to flexible working arrangements.	Recommendation 1: The draft Single Equality Scheme be amended to make reference to flexible working arrangements.	3	COMPLETE. <i>The Single Equality Scheme was amended on 21.07.2010. The Scheme now includes reference to our commitment to promote flexible working arrange where practicable and an action point has been included in the plan for January 2011.</i>	N/A	<i>Mary Mayes – Head of Human Resources</i>
Failure to direct the process through approved policy & procedures	Equality and Diversity is not referred to in the Annual Report.	Recommendation 2: Equality and Diversity actions and initiatives be included in the Annual Report.	3	<i>Whilst there is no section specifically highlighted as Equality & Diversity, numerous key aspects of Equality & Diversity are incorporated into the report.</i> <i>Future publications shall highlight Equality and Diversity issues more clearly.</i>	October 2010	<i>Janet Glass – Head of Business Improvement</i>

PRIORITY GRADINGS

1	URGENT	Fundamental control issue on which action should be taken immediately.
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2	IMPORTANT	Control issue on which action should be taken at the earliest opportunity.
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3	ROUTINE	Control issue on which action should be taken.
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Risk	Finding	Recommendation	Priority	Management Comments	Implementation Timetable	Responsible Officer
Failure to direct the process through approved policy & procedures	Although lettings are monitored for equality purposes these are not assessed against the makeup of the housing waiting list.	Recommendation 3: Performance monitoring statistics to include the makeup of the housing waiting list.	3	<p><i>Reports are produced for managers which show data about lettings as well as the make up of the waiting list across diversity strands. A further report is also produced which is passed to partner RSL's showing information about the waiting list. This is produced quarterly.</i></p> <p><i>The report will be included in the Equality and Diversity Performance report and monitored by the Diversity and Community Cohesion Steering Group.</i></p>	September 2010	Constance Hall – Interim Head of Equality and Diversity

PRIORITY GRADINGS

1	URGENT	Fundamental control issue on which action should be taken immediately.
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OPERATIONAL EFFECTIVENESS MATTERS

Item	Management Comments
<p><u>Para 11.5</u> It be recorded on the front cover of Company Policies and Procedures when an Equality Impact Assessment has been completed.</p>	<p><i>A process shall be developed to ensure that any EIA conducted on policies shall be clearly displayed within the relevant policy/procedure including the date and postholder completing the review</i></p>

ADVISORY NOTE

Operational Effectiveness Matters need to be considered as part of management review of the procedures, rather than on an one-by-one basis



- DETAILED REPORT -

SCOPE AND LIMITATIONS OF THE REVIEW

6. The review considered the arrangements which the Company has put into place arrangements which demonstrate that the Company operates fairly and equally in its operations. The scope of the review did not include providing assurance that the equal opportunities covers all the activities of the Company or that the arrangements identified by the Company are operating continuously and effectively.
7. The limitations and the responsibilities of management in regard to this review are set out in the Annual Plan.

ASSESSMENTS OF THE KEY RISK CONTROL OBJECTIVES

8. This review identified and tested the controls that are being operated by the Company and an assessment of the combined effectiveness of the controls in mitigating the key control risks is provided. The assessments are:

Substantial Assurance	robust series of internal controls in place which should ensure continuous and effective achievement of the control objective.
Reasonable Assurance	reasonable number of internal controls in place, however may not be operated all the time.
Limited Assurance	the controls in place are not sufficient to ensure the continuous and effective achievement of the control objective.
No Assurance	fundamental breakdown or absence of core internal controls.

MATERIALITY

9. 24.1% of the City of Nottingham population are from BME groups.

AUDIT FINDINGS

10. Risk	Failure to direct the process through approved policy & procedures.
Risk Objective	Control Arrangements in place provide for compliance with established policies, procedures, laws and regulations.
Evaluation	From the review of the documentation and tests carried out the Control Evaluation is:
	<u>Reasonable Assurance</u>

11. The following matters were identified in reviewing the Key Risk Control Objective:

11.1 Equality and Diversity data for the Company are as follows: -

	TRHA
Staff that are BME	16.7%
Board members that are BME	38%
Tenants classified as BME – if known	17.8%
BME lettings (last nine months)	38.5%
Those on Housing Register are BME.	31%
Male/female split of staff.	66%/34%

11.2 The following risks have been included in the Company's Organisational Development risk register: -

- Failure to provide ongoing diversity training, especially legislative, to new and existing employees
- Failure to provide fair and equal access to learning and development for Company employees
- Failure to improve in the provision of customer care for diverse communities post 'let's make the difference' programme.

11.3 An Equality and Diversity Policy is in place dated May 2006 and an Equality and Diversity Strategy dated February 2006 covering the period 2006-08. A Single Equality Scheme for the period 2010-13 is currently in draft form and will be presented to the Business Development Committee in June 2010 for approval. Neither the current original Policy nor the draft Single Equality Scheme makes reference to flexible working arrangements.

Recommendation 1: The draft Single Equality Scheme be amended to make reference to flexible working arrangements.

11.4 A timetable is in place for the period April 2010 to March 2013 for the completion of equality impact assessments on all policies and procedures within the services and functions of the Company. This process commenced in 2008 and several areas have already been completed.

- 11.5 Training is provided by the Equality and Diversity Team to managers on how to complete the Equality Impact Assessments. During the course of the audit review, the auditor took the opportunity to attend one of these training sessions and it was noted that staff and managers understood the importance of an appreciation of equality and diversity issues and were positive in ensuring that the Equality Impact Assessments were completed correctly. (Operational Effectiveness Matter refers).
- 11.6 The Company's Equality and Diversity Policy is covered during the Board Members' induction program. The new Members appointed in September 2009 have yet to receive training as the Head of Equality and Diversity is awaiting the approval of the new Single Equality Scheme as this will form the foundation of the training.
- 11.7 The Companies Governance Standing Orders state that the Board shall determine the diversity characteristics for the Board and will ensure that its composition is reflective of the communities that it serves. All reports presented to the Board and sub-committees contain a consideration of the equality and diversity implications.
- 11.8 At present targets have not been set for the percentage of female and BME Board Members but this is being looked at for the coming year.
- 11.9 A formal Board Members Code of Conduct is contained within the Governance Standing Orders and Members are required to sign receipt of the Board Members Code of Conduct and to act in accordance with the code at all times.
- 11.10 Targets have been set for the composition of the workforce in relation to male/female split, percentage of BME employees, % of disabled employees and employees under 25. As at the end of quarter 3 the level of representation of female and BME senior managers were both more than 10% below the targets for 2009/10.
- 11.11 The Director of Organisational Development presented a report to the Human Resources Committee in May 2010 showing the results of a desktop equal pay review for all employees excluding craft workers and apprentices with analysis by gender, BME and disability.
- 11.12 One to one recruitment training is being provided to all managers to aid the recruitment process. An online e-recruitment system is shortly to be introduced and it is the intention that this will be completed by October 2010. The personal details of all applicants are recorded and targets are set and monitored in terms of gender, age, BME status and disabilities.
- 11.13 The different types of media used by the Company include on their own website, notice boards of the local area offices, internally in the Team Brief, the Nottingham Evening Post newspaper, the Job Centre and Remploy which is a provider of employment services and employment to people with disabilities and complex barriers to work.
- 11.14 All job descriptions contain a requirement that the member of staff positively promotes NCH equality and diversity objectives or upholds the Equality and Diversity Policy dependant on the job grade.
- 11.15 A Code of Conduct for Employees is in place and contains a statement that employees must have knowledge of and be committed to the implementation of the Company's Equal Opportunities Policy. This is covered as part of the Company induction program.
- 11.16 The Company's intranet site contains links to the impact assessment toolkit and template, service Improvement plans and the Equality and Diversity policy.
- 11.17 The Pre Qualifying Questionnaires provided by the Procurement Team include questions relating to whether the contractor/supplier complies with the current legislation relating to the Sex Discrimination Act, Equal Pay Act, Race Relations Act, Disability Discrimination Act, Employment Equality (Religion or Belief) Regulations, Equal Opportunities Act and Employment Equality (Age) and are requested to supply copies of all relevant policies and statements covering such legislation.

- 11.18 Each tender sent out has a copy of the Company's Equality and Diversity Policy included.
- 11.19 Performance monitoring of a contract, once procured, is passed to the client and they are responsible for meeting up with the contractor that was awarded the contract. Discussions with the Head of Procurement identified that the main decent Homes partners are very supportive of Equality and Diversity.
- 11.20 The Company always offers contractors, if they have no policy, the opportunity to use Nottingham City Homes' policy as long as they sign up to the principles. Management representation by the Head of Procurement was that no one has currently taken up this offer.
- 11.21 The Company publicises its commitment to Equality and Diversity to tenants by reference in the Handbook, quarterly newsletters and under the Customer Care section of the website. Equality and Diversity is not referred to in the Annual Report.

Recommendation 2: Equality and Diversity actions and initiatives be included in the Annual Report.

- 11.22 A Diversity and Community Cohesion Steering Group is in place. These meet quarterly (the last one being March 2010) with the minutes being placed on the intranet site along with the membership and terms of reference. At the time of the audit the latest minutes posted were from May 2009 however after being pointed out to the Research Officer this was rectified immediately. This group is responsible for implementing and monitoring the Equality and Diversity Strategy as detailed in the Single Equality Scheme.
- 11.23 The responsibilities of the Company and the service standards are contained within the Tenants Handbook which is user friendly and available in several languages on request. The Handbook states that NCH can arrange for an interpreter to explain it to tenants, or to provide a spoken word version on tape or CD. It is also available in large print.
- 11.24 The Handbook makes reference to Anti Social Behaviour, domestic violence and hate crime. These can be reported to the Police, the NCC ASB helpline (available 24 hours a day), through NCHs area housing offices and via an online reporting form.
- 11.25 Reports in relation to performance information on Equality and Diversity, which are prepared by the Equality and Diversity Research Officer, are delivered to the Diversity and Community Cohesion Steering Group. These include statistics relating to the workforce composition, employment applicants, new starters and leavers, existing tenants and lettings. Although lettings are monitored for equality purposes these are not assessed against the makeup of the housing waiting list.

Recommendation 3: Performance monitoring statistics to include the makeup of the housing waiting list.

- 11.26 Service satisfaction monitoring is completed and reported by ethnicity, age and sex.
- 11.27 Complaints analysis relating to Equality and Diversity is reported to the Diversity and Community Cohesion Steering Group.
