



Equalities

City of York Council

Internal Audit Report 2018/19

Business Unit: Customer and Corporate Services Directorate
Responsible Officer: Head of Human Resources
Service Manager: Performance & Change HR Manager
Date Issued: 25th July 2019
Status: Final
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	P1	P2	P3
Actions	0	2	1
Overall Audit Opinion	Reasonable Assurance		

Summary and Overall Conclusions

Introduction

Under the Equality Act (2010), all local government organisations are expected to demonstrate an understanding of the equalities and diversity in their local area. The Public Sector Equality Duty (PSED) highlights the importance of public sector bodies engaging in the monitoring and development of equal opportunities, in order to help eliminate discrimination and foster good relationships. The PSED is supported by the Equality Framework for Local Government, a structure in which outlines the stages that help organisations to review and improve their performance and compliance with the equality requirements.

One of the elements within the framework highlights the importance of an organisation ensuring that their own recruitment processes encourage diverse application and ensure fair treatment of candidates. Those individuals involved in the recruitment phase are given the opportunity to submit personal information, including details about their ethnicity and sexuality. It is this information that helps to enable the evaluation of equalities within an organisation.

Objectives and Scope of the Audit

The purpose of this audit was to provide assurance to management that procedures and controls within the system ensure that:

- There is effective guidance in place for the monitoring of equalities at the recruitment stage;
- Equalities information is processed and uploaded accurately and promptly;
- Performance is accurately reported in a timely fashion

This audit did not include how equalities information is used to make informed decisions relating to recruitment strategies. The audit included a questionnaire sent to ten maintained schools. Seven of the ten schools responded and the results are discussed throughout the report.

Key Findings

A review of the guidance in place confirmed that the Recruitment and Selection Policy had not been updated since 2006 and did not contain any reference to recruitment in line with the Equality Act (2010). However, further review confirmed that there was a detailed step-by-step guide to fair recruitment available to staff on the intranet. The guide had been recently updated and contained good detail and strong reference to the Equality Act (2010).

The policies and guidance made available to schools is limited. It was unclear when the last Recruitment and Selection Policy had been recommended to maintained schools and there was no evidence of any guidance for the processing of equalities data collected at recruitment stage. The responses received from the questionnaire confirmed that there may be some issues around the submission and retention of

equalities information. Although schools are largely responsible for their own recruitment, any breaches of the Equality Act or Data Protection legislation, by a maintained school, may bring the council into disrepute.

Testing of a sample of manually inputted equalities data confirmed that this had been done accurately and promptly. However, the source documentation used in the manual entry of equalities data, was not representative of the data fields that were available on iTrent.

There was evidence to support that reports, containing the equality and diversity statistics of staff and applicants, could be extracted at any point in time. A review of these reports confirmed that information could be manipulated to provide a range of results including comparisons between applicants and current workforce. However, the reporting categories did not differentiate between those who had opted not to submit equalities information and those instances where records simply did not exist. Employees who have worked with the council for a long time may not have ever received the opportunity to submit equalities data, rather than opting out of submitting this information.

Overall Conclusions

The arrangements for managing risk were satisfactory with a number of weaknesses identified. An acceptable control environment is in operation but there are a number of improvements that could be made. Our overall opinion of the controls within the system at the time of the audit was that they provided Reasonable Assurance.

1 Policies and Guidance

Issue/Control Weakness

The current Recruitment and Selection Policy is dated 2006 and does not make sufficient reference to the treatment of equalities information at the recruitment stage. It was not clear when the latest Recruitment and Selection Policy was recommended to maintained schools. There was evidence to confirm that schools do not have appropriate recruitment policies in place.

Risk

Recruitment across the council occurs without consideration of the Equality Act (2010). Breaches of the Act may result in tribunal action against the council.

Findings

On review of the information available to staff, it was confirmed that there was a step-by-step guide to fair recruitment and selection. This guide offered good detail and made clear reference to the Equality Act (2010). The guide had been made available to all staff on the intranet and there was evidence to support recent update of the document.

The council's Recruitment and Selection Policy was also available and accessible to staff on the intranet. However, this version of the policy was dated 2006 and in its current format, does not provide any information regarding the treatment of equalities information at the recruitment stage. The Equality Act (2010) protects employees and applicants against discrimination and therefore it would be expected that a Recruitment and Selection Policy would make reference to this Act.

It was not clear when the last Recruitment and Selection Policy was recommended to maintained schools to ensure that they were considering equal opportunities at recruitment stage. Although maintained schools are largely responsible for their own recruitment processes, as council employees, any breaches of the Equality Act (2010) occurring during school recruitment may bring the council into disrepute.

The questionnaire results were that four schools confirmed that they did not have any form of Recruitment and Selection Policy in place. Of the three schools with a Recruitment and Selection Policy in place, two of these confirmed that equal opportunities were not considered as part of this policy. These results provide evidence that may suggest that some schools are recruiting without consideration of fair recruitment legislation.

Agreed Action 1.1

The service will review and update the Recruitment and Selection Policy. A version of this policy will also be made available for adoption by all maintained schools.

Priority

2

Responsible Officer

Resourcing Manager

Timescale

31st July 2019

2 Submission and Retention of Equalities Data

Issue/Control Weakness

There is a lack of guidance made available to schools. The submission processes and retention of equalities data produced in schools is inconsistent

Risk

Equalities data is not processed correctly or is retained outside of GDPR.

Findings

Most recruitment exercises are now carried out using the online application system on the council website. However, recruitment in schools still largely require the manual upload of equalities data. HR stated that there is an expectation for schools to submit the equalities data of successful applicants to the council. However, it was confirmed that the council does not currently have the capacity to monitor the equalities data of unsuccessful school applicants. Despite these requirements, it was unclear when and if schools had been notified of the procedures in place for the submission of equalities data. In addition, a review of the York Education website confirmed that there was an absence of any guidance surrounding the processing and submission of equalities data.

The results of the questionnaire confirmed that two of the seven responsive schools were not submitting the data of successful applicants to the council. One other school confirmed that they had submitted both successful and unsuccessful applicant data to the council. It was unclear whether guidance had been issued to schools to clarify the retention guidelines surrounding equalities data. In relation to this, the results of the questionnaire confirmed that one school was unaware of the expected guidelines and had been storing equalities data inconsistently for applicants. Three schools confirmed that they were keeping successful applicant data for 6 years plus the current year and unsuccessful data for 6 months. The remaining three schools stated that they were destroying all data on or before 6 months.

All schools who responded to the questionnaire confirmed that they were not undertaking any in-house monitoring of equalities data. Therefore, those schools retaining this sensitive information for longer than a 6 month period may be in breach of the GDPR. Under Data Protection legislation, sensitive information should only be retained whilst it serves purpose to the controller. Therefore, if no in-house monitoring is taking place, schools may not have a justifiable reason for retaining equalities information once passed to the council for processing.

Although schools are viewed as their own data entities, any breach of Data Protection legislation by a maintained school, may bring the council into disrepute.

Agreed Action 2.1

Guidance on use and retention of equalities information will be forwarded to schools and added to the School Education Service website.

Priority

2

Responsible Officer

HR Manager
(Performance & Change)

3 Source Documentation for the Manual Input of Equalities Data

Issue/Control Weakness

The forms used to inform manually inputted equalities data do not prompt successful applicants for all of the fields available in the equalities monitoring function on iTrent.

Risk

Equalities data is not collected consistently across the council and reports of equalities monitoring are limited in the information they can provide.

Findings

Testing of a sample of manually inputted data confirmed that equalities information was uploaded accurately to iTrent from source documentation. However, on review of the source documentation used to inform equalities data, it was evident that there were some fields missing from the equalities section. iTrent allows for the reporting of nationality, sexual orientation and religion, however documentation including S1 and T1 forms¹ do not prompt successful applicants for these categories of information.

Agreed Action 3.1

The application form has now been updated and accurately reflects the input fields available on iTrent.

Priority

3

Responsible Officer

Resourcing Advisor

Timescale

Implemented

¹ S1 and T1 forms are completed following the recruitment of a new employee. These new starter forms contain a section for equalities information. Where manual upload of equalities data is required, the information is extracted from these forms.

Audit Opinions and Priorities for Actions

Audit Opinions	
<p>Audit work is based on sampling transactions to test the operation of systems. It cannot guarantee the elimination of fraud or error. Our opinion is based on the risks we identify at the time of the audit.</p> <p>Our overall audit opinion is based on 5 grades of opinion, as set out below.</p>	
Opinion	Assessment of internal control
High Assurance	Overall, very good management of risk. An effective control environment appears to be in operation.
Substantial Assurance	Overall, good management of risk with few weaknesses identified. An effective control environment is in operation but there is scope for further improvement in the areas identified.
Reasonable Assurance	Overall, satisfactory management of risk with a number of weaknesses identified. An acceptable control environment is in operation but there are a number of improvements that could be made.
Limited Assurance	Overall, poor management of risk with significant control weaknesses in key areas and major improvements required before an effective control environment will be in operation.
No Assurance	Overall, there is a fundamental failure in control and risks are not being effectively managed. A number of key areas require substantial improvement to protect the system from error and abuse.

Priorities for Actions	
Priority 1	A fundamental system weakness, which presents unacceptable risk to the system objectives and requires urgent attention by management.
Priority 2	A significant system weakness, whose impact or frequency presents risks to the system objectives, which needs to be addressed by management.
Priority 3	The system objectives are not exposed to significant risk, but the issue merits attention by management.

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