



HOUSING ASSOCIATION INTERNAL AUDIT FORUM

INTERNAL AUDIT PROGRAMME GUIDE

EQUALITY AND DIVERSITY

website: www.haiaf.org



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Tel: 0845 230 7000



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Preamble

This Internal Audit Programme Guide covers the area of Equality and Diversity, a term which is increasingly being used in place of 'Equal Opportunities'. This is an important issue for Society as a whole, as prejudices, which may lead to discrimination, can arise through anything and everything we do. It is in this context, we recommend the Internal Auditor to have an awareness of the implications of this in every review undertaken.

To positively promote Equality and Diversity can be viewed as a commitment not to be prejudiced against people, or to discriminate against them in any way, for example their Race, Religious Beliefs, Gender, Sexuality, Age, or Disability. From a housing perspective, ensuring equality and diversity can be seen as everyone having access to the housing they need, and that their views are heard and taken into account in the provision of such services.

It is important to note prejudices, which can lead to discrimination can be exhibited in an unconscious manner, through not realising that a particular process or action could serve to exclude certain individuals. Legislation such as the Race Relations Act defines the differing types of discrimination; Direct; Indirect; Victimisation; and Harassment. A definition of each of these in the context of race discrimination is included in the Terminology section of this chapter.

Society as a whole has become increasingly aware of the wide reaching nature and implications of Equality and Diversity, recognising it is more than one of equal pay and employment rights. Without a doubt one of the most high profile reported events over recent times has been the Macpherson Inquiry and Report into the death of Stephen Lawrence (1999).

One of the significant matters raised by the Inquiry was racial prejudices in society which in turn led to the term "institutional racism". The report recommended a series of measures encompassing a vast range of issues touched upon the case, from law to education which would subject the police to greater public control, enshrine rights for victims of crime and extend the number of offences classified as racist. Freedom of information and race relations legislation will also apply to the police. The Housing sector's response to this is discussed as part of this introduction.

It is also important for the Internal Auditor to be aware there have been a number of legislative changes in recent years to protect those who commonly experience discrimination. This legislation includes the Disability Discrimination Act (1995), Human Rights Act (1998) Race Relations Act (2000) and European Directives (i.e. Employment (2000)).

Responsibilities for promoting and monitoring compliance with Equality and Diversity issues are also under review at the time of producing this guide. Currently responsibilities are assigned to the Commission for Racial Equality, Disability Rights Commission and the Equal Opportunities Commission, although a consultation process is underway to rationalise the current arrangements with the proposed establishment of a Commission for Equality and Human Rights (CEHR).

The Sector's response to the Macpherson Inquiry was the setting up of the Race and Housing Inquiry. This was a joint initiative between the Commission for Racial Equality, National Housing Federation, the Federation of Black Housing Associations and the Housing Corporation.



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The objective of the inquiry was to challenge housing associations and the other organisations they work with to look at where and how the social housing sector can improve race equality through accountable and measurable action. This inquiry resulted in the Challenge Report (2001) whose recommendations were in turn reflected in the Housing Corporation's revised Regulatory Code and associated guidance notes. These are discussed further below.

In addition to the recommendations within the Challenge Report, the Housing Corporation was also identified as a statutory body in the Race Relations (Amendment) Act 2000 and consequently has statutory general duties to eliminate unlawful racial discrimination; promote equality and opportunity; and promote good relations between people of different racial groups. These duties have been passed onto Housing Associations through the Regulatory Code.

The Regulatory Code states: -

- *“Housing associations must demonstrate, when carrying out all their functions, their commitment to equal opportunity. They must work towards the elimination of discrimination and demonstrate an equitable approach to the rights and responsibilities of all individuals. They must promote good relations between people of different racial groups”* (Section 2.7); and
- Specifies the expectation that services should be *“responsive to the individual characteristics and circumstances of residents”* (Section 3.5.4).

Within their good practice notes on Equality and Diversity, the Housing Corporation set out three rationales for equality and diversity, namely: -

- Because of the legal and regulatory frameworks in which associations work;
- Because of the moral responsibility associations have to work towards a just and tolerant society; and
- Because it makes good business sense – For instance, enabling a greater understanding of the customer, enabling the development of new products and services to meet the communities' needs in which they serve; and ensuring continued demand for products and services.

The practical delivery of the Housing Corporation's regulatory agenda is through three means: Lead Regulation; Equality and Diversity Reviews; and the Inspection process undertaken by the Housing Inspectorate of the Audit Commission.

Lead Regulation activities include the annual receipt and review of the Association's self assessment of compliance with the Regulatory Code. This in turn leads into the traffic light indicators within the annual Housing Corporation Assessment (HCA). Clearly failure to satisfy the requirements of the regulatory code may lead to an adverse rating and further supervisory action.

The Housing Inspectorate of the Audit Commission has developed a specific Key Line of Enquiry (KLOE) for Equality and Diversity. KLOE 31 may provide a useful tool for the internal auditor in undertaking an audit of this area.



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Areas / Risks covered by this Guide.

It is not the intention of this guide to cover the detailed content of legislation in this area. The purpose of this guide is to focus on controls and processes, which serve to minimise the risks to the association of falling foul of such legislation.

Failure to put in place appropriate systems to monitor and achieve the requirements of the equality and diversity agenda exposes the association to a number of risks.

This Internal Audit Programme Guide covers the following areas: -

Audit Area	Key Risks / Implications	Chapter Section
Equality and Diversity Strategy / Policy	· Incoherent strategies / objectives which do not reflect the diversity of service users or the community served by the association.	1.1
	· Inconsistent practices leading to duplication of resource, poor value for money and ultimately non-achievement of agreed objectives.	1.2
Risk Management	· Adverse PR / financial losses attributed to failure to identify and monitor the risks associated with Equality and Diversity.	2.1
Dissemination and Communication of the Equality and Diversity Strategy / Policy	· Duplication of effort and inconsistent practice by Board Members, staff and contractors.	3.1
	· Low levels of customer satisfaction as services and their corresponding resource fail to address the diversity and needs of service groups.	3.2
Training	· Board Members and Staff do not know what they are responsible for, or how they should carry out their duties, leading to non-compliance with legislation (i.e. Unfair Discrimination), laws or organisational policy and procedures.	4.1
	· Punitive action by the Housing Corporation and / or Commission for Racial Equality, Disability Rights Commission, Equal Opportunities Commission.	4.2
Management Information, Reporting and Continuous Improvement	· Poor decision making, due to poor quality or timeliness of information provided to management.	5.1
	· Failure to demonstrate continuous improvement in service delivery.	5.2



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Other Sources of Information

There are numerous publications available on this topic and the list below is only a summary of some of those considered most useful to assist in an internal audit review of this area. Those marked with an (£) are those where a fee is payable.

- Housing Corporation - Good Practice Note 8 – Equality and Diversity (2004)
- CIH - Good Practice Briefing Issue 26: Equality and Diversity (2003) (£)
- Housing Corporation - Inspection Uncovered: Equality and Diversity (2003)
- Housing Corporation - Good Practice Note 4 – Race Equality and Diversity (2002)
- Housing Corporation - Race Equality Code of Practice for Housing Association's (2002)
- Housing Corporation - Regulatory Code – “our approach to regulation: the way forward” (2000)

The Housing Corporation website / Bank of Good Practice includes a series of research studies and projects funded through Innovation and Good Practice grants specifically including a number of areas including Equality and Diversity. These may provide useful contextual / background information for an auditor reviewing this area.

The Internal Auditor should also obtain details of the most recent Housing Corporation / Audit Commission Inspection along with the Housing Corporation's most recent assessment against compliance with the Regulatory Code standards to identify whether any weaknesses were highlighted in the area for the Association they are reviewing.

In lieu of the numerous differing pieces of legislation and guidance in this area we would also recommend the Auditor consider attending a course on this area. These are provided by a number of organisations including the National Housing Federation.

Useful Websites

- Ø Audit Commission – www.audit-commission.gov.uk
- Ø Commission for Racial Equality - www.cre.gov.uk
- Ø Disability Rights Commission – www.disability.gov.uk
- Ø Department for work and pensions – www.dwp.gov.uk
- Ø Equal Opportunities Commission – www.eoc.org.uk
- Ø Housing Corporation – www.housingcorp.gov.uk
- Ø Housing Corporation Bank of Good Practice - www.bankofgoodpractice.org
- Ø National Housing Federation – www.housing.org.uk
- Ø National Youth Agency – www.nya.org.uk
- Ø Office of the Deputy Prime Minister – www.odpm.gov.uk

**Housing Diversity Network (Formerly the Race Equality Network) –
www.raceequalitynetwork.co.uk**



Terminology

Direct racial discrimination^ This occurs when you are able to show that you have been treated less favourably on racial grounds than others in similar circumstances. Racist abuse and harassment are forms of direct discrimination.

Indirect racial discrimination^ Indirect racial discrimination may fall into one of two categories depending on the racial grounds of discrimination. The first is on grounds of colour or nationality, under the original definition in the Race Relations Act. The second is on grounds of race, ethnic or national origin. This was introduced by the Race Relations Act (Amendment) Regulations 2003 to comply with the EC Race Directive.

On grounds of colour or nationality

This occurs when an apparently non-discriminatory requirement or condition which applies equally to everyone:

- can only be met by a considerably smaller proportion of people from a particular racial group; and
- which is to the detriment of a person from that group because he or she cannot meet it; and
- the requirement or condition cannot be justified on non-racial grounds.

For example, a rule that employees or pupils must not wear headgear could exclude Sikh men and boys who wear a turban, or Jewish men or boys who wear a yarmulka, in accordance with practice within their racial group.

On grounds of race, ethnic or national origin

This occurs when a provision, criterion or practice which, on the face of it, has nothing to do with race and is applied equally to everyone:

- puts or would put people of the same race or ethnic or national origins at a particular disadvantage when compared with others; and
- puts a person of that race or ethnic or national origin at that disadvantage; and
- cannot be shown to be a proportionate means of achieving a legitimate aim.



Victimisation[^]

This has a special legal meaning under the Race Relations Act. It occurs if you are treated less favourably than others in the same circumstances because you have complained about racial discrimination, or supported someone else who has. A complaint of racial discrimination means that someone has:

- brought proceedings under the Race Relations Act against the discriminator or anyone else; or
- given evidence or information in connection with proceedings brought by another person under the Race Relations Act; or
- done anything under the Race Relations Act or with reference to it; or
- alleged that a person has acted in a way which would breach the Race Relations Act. The complaint does not need to expressly claim discrimination when making the complaint.

Harassment[^]

The definition of harassment introduced by the Race Relations Act 1976 (Amendment) Regulations 2003 applies when the discrimination is on grounds of race or ethnic or national origins, but not colour or nationality. Harassment on grounds of colour or nationality amounts to less favourable treatment and may be unlawful direct discrimination.

A person harasses another on grounds of race or ethnic or national origins when he or she engages in unwanted conduct that has the purpose or effect of:

- violating that other person's dignity; or
- creating an intimidating or hostile, degrading, humiliating or offensive environment for them.

Harassment is unlawful not only in the context of employment, but also within:

- partnerships
- trade unions
- qualifying bodies
- vocational training; and
- employment agencies

It is also an unlawful form of discrimination in education, training, within public authorities, in the provision of goods, facilities, services and premises, and in relation to the training and employment of barristers and advocates.

[^] Definitions taken from the Commission for Racial Equality Website



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1. EQUALITY AND DIVERSITY STRATEGY / POLICY

Key Risk / Implication	Expected Key Control or Process	Suggested Tests	File Ref
1.1 Incoherent strategies / objectives which do not reflect the diversity of service users or the community.	1.1.1 A corporate wide Equality and Diversity Strategy / Policy has been documented and approved by the Board.	(a) Obtain a copy of the Policy / Strategy. (b) Review minutes to confirm approval of the Policy / Strategy document by the Board. <i>NB This document may also include an action plan to ensure successful implementation of the Strategy.</i>	



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Key Risk / Implication	Expected Key Control or Process	Suggested Tests	File Ref
<p>1.1 Incoherent strategies / objectives which do not reflect the diversity of service users or the community. CONTD</p>	<p>1.1.2 The Association has consulted with members, resident groups / contacts, minority groups, other stakeholders (i.e. Local Authorities, Race Equality Council, local crime and disorder partnerships, Multi Agency Panels, women, the young, old, disabled and BME Associations) and has considered research reports / sector studies (i.e. Housing Corporation, CORE) in the development of the strategy.</p>	<p>(a) The Association has undertaken a needs analysis in order to identify its full range of services and the minority groups and stakeholders it serves.</p> <p>(b) Obtain evidence of consultation with representatives of the Board in formulating the strategy / policy. For example, correspondence, minutes.</p> <p>(c) Obtain evidence of consultation undertaken with resident groups / compacts in formulating the strategy / policy. For example, correspondence with representatives, organisations, notes from meetings, etc.</p> <p>(d) Obtain evidence of consultation undertaken with minority groups in formulating strategy / policy. For example, correspondence with representatives, organisations, notes from meetings, etc.</p> <p>(e) Obtain evidence of consultation undertaken with other stakeholder groups in formulating the strategy / policy. For example, correspondence, notes from meetings, etc.</p> <p>(f) Obtain evidence of the use of sector research / studies in the development of the Strategy. For example, copies of the reports themselves, note references to within the Strategy, etc.</p>	



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Key Risk / Implication	Expected Key Control or Process	Suggested Tests	File Ref
<p>1.1 Incoherent strategies / objectives which do not reflect the diversity of service users or the community. CONTD</p>	<p>1.1.3 The Strategy takes into account all aspects of the Association's work, ensuring equality and diversity issues are integral elements of everything that it does.</p> <p><i>NB Association's may have an overarching Strategy, with the detailed operational implications covered by specific policies such as Lettings, Harassment, etc.</i></p>	<p>(a) Using the Strategy / Policy obtained as part of 1.1.1 (a), review its content to ensure coverage of all aspects of the Association's work including: -</p> <ul style="list-style-type: none"> · Access to and format of information and advice (i.e. Verbal and written translation services, talk-type, information line, use of interpreters); · Accommodation – including access; · Communication Strategy; · Dealing with incidents; · Governance – i.e. recruitment of board members from an BME background; · Disability background; · Lettings – general needs, but also market renting, shared ownership, disabled adaptations; · Monitoring / Reporting; · Procurement; · Repairs – including out of hours; · Service delivery; · Staffing and employment; · Target setting including: Lettings (Direct list and nominations), Resident Satisfaction, Dealing with racial harassment, Staffing and Governing body membership, Resident association membership, employment of contractors, consultants and suppliers; · Resident involvement; · Resident satisfaction; · Harassment – Note Implications arising from Anti Social Behaviour; and · Action to be taken in the event of non-compliance by a member of the board, staff member, resident, contractor. 	



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Key Risk / Implication	Expected Key Control or Process	Suggested Tests	File Ref
1.2 Inconsistent practice leading to duplication of resource, poor value for money and ultimately non-achievement of agreed objectives.	1.2.1 The Association has periodically considered the need for, and / or established an Equality and Diversity Group.	<p>(a) Establish through review of the Strategy / Policy and / or interview if a group has been charged with specific responsibility for implementing and monitoring the Equality and Diversity Strategy / Policy.</p> <p><i>NB Associations may have decided to allocate responsibilities in this area to the Board and Senior Management Team as opposed to a separate group.</i></p> <p>(b) If a group has been assigned responsibility, ensure this is clearly delegated through a formal terms of reference.</p> <p>(c) Ensure the group is representative of the Association's Board, those responsible for service delivery and customers themselves and that membership of the Group is kept under review to reflect the needs analysis in 1.1.2 above.</p>	



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Key Risk / Implication	Expected Key Control or Process	Suggested Tests	File Ref
1.2 Inconsistent practice leading to duplication of resource, poor value for money and ultimately non-achievement of agreed objectives. CONTD	1.2.2 The Association has undertaken a review of existing strategies and policies to take account of its Equality and Diversity Strategy / Policy.	<p>(a) Obtain a copy of the Association’s Business / Corporate Plan; Asset Management Strategy; Communications Strategy; Resident Involvement Strategy; and / Rent Arrears Policy and ensure that consideration has been given to Equality and Diversity dimensions including references to the Strategy / Policy obtained under 1.1.1 (a).</p> <p><i>NB There are numerous implications associated with the documents above. For example, in terms of the Corporate Plan the setting and monitoring of targets; the Asset Management Strategy would need to take into account implications for housing design, size; and for Resident Participation. This may include specific targets/objectives on race, etc, the use of interpreters, working with umbrella organisations, etc.</i></p>	



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2. RISK MANAGEMENT

The Auditor should refer to the IAPG chapter on Risk Management for expected key control or process and suggested tests in regard the introduction and embedding of a robust risk management framework. In terms of expected key control or processes to manage the risks associated with Equality and Diversity these are referred to throughout the sections in this chapter.

Key Risk / Implication	Expected Key Control or Process	Suggested Tests	File Ref
2.1 Adverse PR / financial losses attributed to failure to identify and monitor the risks associated with Equality and Diversity.	2.1.1 Further to assessment of the risk management framework under the IAPG guide on this aspect, the Association has identified and evaluated the risks associated with Equality and Diversity.	(a) Obtain the Association's current versions of its Strategic and Operational Risk Registers and assess the extent to which Equality and Diversity is reflected. <i>NB Risks themselves may not be specifically identified in Equality and Diversity terms but more generalised risks such as compliance with legislation, service delivery, etc.</i>	
	2.1.2 Meetings of the Board and any Sub Committees have an equality and diversity dimension.	(a) Obtain and review copies of Board and Sub Committee minutes and supporting papers and assess the extent to which equality and diversity is considered as part of the routine business of the Association. For example, do supporting papers carry an equality and diversity section, do agendas have a standing item on this area, etc.	
	2.1.3 Meetings of the Senior Management Team (SMT) have an equality and diversity dimension.	(a) Obtain and review copies of SMT minutes and supporting papers and assess the extent to which equality and diversity is considered as part of the routine business of the Association. For example, do supporting papers carry an equality and diversity section, do agendas have a standing item on this area.	



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3. DISSEMINATION AND COMMUNICATION OF THE EQUALITY AND DIVERSITY STRATEGY / POLICY

Key Risk / Implication	Expected Key Control or Process	Suggested Tests	File Ref
<p>3.1 Duplication of effort and inconsistent practice by Board Members, staff and contractors</p>	<p>3.1.1 The Equality and Diversity Strategy has been communicated to all Board Members, Formal Resident Groups / Compacts.</p>	<p>(a) Review correspondence and / or minutes of Board meetings to ensure the provision and communication of the Equality and Diversity Strategy to Board members.</p> <p>(b) Review the procedure for the recruitment of new Board members and the induction process and ensure this includes coverage of the Equality and Diversity Policy / Strategy and Code of Conduct. For example, formal documented induction policy / procedure, formal induction pack.</p> <p>(c) Select a sample of new Board members and ensure evidence has been retained in support of their induction process including provision of the Equality and Diversity Strategy.</p> <p>(d) Review minutes / correspondence with any formal resident groups / compacts to confirm communication of the Equality and Diversity Strategy.</p> <p>(e) Review for adequacy the mechanisms used by the Association to communicate the Equality and Diversity Policy / Strategy to staff.</p>	



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Key Risk / Implication	Expected Key Control or Process	Suggested Tests	File Ref
3.1 Duplication of effort and inconsistent practice by Board Members, staff and contractors CONTD	3.1.2 The Equality and Diversity Strategy has been communicated to all Board Members, Formal Resident Groups / Compacts. CONTD	(a) If the Association has an intranet / shared drive ensure the Equality and Diversity Policy / Strategy is available and accessible to staff online. (b) Interview a sample of Board Members and Staff to confirm awareness and receipt of the Equality and Strategy Policy / Strategy.	



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<p>3.1 Duplication of effort and inconsistent practice by Board Members, staff and contractors. CONTD</p>	<p>3.1.3 The Equality and Diversity Strategy has been communicated to all Contractors, Consultants and Suppliers</p>	<p>(a) For a sample of partnering and tendering exercises ensure potential Contractors, Consultants and Suppliers invited are provided with the Association's Equality and Diversity Policy and required to confirm their acceptance / commitment to this as part of the selection process. Alternatively they may provide their own policy and this is reviewed to ensure it is in accordance with the main principles of the Association's own. Evidence in support of this could be copies of correspondence, pre tender documentation.</p> <p>(b) For a sample of successful contractors, consultants, suppliers ensure periodic information in support of ongoing compliance with the Association's Equality and Diversity policy is provided as part of performance / progress meetings. For example statistics illustrating the composition of their workforce. This could be identified through review of contract files, minutes of site meetings.</p> <p>CONTINUED OVER THE PAGE</p>	



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Key Risk / Implication	Expected Key Control or Process	Suggested Tests	File Ref
<p>3.1 Duplication of effort and inconsistent practice by Board Members, staff and contractors. CONTD</p>	<p>3.1.4 The Equality and Diversity Strategy has been communicated to all Contractors, Consultants and Suppliers CONTD</p>	<p>(c) Using the sample in 3.1.3 (b) determine if the Association has provided the opportunity for contractors to receive a formal briefing / training on its equality and diversity requirements and if so evaluate the take up of such training.</p>	
	<p>3.1.5 Operational procedures for the Association's activities, which reflect the implications of the Equality and Diversity Strategy / Policy have been documented.</p>	<p>(a) Obtain copies of the Association's key procedures including Human Resources / Personnel and Housing Services to ensure consistent coverage of guidance / principles of Equality and Diversity including the Strategy / Policy.</p> <p>(b) If the Association's has an intranet / shared drive ensure operational procedures are accessible to all staff.</p> <p>(c) Interview a sample of staff to confirm awareness and receipt or accessibility of operational procedures.</p>	



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Key Risk / Implication	Expected Key Control or Process	Suggested Tests	File Ref
<p>3.2 Low levels of customer satisfaction as services and their corresponding resource fail to address the diversity and needs of service groups.</p>	<p>3.2.1 The Association has publicised its commitment to Equality and Diversity to its stakeholders and customers.</p>	<p>(a) Obtain examples of literature provided to stakeholders and customers to ensure the Association’s commitment in this area is clearly communicated. For example, Tenancy Agreement, Residents Handbook, Annual Report, Residents Newsletters.</p> <p>(b) Review literature provided under 3.2.1 (a) to ensure that it excludes stereotypes and allows for the promotion of Equality and Diversity. For example, use of photographs, content of articles.</p> <p>(c) Review literature provided under 3.2.1 (a) and interview staff as to other media channels used to ensure they are appropriate to the needs of the community. For example, use of website, translated material, links with groups, use of journals/radio.</p> <p>CONTINUED OVER THE PAGE</p>	



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<p>3.2 Low levels of customer satisfaction as services and their corresponding resource fail to address the diversity and needs of service groups. CONTD</p>	<p>3.2.2 The Association has publicised its commitment to Equality and Diversity to its stakeholders and customers. CONTD</p>	<p>(d) Determine if the Association has formally consulted with representatives from target groups / customers in general as to the means of communication and suitability of information provided and what / if any changes have been made. Evidence of this process may include copies of surveys, focus groups, correspondence, minutes of meetings.</p>	
	<p>3.2.3 Members and Staff are able to quickly identify those with appropriate skills and experience to deal with equality and diversity issues which they are not best placed to resolve.</p>	<p>(a) Determine if the Association maintains a register of staff with language/communication skills i.e. sign language.</p> <p>(b) If a register is maintained ensure it is updated on a regular basis and accessible to all members and staff.</p> <p>(c) Interview a sample of members and staff to confirm awareness of the register and how to access it.</p>	



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Key Risk / Implication	Expected Key Control or Process	Suggested Tests	File Ref
<p>3.2 Low levels of customer satisfaction as services and their corresponding resource fail to address the diversity and needs of service groups. CONTD</p>	<p>3.2.4 The Association monitors the level of satisfaction with its services by seeking feedback from its customers.</p>	<p>(a) Obtain the most recent Independent survey of customer satisfaction and ensure this allows a robust means of monitoring / assessing relative satisfaction with the landlords of residents from the various BME communities in comparison with non BME communities.</p> <p><i>NB The survey methodology employed should be consistent with the National Housing Federation STATUS standard resident satisfaction survey.</i></p> <p>(b) Review the Survey obtained as part of 3.2.4 (a) for levels of satisfaction between BME and non BME customers and also ascertain the analysis undertaken by the Association on the results and what if any actions / changes have taken place.</p> <p>(c) Determine through interviews with Staff other mechanisms the Association employs to monitor satisfaction across its services (i.e. moving in survey, focus groups, leaseholders, etc) and obtain evidence of their use in practice. Also consider the extent to which these are used to inform the equality and diversity strategy of the Association.</p> <p>CONTINUED OVER THE PAGE</p>	



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Key Risk / Implication	Expected Key Control or Process	Suggested Tests	File Ref
<p>3.2 Low levels of customer satisfaction as services and their corresponding resource fail to address the diversity and needs of service groups. CONTD</p>	<p>3.2.4 The Association monitors the level of satisfaction with its services by seeking feedback from its customers. CONTD</p>	<p>(d) Obtain a copy of the Association's Complaints Policy and Procedure and ensure it reflects equality and diversity dimensions.</p> <p>(e) Obtain and review the Association's recent annual performance information on complaints and ascertain the extent to which equality and diversity features.</p> <p>(f) Select a sample of complaints associated with equality and diversity and review for: compliance with the existing policy and procedure and; review the overall outcome and actions taken.</p>	



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Key Risk / Implication	Expected Key Control or Process	Suggested Tests	File Ref
<p>3.2 Low levels of customer satisfaction as services and their corresponding resource fail to address the diversity and needs of service groups. CONTD</p>	<p>3.2.5 The Board is representative of the community in which the Association operates.</p> <p><i>NB This section could equally apply to resident groups / compacts however this is dependant on the assigned terms of reference and operation of these groups.</i></p>	<p>(a) Obtain and review the procedure for filling Board vacancies to ensure this is in accordance with the Equality and Diversity Strategy / Policy. For example, advertising and recruiting in ways which are likely to attract BME candidates such as liaison with local community groups.</p> <p>(b) Select a sample of recent recruitment exercises for Board members and determine the extent of compliance with the procedure, specifically in regard demonstrating Equality and Diversity. For example, copies of correspondence, minutes of meetings, advertisements, etc.</p> <p>(c) Consider the extent to which the association has set targets for minority group representation on its Board in order to reflect the social groups it serves.</p> <p>(d) Review the current composition of the Board against any established targets to ascertain the level of representation.</p> <p><i>NB the most recent RSR, CORE, census and other population data may be useful in undertaking this test.</i></p> <p>(e) Using the method employed in 3.2.6 (d) consider the extent to which the composition of the Board has changed in the previous three years.</p> <p>CONTINUED OVER THE PAGE</p>	



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<p>3.2 Low levels of customer satisfaction as services and their corresponding resource fail to address the diversity and needs of service groups. CONTD</p>	<p>3.2.5 The Board is representative of the community in which the Association operates. CONTD</p> <p><i>NB This section could equally apply to resident groups / compacts however this is dependant on the assigned terms of reference and operation of these groups.</i></p>	<p>(f) Taking into account 3.2.5 (d) and (e) ascertain the current level of Member retention in the Association including reasons for departure. Determine if there are any equality and diversity implications arising from this area.</p> <p><i>NB The Auditor should be cautious when coming to conclusions in this area as some of these changes may simply be attributable to routine membership protocols of nomination, length of service, etc.</i></p>	



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<p>3.2 Low levels of customer satisfaction as services and their corresponding resource fail to address the diversity and needs of service groups. CONTD</p>	<p>3.2.6 The Staffing establishment is representative of the community in which the Association operates.</p>	<p>(a) Obtain a copy of the procedure for the recruitment of staff and ensure it reflects equality and diversity. For example, this is consistent with the overarching Equality and Diversity Strategy of the Association; discusses differing forms of advertising to attract a cross section of candidates; use of positive action initiatives; and the recording and storage of Equality and Diversity information obtained as part of the application process.</p> <p>(b) Select a sample of recent appointments and review the processes followed to ensure compliance with the agreed procedure.</p> <p>(c) If a third party (i.e. Recruitment Agency) is commissioned to undertake the recruitment on the Association's behalf, ensure they have signed up to the Equality and Diversity Strategy / Policy of the Association or have submitted their own which has been reviewed and accepted by the Association.</p> <p>(d) Subject to 3.2.8 (c), review the extent to which the third party provides sufficient information in order for the Association to fulfil its own Equality and Diversity requirements.</p> <p>CONTINUED OVER THE PAGE</p>	



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Key Risk / Implication	Expected Key Control or Process	Suggested Tests	File Ref
<p>3.2 Low levels of customer satisfaction as services and their corresponding resource fail to address the diversity and needs of service groups. CONTD</p>	<p>3.2.6 The Staffing establishment is representative of the community in which the Association operates. CONTD</p>	<p>(e) Consider the extent to which the Association has set targets for minority group representation in its Staffing Establishment, reflecting the social groups it serves.</p> <p>(f) Review the current composition of the Senior Management Team and other Staff against any established targets to ascertain the level of representation.</p> <p><i>NB The most recent Staff / HR Surveys, RSR, CORE, census and other population data may be useful in undertaking this test.</i></p> <p>(g) Consider the extent to which the composition of the Senior Management Team and other staff has changed in the previous three years.</p> <p>(h) Taking into account 3.2.6 (e) (f) and (g) ascertain the current level of staff retention in the Association including reasons for departure. Determine if there are any equality and diversity implications arising from this area, i.e. is it possible to split this down into BME staff and are the reasons provided similar to those from other backgrounds.</p>	



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4. TRAINING

Key Risk / Implication	Expected Key Control or Process	Suggested Tests	File Ref
4.1 Board Members and Staff do not know what they are responsible for, or how they should carry out their duties, leading to non-compliance with legislation, laws or organisational policy and procedures.	4.1.1 The Board receives periodic training on equality and diversity. For example, its legal duties, valuing diversity, driving through diversity. <i>NB This section could equally apply to resident groups / compacts however this is dependant on the assigned terms of reference and operation of these groups.</i>	(a) Obtain a copy of the training programme for the Board and ensure coverage of equality and diversity. (b) Obtain evidence of the formal delivery of training courses on equality and diversity to Members. For example, copies of handouts / materials used and Board minutes. (c) Review the Board's current list of members against attendance records from equality and diversity training courses to ensure receipt of training by individual board members.	



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Key Risk / Implication	Expected Key Control or Process	Suggested Tests	File Ref
<p>4.1 Board Members and Staff do not know what they are responsible for, or how they should carry out their duties, leading to non-compliance with legislation, laws or organisational policy and procedures. CONTD</p>	<p>4.1.2 Board Members have confirmed their commitment to and compliance with the Association's Equality and Diversity Strategy / Policy.</p>	<p>(a) Select a sample of Board Members and ensure they have confirmed their acceptance of and compliance with the Equality and Diversity Strategy / Policy.</p> <p><i>NB This may form part of an annual declaration / acceptance of responsibilities of being a Board member.</i></p> <p>(b) Ascertain if a formal code of conduct is in place for Board members. If so, obtain a copy and review for equality and diversity.</p> <p>(c) If a code of conduct is place and this requires a separate declaration to 4.1.2 (a) select a sample of Board members and ensure a signed declaration has been received.</p>	



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Key Risk / Implication	Expected Key Control or Process	Suggested Tests	File Ref
<p>4.1 Board Members and Staff do not know what they are responsible for, or how they should carry out their duties, leading to non-compliance with legislation, laws or organisational policy and procedures. CONTD</p>	<p>4.1.3 New Staff joining the Association are provided with training on the Equality and Diversity Strategy / Policy and confirm their acceptance and compliance with it.</p>	<p>(a) Review the induction process for the appointment of new Staff and ensure this includes provision / coverage of the Equality and Diversity Strategy / Policy. For example, formal documented induction policy, procedure, formal induction pack.</p> <p>(b) Select a sample of new starters in the Association and review induction records to confirm coverage of Equality and Diversity.</p> <p>(c) Using the sample in 4.1.3 (b) ensure new staff have signed to confirm their acceptance of the Equality and Diversity Strategy / Policy.</p> <p><i>NB Rather than a specific declaration it may form one of a number of general conditions which they are requested to sign on accepting an offer of employment with the Association.</i></p> <p>(d) Using the sample in 4.1.3 (c) determine the extent to which compliance with Equality and Diversity is covered through job descriptions.</p>	



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4.1 Board Members and Staff do not know what they are responsible for, or how they should carry out their duties, leading to non-compliance with legislation, laws or organisational policy and procedures. CONTD	4.1.4 Staff have confirmed their commitment to and compliance with the Association’s Equality and Diversity Strategy / Policy.	(a) Taking into account 4.1.3 (b) and (c) take a sample of staff that have been in post for some time and verify certification of acceptance and compliance with the Equality and Diversity Strategy / Policy. (b) Ascertain if a formal code of conduct is in place for Staff. If so, obtain a copy and review for coverage of equality and diversity (c) If a code of conduct is place and this requires a separate declaration to 4.1.2 (a) select a sample of Staff and ensure a signed certification has been received.	
	4.1.5 Staff receive periodic training on equality and diversity. For example, legal duties, valuing diversity, driving through diversity.	(a) Obtain a copy of the training programme for Staff and ensure coverage of equality and diversity. (b) Obtain evidence of the formal delivery of training courses on equality and diversity. For example, copies of handouts / materials used. (c) Review the current Staff list against attendance records from equality and diversity training courses to ensure receipt of training by individual staff members.	



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Key Risk / Implication	Expected Key Control or Process	Suggested Tests	File Ref
<p>4.2 Punitive action by the Housing Corporation and / or Commission for Racial Equality, Disability Rights Commission, Equal Opportunities Commission.</p>	<p>4.2.1 The Association reviews its Self Assessment statement with the Regulatory Code on a regular basis and ensures where actions are required, progress is formally monitored.</p> <p><i>NB The Self Assessment Statement is one of the key sources of evidence used by the Housing Corporation in forming its opinions in its annual Housing Corporation Assessment of the organisation.</i></p>	<p>(a) Obtain the Association’s most recent self assessment statement with the Regulatory Code and review for any areas of non compliance in regard Equality and Diversity.</p> <p>(b) Following 4.2.1 (a) if any areas of weakness are identified ensure that an action plan with Lead officer and Implementation dates are assigned and that progress against these is formally monitored and reviewed.</p>	



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Key Risk / Implication	Expected Key Control or Process	Suggested Tests	File Ref
<p>4.2 Punitive action by the Housing Corporation and / or Commission for Racial Equality, Disability Rights Commission, Equal Opportunities Commission. CONTD</p>	<p>4.2.2 An action plan concerning weaknesses identified as part of third party reviews is formally collated and monitored against as a means of demonstrating continuous improvement.</p>	<p>(a) Determine if the Association has been subject to a Housing Corporation Equality and Diversity Review. If so, consider the weaknesses identified and the corresponding action plan and ensure progress against recommendations is formally reviewed and monitored on an ongoing basis.</p> <p>(b) Obtain a copy of the most recent Housing Corporation / Audit Commission Inspection of services and determine if any weaknesses have been identified in the area of Equality and Diversity. If so, consider the weaknesses identified and the corresponding action plan and ensure progress against recommendations is formally reviewed and monitored on an ongoing basis.</p>	



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Key Risk / Implication	Expected Key Control or Process	Suggested Tests	File Ref
<p>4.2 Punitive action by the Housing Corporation and / or Commission for Racial Equality, Disability Rights Commission, Equal Opportunities Commission. CONTD</p>	<p>4.2.3 The Association remains up to date with developments in legislation and good practice.</p>	<p>(a) The Association has considered designating an Equality and Diversity ‘Champion’ at Board and / or Senior Management level, whose responsibilities include keeping abreast of potential changes and feeding these back into the Association. If such a post is in place, obtain evidence in support of formal designation (i.e. minutes, policy / procedure, job description).</p> <p>(b) The Association has considered commissioning an independent review of its Equality and Diversity arrangements, for example a review of its access to buildings. If so, obtain a copy, ensure an action plan has been agreed, and progress is formally monitored.</p> <p>(c) Familiarise yourself with recent guidance and publications and review the Equality and Diversity Strategy and associated policies / procedures to ensure it remains up to date.</p> <p>(d) Select a sample of Staff and interview them to confirm awareness of the guidance identified in (c) above.</p>	



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5. MANAGEMENT INFORMATION, REPORTING AND CONTINUOUS IMPROVEMENT

Key Risk / Implication	Expected Key Control or Process	Suggested Tests	File Ref
5.1 Poor decision making, due to poor quality or timeliness of information provided to management.	<p>5.1.1 The Board and Sub Committee's of the Board (if appropriate) are provided with regular performance information on Equality and Diversity and this is critically reviewed.</p> <p><i>NB The cross cutting nature of this area means information may be presented in a series of operational reports.</i></p>	<p>(a) Review Board / Sub Committee minutes and supporting papers to ensure regular and timely performance reports on Equality and Diversity is provided.</p> <p>(b) Obtain examples of the information reported and ensure it provides detail on: -</p> <ul style="list-style-type: none"> · Equality and Diversity makeup of existing Members and the staffing establishment; · HR Recruitment exercises and the background of applicants; · Ethnicity/diversity satisfaction of the repairs service amongst its residents; · HR Retention; · Targets and current performance against these; · Ethnicity and gender of residents including those let to new residents; · Length of time on list by client type; · Incidents, resolutions and timeliness of responses; · Operation of Resident Groups / Compacts; · Liaison with other stakeholder groups; · Information in support of the Implementation of policies by groups (i.e. White / BME / Disabled / etc); and · Reporting, victim support and satisfaction, and action taken against perpetrators. <p style="text-align: right;">CONTINUED OVER THE PAGE</p>	



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Key Risk / Implication	Expected Key Control or Process	Suggested Tests	File Ref
<p>5.1 Poor decision making, due to poor quality or timeliness of information provided to management. CONTD</p>	<p>5.1.1 The Board and Sub Committee's of the Board (if appropriate) are provided with regular performance information on Equality and Diversity and this is critically reviewed. CONTD</p>	<p>(c) From review of minutes and supporting papers in 5.1.1 (a) determine if any areas of weakness have been identified, and what actions have been taken to remedy these.</p> <p>(d) Ensure information collated within the report is subject to formal review for accuracy prior to distribution to members.</p> <p>(e) For a sample of reports confirm the figures contained therein to supporting documentation / systems.</p>	



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Key Risk / Implication	Expected Key Control or Process	Suggested Tests	File Ref
<p>5.1 Poor decision making, due to poor quality or timeliness of information provided to management. CONTD</p>	<p>5.1.2 The Senior Management are provided with regular performance information on Equality and Diversity and this is critically reviewed.</p> <p><i>NB The cross cutting nature of this area means this information may be presented in a series of reports.</i></p>	<ul style="list-style-type: none"> (a) Review SMT minutes and supporting papers to ensure regular and timely performance reports on Equality and Diversity are provided. (b) Obtain examples of the information reported and ensure it provides detail on those areas highlighted under 5.1.1 above. (c) From the review of minutes and supporting papers in 5.1.2 (a) determine if any areas of weakness have been identified, and what actions have been taken to remedy these. (d) Ensure information collated within the report is subject to formal review for accuracy prior to distribution to Senior Management. (e) For a sample of reports confirm the figures contained therein to supporting documentation \ systems 	



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Key Risk / Implication	Expected Key Control or Process	Suggested Tests	File Ref
5.2 Failure to demonstrate continuous improvement in service delivery.	5.2.1 The Association reviews its Equality and Diversity performance on an ongoing basis including comparatives to previous periods, similar organisations and other benchmarking information	<p>(a) Using the results of the review in 5.1.1 (a) ensure the Association considers trends / comparatives with previous periods, similar organisations and other benchmarking information for equality and diversity on a regular basis.</p> <p>(b) From review in (a) consider if the Association is able to demonstrate continuous improvement in this area. For example, positive changes in the composition of the Board, Senior Management and Staffing establishment in the period; Wider cross section of applicants for recruitment exercises; etc.</p>	