

# *NHS Blood and Transplant Authority*

## Single Equality Scheme

Internal Audit Report  
2013/14

**April 2014**

FINAL



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## Distribution List

<b>For action</b>	Sabrina Richards (Head of Diversity & Engagement)
<b>For information</b>	David Evans (Director of Workforce) Sally Johnson (Director of Organ Donation and Transplantation)

This report has been prepared solely for NHS Blood and Transplant in accordance with the terms and conditions set out in our engagement letter. We do not accept or assume any liability or duty of care for any other purpose or to any other party. This report should not be disclosed to any third party, quoted or referred to without our prior written consent.

This report has been issued in final.

# Executive summary

Report classification	Total number of findings					
	Critical	High	Medium	Low	Advisory	
<b>Low Risk</b> 	<b>Control design</b>	-	-	-	-	2
	<b>Operating effectiveness</b>	-	-	-	-	-
	<b>Total</b>	-	-	-	-	<b>2</b>

## Headlines / summary of findings:

A paper was issued to the Authority's Board in November 2013 on Equality and Diversity and set out the Authority's progress against key targets to date and future actions that need to be taken. The Authority recognises it has two key areas to address around tackling inequality; firstly externally in that they are doing everything they can to ensure donations are received from ethnic groups; and secondly internally in ensuring the Authority's workforce is representative of the UK demographics. To this aim, the Authority has introduced a number of initiatives, including, "REACH" and "REACH HIGHER" to attract and develop emerging leaders.

This audit has considered the Authority's approach and compliance with the requirements of the Single Equality Scheme, including a review of the controls in place in relation to; Leadership, Governance, Accessibility and Communication, Workforce Training, Procurement and Monitoring and Reporting.

A summary of the findings in each area has been provided below.

### Leadership

The Authority has suitable structures and leadership roles identified throughout and is taking a lead role in Partnership working, consultation and involvement. The Equality and Diversity Working Group (EDWG) ensures that the Authority operates in accordance with the Equality Act 2010 and that a culture of equality and diversity is promoted and progressed both internally and externally. The Head of Diversity and Engagement takes the lead on Equality and Diversity. The EDWG is chaired by the Director of Organ Donation and Transplantation and reports to the Executive Team and Board. This ensures that Equality and Diversity issues are 'mainstreamed' into strategic business planning processes and involve suitably senior members of staff.

The introduction of the disability advocates group demonstrates a commitment to developing the awareness of disability within the organisation. Progression of the group and the continued use of disability 'Advocates' will help the organisation continue to act in accordance with good practice.

The development of the SES included a very detailed consultation process with both employees and key external stakeholders, and the information from this has formed the basis of the action points included within the document. The Authority further demonstrates a commitment to working in partnership with both employees and staff unions through inclusion of these two groups within the Staff Partnership Committee, where consultation takes place on matters of HR and employment policies.

### Governance

In February 2014 the Authority introduced its 'Dignity at Work' policy which details the organisation's zero tolerance policy to bullying, harassment and discrimination. The policy was a direct result of a staff survey in which 25% of staff said they were or had experienced bullying and harassment in the last 12 months. This demonstrates that the Authority considers the concerns of its employees. Dignity at work training will form part of the mandatory training throughout all levels of the organisation and monitoring of compliance with this training will be essential in ensuring all staff are made aware of and understand the policy.

There are a range of other policies and fact sheets made available to employees across a number of different areas,

including (but not limited to) whistleblowing, maternity leave, race awareness, disability awareness and religious beliefs. The development of factsheets demonstrates good practice as it provides information and support to managers and employees in way that is easy to digest and understand.

All HR policies follow the Equality Impact Assessment Policy and undergo an EIA (if relevant) and are approved by the Staff Partnership Committee (SPC). A sample of policies selected confirmed that these controls are operating effectively. Through discussion with management it was noted that the EIA policy is due to be reviewed in 2014. It has been advised that the Authority undertakes a complete review of this policy, including consideration of the use of EIA's and whether or not these are the most effective way to demonstrate 'due regard' to diversity and equality as a result of business decisions, given that they are no longer a legal requirement. It was noted during the testing of the EIA's that the format of the document is not the most user friendly. This point has been discussed further within the detailed findings section below.

### **Accessibility & Communication**

Information provided is appropriate and available in different formats on request. The disability webpage provides donors with a range of information in respect of the different services provided by the Authority to enable them to donate, including listing details of centres with disabled facilities. The development of large font welcome folders designed as a result of a request, demonstrates that the Authority is committed to providing for individual needs. The Authority has a good presence on different social media platforms, and continued use of these will help raise awareness of Organ and Blood Donation needs, particularly with younger audiences.

### **Workforce & Training**

Diversity, Equality and Human Rights training was all found to be included within induction material as mandatory training for all new starters. The new 'Dignity at Work' policy will require all members of staff to complete further training within the next 12 months. Training is monitored on a monthly basis and is assessed on a Directorate level basis and identifies any instances of non-compliance. The Dignity at work training is a requirement for all staff irrespective of training received in the past regarding Equality and Diversity. As at 31 Jan 2014, there was a 93% compliance rate for 'Equality and Diversity' training needs. Of the 7% not in compliance, 5% were within the threshold (i.e. the 1<sup>st</sup> year) and 2% outside this threshold.

A range of activities and processes were found to be in place that support the development and training needs of different staff groups across the organisation, providing comfort that The Authority is aware of the specific needs of particular staff groups, as well as the need to progress talent within underrepresented groups. There have been some encouraging results from the REACH programme and similar success with the REACH Higher and Calibre cohorts will help the Authority in its progress towards the achievement of its Equality objectives. Of note, our review of the November 2013 paper submitted to the EWDG revealed that the first two cohorts were successful with two internal promotions and four external promotions for the candidates on the programme. The objective relevant to this point is *'To appoint at least two members of staff from a minority group to assistant director level within the next four years'* (i.e. by 2016).

### **Procurement**

Diversity and Equality principles are embedded within the procurement processes. The standard Terms and Conditions for the provision of services include a clause in reference to Equality and Diversity. There is a clearly defined monitoring process in place and contractors and suppliers are made aware of this. An annual monitoring process of 'high risk' contracts is currently being undertaken and this is expected to be complete by April 2014. The monitoring process is robust and takes into account the suppliers' overall governance framework in relation to equality and diversity and this is tested for implementation through discussion with employees at ground level.

### **Monitoring and Reporting**

The Authority regularly monitors key data metrics that help to identify areas of under representation. Progress on Equality and Diversity is monitored and reported at suitably senior levels, including Executive and Board level. Evidence provided within annual reports and updates on progress against equality objectives demonstrates that the data is being used to identify specific trends and areas of concern and implement action plans to address these issues. The data clearly highlights the fact that the organisation is not representative of UK demographics in Senior positions (this includes both BAME and disabled staff). To this effect, the Authority has plans to include a strategic target to address this issue within the 2014/15 business plan. It has been advised that the Authority goes ahead with these plans and makes every effort to implement action points that should be developed to achieve this target.

# Detailed current year findings

## 1. EIA Policy Review – Control Design

### Finding

The EIA policy that is in place at the Authority is due to be reviewed later this year and a full review of the process will be considered. Through discussion with management it was noted that the process of ensuring that all policies and procedures undergo a formal EIA is quite an administrative and time-consuming task and there is no longer a legal requirement to perform Equality Impact Assessments.

Public Sector bodies must instead ensure that Equality and Diversity issues have been considered as part of business policies and process decision making, rather than carrying out formal, process driven Equality Impact Assessments. This is not to say that Equality Impact Assessments should not be used, but rather that the focus of the exercise should be on the quality and content of the assessment and how it is relevant to decision making, as opposed to satisfying a series of tick boxes and text boxes.

### Advisory note

Given that EIA's are no longer a legal requirement, it is advised that the Authority considers the benefits associated with the continued use of EIA's and explores alternatives ways in which to demonstrate 'due regard' to the impact their business decisions have on equality and diversity. At the very least, there is clear scope for the form to become less 'formulated' and more streamlined and user friendly. For example, in its current form, the EIA template does not allow for the Senior Manager to document approval within the specified field, unless it is printed, signed, scanned and uploaded onto the hard drive, which is inefficient.

### Advisory



## 2. Implementation of Equality strategic target – Operating Effectiveness

### Finding

Evidence provided within annual reports and updates on progress made against equality aims demonstrates that equality data metrics are being used for meaningful purposes and actions are being taken to address areas of under representation.

The data clearly highlights the fact that the organisation is not representative of UK demographics in Senior positions (this includes both BAME and disabled staff). The plan to include a strategic target that addresses this issue within the 2014/15 business plan demonstrates a clear intention and commitment to this problem.

### Advisory note

As the Authority goes forward with this plan it should make every effort to implement the action points developed to achieve this target. The future success of programmes such as REACH higher and CALIBRE should help the Authority in its progress towards the achievement of its equality objectives and therefore monitoring of the effectiveness of these programmes will be important.

A workforce that is more representative of UK demographics could help to contribute to achieving external donations that are more representative of UK demographics as well.

### Advisory



# Appendix 1. Basis of our classifications

## Individual finding ratings

Finding rating	Assessment rationale
<b>Critical</b>	A finding that could have a: <b>Critical</b> impact on operational performance (quantify if possible); or <b>Critical</b> monetary or financial statement impact (quantify if possible = materiality); or <b>Critical</b> breach in laws and regulations that could result in material fines or consequences (quantify if possible); or <b>Critical</b> impact on the reputation or brand of the organisation which could threaten its future viability (quantify if possible).
<b>High</b>	A finding that could have a: <b>Significant</b> impact on operational performance (quantify if possible); or <b>Significant</b> monetary or financial statement impact (quantify if possible); or <b>Significant</b> breach in laws and regulations resulting in significant fines and consequences (quantify if possible); or <b>Significant</b> impact on the reputation or brand of the organisation (quantify if possible).
<b>Medium</b>	A finding that could have a: <b>Moderate</b> impact on operational performance (quantify if possible); or <b>Moderate</b> monetary or financial statement impact (quantify if possible); or <b>Moderate</b> breach in laws and regulations resulting in fines and consequences (quantify if possible); or <b>Moderate</b> impact on the reputation or brand of the organisation (quantify if possible).
<b>Low</b>	A finding that could have a: <b>Minor</b> impact on the organisation's operational performance (quantify if possible); or <b>Minor</b> monetary or financial statement impact (quantify if possible); or <b>Minor</b> breach in laws and regulations with limited consequences (quantify if possible); or <b>Minor</b> impact on the reputation of the organisation (quantify if possible).
<b>Advisory</b>	A finding that does not have a risk impact but has been raised to highlight areas of inefficiencies or good practice.

## Report classifications

The report classification is determined by allocating points to each of the findings included in the report

Findings rating	Points
<b>Critical</b>	40 points per finding
<b>High</b>	10 points per finding
<b>Medium</b>	3 points per finding
<b>Low</b>	1 point per finding

Report classification	Points
 Low risk	6 points or less
 Medium risk	7– 15 points
 High risk	16– 39 points
 Critical risk	40 points and over

## Appendix 2. Terms of Reference

# ***NHS Blood and Transplant Authority***

## ***Terms of Reference – Single Equality Scheme***

**To:** *David Evans (Director of Workforce) – Audit Sponsor*  
*Sally Johnson (Director of Organ Donation and Transplantation) – Audit Sponsor*

**From:** *Mark Wood – Internal Audit Senior Manager*

This review is being undertaken as part of the 2013/2014 internal audit plan.

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### **Background**

PricewaterhouseCoopers LLP (“PwC”) provide internal audit services for NHS Blood and Transplant (“the Authority”) for the 2013/2014 financial year. For each audit area we identify and critically evaluate the controls in place and highlight in our report potential weaknesses that become apparent as a result of our work. We obtain comments from appropriate staff at the Authority for each weakness identified and construct action plans which detail the likely timescale of implementation of our recommendations.

The objective of our review is to assess the Authority’s approach and compliance with the requirements of the Single Equality Scheme.

### **Issues known to management**

A paper is due to go to the Authority’s Board in November 2013 on Equality and Diversity and which sets out the Authority’s progress against key targets to dates and future actions that need to be taken. The Authority recognises it has two key areas to address around tackling inequality externally in that they are doing everything they can to ensure donations are received from ethnic groups and also internally in ensuring the Authority’s workforce is representative of the UK demographics. To this aim the Authority has introduced a number of initiatives, including, “Reach” and “Reach High” to attract and develop emerging leaders.

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### **Scope**

We will review the design and operating effectiveness of key controls in place during the 2013/14 financial year.

As part of the planning exercise of this review, we have identified the following sub-processes and related control objectives for inclusion in this review.

Sub-process	Control objectives
Leadership	<ul style="list-style-type: none"> <li>• The Authority has a designated lead for equality and diversity at an appropriate level;</li> <li>• Structures and leadership roles are identified within the Authority;</li> <li>• The Authority takes a lead role in partnership working, consultation and involvement.</li> </ul>
Governance	<ul style="list-style-type: none"> <li>• Appropriate policies are in place to support staff e.g., bullying and harassment.</li> <li>• All HR policies undergo an Equality Impact Assessment.</li> </ul>
Accessibility and Communication	<ul style="list-style-type: none"> <li>• The Authority has a clear interpreting policy in place;</li> <li>• Information is appropriate and available in different formats on request to meet individual need.</li> </ul>
Workforce and Training	<ul style="list-style-type: none"> <li>• Equality, diversity and human rights is incorporated into all induction training and ongoing development;</li> <li>• Specific needs of different staff groups has been identified and incorporated into training plans.</li> </ul>
Procurement	<ul style="list-style-type: none"> <li>• All contracts and SLAs contain clauses and performance measures around duties and responsibilities covered by the Single Equality Scheme;</li> <li>• Contract monitoring processes are robust.</li> </ul>
Monitoring and Reporting	<ul style="list-style-type: none"> <li>• Service usage is monitored to ensure areas of under representation are identified.</li> <li>• The Authority progress is reported regularly to the Board and to users of the service.</li> </ul>

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## Limitations of scope

Our work will be restricted to the scope detailed above.

# Appendix 3. Limitations and responsibilities

## ***Limitations inherent to the internal auditor's work***

We have undertaken the review of the Single Equality Scheme processes, subject to the limitations outlined below.

### ***Internal control***

Internal control systems, no matter how well designed and operated, are affected by inherent limitations. These include the possibility of poor judgment in decision-making, human error, control processes being deliberately circumvented by employees and others, management overriding controls and the occurrence of unforeseeable circumstances.

### ***Future periods***

Our assessment of controls relating to the Single Equality Scheme is for the period April 2013 to January 2014. Historic evaluation of effectiveness is not relevant to future periods due to the risk that:

- the design of controls may become inadequate because of changes in operating environment, law, regulation or other; or
- the degree of compliance with policies and procedures may deteriorate.

## ***Responsibilities of management and internal auditors***

It is management's responsibility to develop and maintain sound systems of risk management, internal control and governance and for the prevention and detection of irregularities and fraud. Internal audit work should not be seen as a substitute for management's responsibilities for the design and operation of these systems.

We endeavour to plan our work so that we have a reasonable expectation of detecting significant control weaknesses and, if detected, we shall carry out additional work directed towards identification of consequent fraud or other irregularities. However, internal audit procedures alone, even when carried out with due professional care, do not guarantee that fraud will be detected.

Accordingly, our examinations as internal auditors should not be relied upon solely to disclose fraud, defalcations or other irregularities which may exist.

*This document has been prepared only for NHS Blood and Transplant and solely for the purpose and on the terms agreed in our contract dated 22 January 2009. We accept no liability (including for negligence) to anyone else in connection with this document, and it may not be provided to anyone else.*

**Freedom of Information Act**

*In the event that, pursuant to a request which NHS Blood and Transplant has received under the Freedom of Information Act 2000, it is required to disclose any information contained in this report, it will notify PwC promptly and consult with PwC prior to disclosing such report. NHS Blood and Transplant agrees to pay due regard to any representations which PwC may make in connection with such disclosure and NHS Blood and Transplant shall apply any relevant exemptions which may exist under the Act to such report. If, following consultation with PwC, NHS Blood and Transplant discloses this report or any part thereof, it shall ensure that any disclaimer which PwC has included or may subsequently wish to include in the information is reproduced in full in any copies disclosed.*

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