



Internal Audit Report

Equalities and Diversity Framework Development

13 February 2026

CEO2501

Overall Assessment	Reasonable Assurance
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This Internal Audit review is conducted for the City of Edinburgh Council under the auspices of the 2025/26 internal audit plan approved by the Governance, Risk and Best Value Committee in March 2025. The review is designed to help the City of Edinburgh Council assess and refine its internal control environment. It is not designed or intended to be suitable for any other purpose and should not be relied upon for any other purpose. The City of Edinburgh Council accepts no responsibility for any such reliance and disclaims all liability in relation thereto.

The internal audit work and reporting has been performed in line with the requirements of the Global Internal Audit Standards (UK Public Sector) and as a result is not designed or intended to comply with any other auditing standards.

Although there are specific recommendations included in this report to strengthen internal control, it is management's responsibility to design, implement and maintain an effective control framework, and for the prevention and detection of irregularities and fraud. This is an essential part of the efficient management of the City of Edinburgh Council. Communication of the issues and weaknesses arising from this audit does not absolve management of this responsibility. High and Critical risk findings will be raised with senior management and elected members as appropriate.

Executive Summary

Overall
Assessment

Reasonable
Assurance

Engagement conclusion and summary of findings

This internal audit review of progress with delivery of the three interim equality outcomes for 2025-26 provides reasonable assurance over the established governance, risk and control arrangements. The Equalities team have made good progress during 2025-26, with limited capacity, against a complex political backdrop, to both ensure delivery of the interim outcomes and to shape the new framework being developed in tandem with this.

A formal approach and supporting governance structure was not required or applied to delivery of 2025-26 interim outcomes. However, the service recognise the need for formal arrangements for the new framework and work is underway to develop these. To assist this process, and to ensure the successful development and delivery of the new framework for 2026-30, the following areas for improvement should be included in this work:

Risk Management & Governance

- develop and publish formal terms of reference for all new governance forums proposed, and review the terms of any continuing forums
- ensure current key risks are clearly articulated and recorded in advance of considering risk management arrangements for the new framework
- develop a risk register for the Policy and Insight service to identify, capture, assess and manage service risks including processes for consideration of fraud risks.

Interim Outcomes Learning and Progress Reporting

- develop workplans for each of the three recommended equality outcomes for the 2026-30 framework
- implement processes requiring feedback and actions to be documented from all stakeholder events and operational meetings held
- document lessons learned to inform future stages of the framework

- develop performance measures for all recommended outcomes, including a mix of qualitative and quantitative evidence that captures the impact of actions from a lived experience perspective.

Records Management

- develop processes for the management of all records obtained, created or stored to support delivery of the 2026-30 framework.

Areas of effective practice

- **Interim Outcome 1:** effective collaboration with Communication Inclusion People to ensure that the inclusive communications guidance being developed aligns to a National toolkit, which is also in progress
- **Interim Outcome 2:** partnership working with Police Scotland and third sector stakeholders via a Hate Crime working group set up, and high level of uptake for two hate awareness colleague sessions developed and held in late 2025
- **Interim Outcome 3:** a climate and nature community map and self-help toolkit are being created as a result of feedback obtained from engagement sessions and workshops held
- engagement with the Equality and Human Rights Commission to ensure that an appropriate and meaningful approach was taken to interim work progressed in 2025-26
- formal grant arrangements in place for the Equality and Rights Network Officer supporting the Equalities team
- weekly Equalities team meetings and 1:1s with Interim Outcome Leads
- close working relationships between the lead officer and Council management across service areas, and regular Member working group meetings
- two All Member workshops held to update on progress of the interim outcomes and obtain feedback on development of the new framework, with a further session planned in early 2026.

Audit Assessment

[See Appendix 1 for Control Assessment and Assurance Definitions](#)

Audit Area	Control Design	Control Operation	Findings	Priority Rating
Risk Management			Finding 1 - Governance and Risk Management Arrangements	Medium Priority
Interim Outcome and Measurement Delivery Plan			Finding 2 - Interim Outcomes Learning and Progress Reporting	Medium Priority
Governance and Progress Reporting			See Finding 1	As per Finding 1
Lessons Learned and Development of New Framework			See Finding 2	As per Finding 2
Information Governance			Finding 3 - Records Management Processes and Training	Medium Priority
Service Level Agreements and Service Standards			No Issues Noted	N/A

Background and scope

The [Public Sector Equality Duty \(PSED\)](#) is a legal requirement for public authorities, under the [Equality Act 2010](#) to consider equality when carrying out their functions. The general duty requires these bodies to have "due regard" to the need to:

- eliminate unlawful discrimination, harassment, and victimisation
- advance equality of opportunity between people sharing a relevant [protected characteristics](#)
- foster good relations between people who share a protected characteristic and those who do not.

In 2012, Scottish Ministers introduced regulations placing further duties on public bodies to help them to fulfil the general duty: [PSED: Specific Duties in Scotland](#). These include the requirement to publish equality outcomes and report on progress every two years.

Development of the City of Edinburgh Council's framework

The City of Edinburgh Council's (the Council) equality and diversity framework aims to fulfil these duties and sets out the Council's ambition to advance equality and promote diversity. The final progress report on [the Equality and Diversity Framework 2021-2025](#) was presented to the Policy and Sustainability (P&S) Committee in March 2025.

During 2024, the Council undertook work to support development of a new framework for 2026-30. The Equality and Human Rights Commission (EHRC) regulator recommended that the Council publish a one-year set of interim equality outcomes for 2025-26 which were agreed in March 2025:

- **Outcome 1:** people with communication needs find it easier to engage with council services through improved and standardised approaches to Inclusive Communications across the organisation
- **Outcome 2:** people in Edinburgh feel more confident reporting hate crime and victims of hate crime are supported
- **Outcome 3:** people in Edinburgh are aware of the impact of the climate and nature emergencies on their needs and understand what support is available to them.

The interim outcomes are being used to inform future outcomes for the new EDI framework for 2026-30 and are being progressed in tandem with consultation and engagement on the longer-term approach for this framework. The P&S Committee approved the recommended equality outcomes for 2026-30 in [August 2025](#). The full EDI framework 2026-30 report is being prepared for March 2026 P&S Committee approval, and will include the final report on delivery of the interim outcomes for 2025-26.

Governance and Oversight

Governance arrangements include a Member Equality Working Group, set up in August 2023, then re-established in June 2024. The group has cross party representation and is supported by an Officer Equality Working Group chaired by the Corporate Director of Customer & Corporate Services.

The Council Leadership Team (CLT) agreed in July 2025 that equalities legislation should be added as a standalone risk in the CLT risk register covering all Council Directorates:

- if there is no clear framework setting out how the Council will deliver the PSED, including duties specific to Scotland, there is a risk that the Council will not meet requirements of the duty and the Equality Act 2010.

Scope

The objective of this review was to consider progress with the delivery of the three interim equality outcomes for 2025-26, as per the recommended approach by the EHRC. In addition, the review considered pre-development activity, the consultation approach and how feedback is being used to shape the Council's 2026-30 EDI Framework.

Alignment to Risk and Business Plan Outcomes

The review also considered assurance in relation to the following CLT risk categories:

- Programme and Project Delivery
- Governance and Decision Making

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- Regulatory and Legislative Compliance

Business Plan Outcomes:

The review was aligned to all business plan outcomes.

Limitations of Scope

The following areas were excluded from scope:

- the audit did not review activities, responsibilities or outcomes delivered by partner organisations
- the audit did not duplicate relevant areas reviewed as part of the 2024/25 internal audit plan, such as integrated impact assessments
- similarly, audit testing did not duplicate any consultations or engagements covered by 2025/26 audits, such as Customer Contact Journey and Consultations and Engagement Policy Implementation audits.

Reporting Date

Testing was undertaken between 4 November and 12 December 2025.

Audit work concluded on 17 December 2025, and the findings and opinion are based on the conclusion of work as at that date.

Findings and Management Actions

Finding 1 - Governance and Risk Management Arrangements

Finding Rating	Medium Priority
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Governance Arrangements

In line with proposals, a formal governance structure for delivery of the 2025-26 interim equality outcomes was not established. Updates on progress have been provided regularly to the Member Equality Working Group (MEWG) and supporting Officer Group (OEWG) set up for the previous framework. A programme management approach is proposed for the framework for 2026-30, aligned to the Council's transformation programme governance structure reported to [the Policy and Sustainability Committee](#) in October 2025. Draft proposals for how the equalities framework will feed into this structure were not available during the audit, but details were advised verbally.

Terms of reference were in place for the MEWG and OEWG and include the requirement to discuss and agree the strategic direction for the future framework and agree priorities. However, action notes did not demonstrate this, as most were operational updates on work in progress and completed.

Risk Management Arrangements

During the audit, risk management arrangements for the new framework were being developed. The approach to this, including the need for a risk register for the new framework, is pending discussion with the Corporate Risk team. Officers advised that proposed arrangements will be set out in a report to committee.

The following was noted for current arrangements:

- officers advised that resourcing for delivery of the interim outcomes was challenging due to the dual demands of this work and management of wider equalities work

- in addition, the team supporting delivery is not a full-time resource and the resourcing risk noted in the Strategy risk register does not specifically reference the Equalities team
- there is no operational risk register for the Policy and Insight service which includes the Equalities team. Discussions with all Interim Outcome Leads demonstrated that they had a knowledge and awareness of the key risks for their work streams and raised any issues with the lead officer as they arise
- the risk of fraud and serious organised crime was not considered for the 2025-26 interim outcomes.

Following fieldwork completion, officers highlighted an emerging risk around funding for the new framework which may impact on the resourcing proposed for successful delivery of the framework.

Risks

- **Regulatory and Legislative Compliance / Governance and Decision Making / Programme and Project Delivery** - a lack of effective governance and risk management processes in place for the delivery of the new framework could impact the Council's ability to meet the full requirements of the Public Sector Equality Duty and the Equality Act 2010.

Recommendations and Management Actions: Governance and Risk Management Arrangements

Ref.	Recommendation	Agreed Management Action	Action Owner	Lead Officers	Timeframe
1.1	<p>The governance arrangements for the new framework should include consideration of:</p> <ul style="list-style-type: none"> documented terms of reference for all new governance forums proposed, and if the Member Equality Working Group (MEWG) and Officer Group (OEWG) are to continue, the terms of reference for both groups should be reviewed and updated to align to new arrangements ensuring current risks such as resourcing and funding for the new framework are clearly articulated and documented in advance of consideration of risk management arrangements for the new framework completion of a fraud risk assessment and development of processes to ensure that fraud and serious organised crime risks are considered for all recommended outcomes being delivered under the framework. 	<p>ToR will be developed in line with new EDI Framework Governance Structure.</p> <p>Risk management arrangements to support the implementation of the framework will be considered once the Framework is approved.</p> <p>This will include consideration of any risks and processes required in respect of fraud and serious organised crime.</p>	Chief Executive	Lead Officer (Equalities)	31/10/2026
1.2	The service should seek support and advice from the Corporate Risk team in developing risk management processes for the new framework, including consideration of developing a programme risk register.	The Corporate Risk Team will be asked for advice in development of risk management arrangements (as outlined in 1.1).	Chief Executive	Lead Officer (Equalities)	31/10/2026
1.3	In line with the Council's risk management framework, a risk register should be developed for Policy and Insight and maintained on a quarterly basis, ensuring that current and emerging risks are captured, documented, assessed, with mitigating action identified and implemented.	Advice will be sought from the Corporate Risk Team in respect of risk management arrangements for the Strategy team.	Chief Executive	Head of Strategy	31/08/2026

Finding 2 - Interim Outcomes Learning and Progress Reporting

Finding
Rating

Medium
Priority

Workplans and meeting records for 2025-26:

It is recognised that the approach for 2025-26 was less formal as agreed. The audit has highlighted areas which would benefit from strengthened processes as the new framework is progressed:

- work plans were not prepared to support delivery of the interim equality outcomes
- while notes and minutes were available for some forums, working groups and sessions, this was not consistently applied to all sessions held
- learning from delivery of the interim outcomes discussed at weekly team meetings and weekly progress one to ones between the lead officer and Interim Outcome Leads was not recorded in action notes or a learning log.

Discussions with officers determined they were clear on the learning identified from engagement sessions, and on how this will shape the development of the new framework and recommended equality outcomes for 2026-30. Confirmation was also provided that formal arrangements are planned for the new framework.

October update on proposed actions for current year work:

The March 2025 plan included actions to deliver each outcome effectively. An October 2025 committee business bulletin update detailed completed work and next steps for each outcome. Most proposed actions were covered in the update; however, some were not referenced.

Officers advised that the agreed approach was to provide elected members with verbal updates as work progressed, with no expectation that actions would be reported in detail. A report on deliverables with key highlights from this work is expected to be included in a future committee report.

Interim Outcome Delivery Plan Measures and Engagement Numbers

In line with the 2025-26 approach, SMART measures were not applied to the interim outcomes. Officers advised that the new framework will include SMART measures.

The delivery plans for 2025-26 did, however, include target figures for engagement, such as numbers of specialist partners, stakeholders and people with lived experience that there were plans to engage with, or percentages of officers to receive awareness training. Stakeholder target numbers quoted in the plans are based on EaRN membership, and not reflective of actual attendance numbers at events held. Evidence of monitoring of actual attendees against targets was not available for all of the 2025-26 sessions held.

Officers acknowledged that some sessions were not well attended due to a number of factors including third sector pressures or a lack of engagement on climate and nature and advised that lessons learned have been reflected on but not documented. They also advised that future committee reporting will reflect invitees, and the protected groups that this covers rather than actual attendees, with full attendance numbers available if requested.

Risks

- **Programme and Project Delivery** - feedback and learning from the interim outcomes may not be captured in full or effectively assessed to inform the approach to development of the new framework
- **Governance and Decision Making** – limited assurance that the plans and associated engagement levels have been achieved or clear understanding of the reasons for lack of engagement or changing the approach.

Recommendations and Management Actions: Interim Outcomes Learning and Progress Reporting

Ref.	Recommendation	Agreed Management Action	Action Owner	Lead Officers	Timeframe
2.1	<p>To support delivery of the 2026-30 framework, the service should ensure:</p> <ul style="list-style-type: none"> workplans are developed for each of the three recommended equality outcomes, to demonstrate a formal approach to what is to be delivered, with tasks and deadlines for staged review, to support reporting against all actions proposed processes are built into delivery plans requiring feedback and actions to be documented from all engagement sessions held, for both internal and external stakeholder events lessons learned are identified and documented in a lessons learned log to inform future stages of the framework standard agendas are established for operational team meetings, and an action log completed for review at the next meeting. The log should be circulated to all team members to ensure they are clear on required actions performance measures are included for all recommended outcomes 	<p>Programme Management tools will be established and implemented for each of the 3 outcome areas of the new EDI Framework. In doing so, the recommendations for this audit will be considered.</p>	Chief Executive	Lead Officer (Equalities)	31/10/2026
2.2	<p>The service should ensure that actual numbers are collated against targets quoted for the interim outcomes where applicable, and that learning from any engagement challenges is documented and reflected in the outcomes reported, and in work being mainstreamed or progressed under the new framework.</p>	<p>Reporting on the interim outcomes will be included in the report to Policy and Sustainability Committee with the new EDI Framework, including numbers of engagement where applicable.</p> <p>Measurements for actions and appropriate monitoring will be considered once the Framework is approved.</p>	Chief Executive	Lead Officer (Equalities) Outcome Lead Officers	31/07/2027

Finding 3 - Records Management Processes and Training

Finding Rating	Medium Priority
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Records Management

No records management processes have been documented for management of records held by the Equalities team for delivery of the interim outcomes for 2025-26 on the basis that personal data is managed by other Council services or external partners.

Officers acknowledged that equalities records held in the shared drive lack formal structure and advised that a service review is underway due to shared drive capacity issues. The team are in the process of migrating equalities records to SharePoint and MS Teams to support collaboration. Confirmation was provided by officers that records management processes are to be developed for the new framework.

Information Governance e-Learning

All Council officers are required to refresh their knowledge of information governance and data protection learning topics on a three-yearly basis. Two of the four Equalities Team members had not completed this learning. Action has been taken to rectify this, and the lead officer has reminded all team members to complete this training if not already done.

Risks

Regulatory and Legislative Compliance





- records held to support equalities framework outcomes may not be obtained, stored or managed appropriately; or retained in line with the Council's records retention schedule
- officers may not comply with Council Information governance and data protection processes

Recommendations and Management Actions: Records Management Processes and Training

Ref.	Recommendation	Agreed Management Action	Action Owner	Lead Officers	Timeframe
3.1	Processes should be developed and implemented for management of all records obtained, created or stored to support delivery of the 2026-30 framework, with a supporting disposal log in line with the Council records management requirements and records retention schedule. Processes developed should include all digital hubs utilised and any paper records held, and follow good practice outlined in the Council Records Management Manual Toolkit .	Records management processes to be developed and monitored.	Chief Executive	Lead Officer (Equalities)	30/11/2026

Ref.	Recommendation	Agreed Management Action	Action Owner	Lead Officers	Timeframe
3.2	All mandatory information governance and data protection learning should be assigned directly to team members in myLearning Hub and subject to regular line manager monitoring to ensure completion.	Review and continuous monitoring of mandatory training for Strategy team.	Chief Executive	Head of Strategy	31/08//2026

Appendix 1 – Control Assessment and Assurance Definitions

Control Assessment Rating		Control Design Adequacy	Control Operation Effectiveness
Well managed		Well-structured design efficiently achieves fit-for purpose control objectives	Controls consistently applied and operating at optimum level of effectiveness.
Generally Satisfactory		Sound design achieves control objectives	Controls consistently applied
Some Improvement Opportunity		Design is generally sound, with some opportunity to introduce control improvements	Conformance generally sound, with some opportunity to enhance level of conformance
Major Improvement Opportunity		Design is not optimum and may put control objectives at risk	Non-conformance may put control objectives at risk
Control Not Tested	N/A	Not applicable for control design assessments	Control not tested, either due to ineffective design or due to design only audit

Overall Assurance Ratings

Substantial Assurance	A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.
Reasonable Assurance	There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.
Limited Assurance	Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.
No Assurance	Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited.

Finding Priority Ratings

Advisory	A finding that does not have a risk impact but has been raised to highlight areas of inefficiencies or good practice.
Low Priority	An issue that results in a small impact to the achievement of objectives in the area audited.
Medium Priority	An issue that results in a moderate impact to the achievement of objectives in the area audited.
High Priority	An issue that results in a severe impact to the achievement of objectives in the area audited.
Critical Priority	An issue that results in a critical impact to the achievement of objectives in the area audited. The issue needs to be resolved as a matter of urgency.

Appendix 2 – Areas of Audit Focus and Control Objectives

Audit Areas	Control Objectives
Risk Management	<ul style="list-style-type: none"> • Risks related to compliance with equalities legislation and duties are identified, recorded and managed within Corporate and service risk registers as appropriate, and are regularly reviewed to ensure appropriate mitigating actions are in place and remain effective, with escalation to divisional and directorate level risk committees where required.
Interim Outcome and Measurement Delivery Plan	<ul style="list-style-type: none"> • There is a clear delivery plan in place for the delivery of the interim equality outcomes for 2025-26, which sets out clear roles and responsibilities for all Council Officers and Partners involved in delivery of the outcomes • There are clear measures in place to gauge the success of delivery of the interim equality outcomes.
Governance and Progress Reporting	<ul style="list-style-type: none"> • Effective governance arrangements are in place to manage delivery of the interim outcomes for 2025-26 • Effective governance arrangements are being designed to support delivery of the 2026-30 EDI framework in development • Management and Committee arrangements in place ensure effective review, oversight and scrutiny of progress in delivery of the interim outcomes for 2025-26, and in development of the 2026-30 EDI framework • There is effective Officer engagement and consultation with key stakeholders prior to any equality related plans or outcomes being published.
Lessons Learned and Development of New Framework	<ul style="list-style-type: none"> • Review processes are built into the workstreams for delivery of the interim outcomes, to inform the approach to development of the new framework.
Information Governance	<ul style="list-style-type: none"> • Information governance risks are clearly understood, and effective controls have been established to ensure adherence to relevant Council policies and procedures when handling sensitive data related to equalities.
Service Level Agreements and Service Standards	<ul style="list-style-type: none"> • Where services are provided by another Council area, team or third party to support delivery of the interim outcomes and development of the EDI framework, there is a service level agreement in place which sets out the types or services provided, relevant service requirements, timescales and performance requirements.