

# **Equality Report**

## **2019-20**

December 2020

This report on compliance by the Auditor General for Wales and Wales Audit Office with the Equality Act 2010 General Duty covers the period 1 April 2019 to 31 March 2020. It has been prepared in accordance with the Equality Act 2010 (Statutory Duties) (Wales) Regulations 2011.

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Mae'r ddogfen hon hefyd ar gael yn Gymraeg

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# Foreword

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This Equality report looks at the progress we've made towards delivering our equality objectives as set out in our [Strategic Equality Plan](#), between 1 April 2019 and 31 March 2020.

Shortly after the period covered by this report, we were faced with the extraordinary circumstances of the COVID-19 outbreak. We have stressed throughout this time the importance of staff prioritising 'self, family, work – in that order' to support their wellbeing, and to ensure that all staff with protected characteristics were not impacted disproportionately by the pandemic.

Overall, we've assessed our progress as being effective in meeting most of our equality objectives, but we recognise we have more to do to reduce our gender pay gap and increase our diversity.

We have engaged with a network of third-sector organisations working in the equality and human rights field in Wales to establish good external engagement arrangements. These have proven useful in gathering views on topic areas for our future work programme, and have informed our review of the effectiveness of impact assessment arrangements across the Welsh public sector, which we started in February 2020.

Our People Strategy has recently been expanded as a broader five-year Workforce Strategy which was approved by our Executive Leadership Team and Board in September 2020. Central to that Strategy is our vision to 'develop a capable and diverse workforce that is motivated to deliver our purpose and ambitions and reach our full potential'.

During the year, we've undertaken a series of equality and human rights impact assessments of relevant policies and practices. These assessments focused on internal changes and did not identify any obvious potential for discrimination, and so we plan to consider policies that impact on our external facing work in 2020-21.

No significant pay differences were identified within individual pay bands for any equality characteristic, but we're disappointed with the progress we've made in addressing our structural gender (and other equality characteristics) pay differences and the pace of progress against our target to increase BAME representation. Whilst there's been a slight narrowing of the gender pay gap and an increase in BAME representation, we're disappointed with the pace and scale of progress. As a result, we agreed in October 2020 that the time was right to refresh our Strategic Equality Plan to align equality objectives to our organisational ambitions, recognising that this was also an opportunity to set our objectives in the context of the Well-being of Future Generations Act.

We are fully committed to providing a work environment that values the diversity of all people, both our own staff and those we come into contact with during our work. We fully support the rights of everyone to be treated with dignity and respect.



**Adrian Crompton**

Auditor General for  
Wales




**Lindsay Foster**

Chair of the Wales  
Audit Office


# Objective Highlights

- 1.** We will engage with people that represent the interests of protected groups.


Effective


- 2.** We will undertake at least one value-for-money review with an equality focus during the four year period covered by the Plan.


Effective


- 3.** We will revise the Auditor General’s Code of Audit Practice to ensure we better perform the General Equality Duty when undertaking our audit work.


Effective


- 4.** We will implement a People Strategy that gives due regard to the need to eliminate discrimination, advance equality of opportunity and foster good relations.

Effective


- 5.** We will take a strategic approach to addressing our structural gender and other pay differences.

Ineffective



**6.** When procuring externally sourced services, we will include equality considerations in our tender award criteria and in the contract performance standards.

Effective



**7.** We will foster good relations between Wales Audit Office staff sharing relevant protected characteristics and those that do not.

Effective



**8.** We will provide information about our work in a way that is accessible and avoids putting people who have impairments at a substantial disadvantage.

Highly Effective



**9.** We will improve the extent and quality of the information we gather regarding how our work contributes to performing the General Equality Duty.

Effective



# Programme of equality work

We have continued developing our work programme to meet our equality duty and objectives. Overall, we assess progress as effective, but have more to do to reduce our gender pay gap, and increase our diversity

- 1 We are fully committed to providing a work environment that values the diversity of all people, both our own staff and those we come into contact with during our work. We fully support the rights of everyone to be treated with dignity and respect.
- 2 Both the Auditor General and Wales Audit Office are required to follow the framework of protection against discrimination, harassment and victimisation and the public sector equality duties brought in by the Equality Act 2010 and related legislation. We also have a responsibility to uphold the rights set out in the Human Rights Act 1998.
- 3 We have prepared a [Strategic Equality Plan](#) for the period 2018 to 2022, which sets out nine specific objectives to help us better perform our equality duties.
- 4 Our Executive Leadership Team, with oversight from the Board:
  - a. ensures that the necessary arrangements and programme of work are in place to meet our equality and human rights duties and strategic equality objectives; and
  - b. helps ensure those arrangements and the programme of work are fully implemented and delivering the required outcomes<sup>1</sup>.

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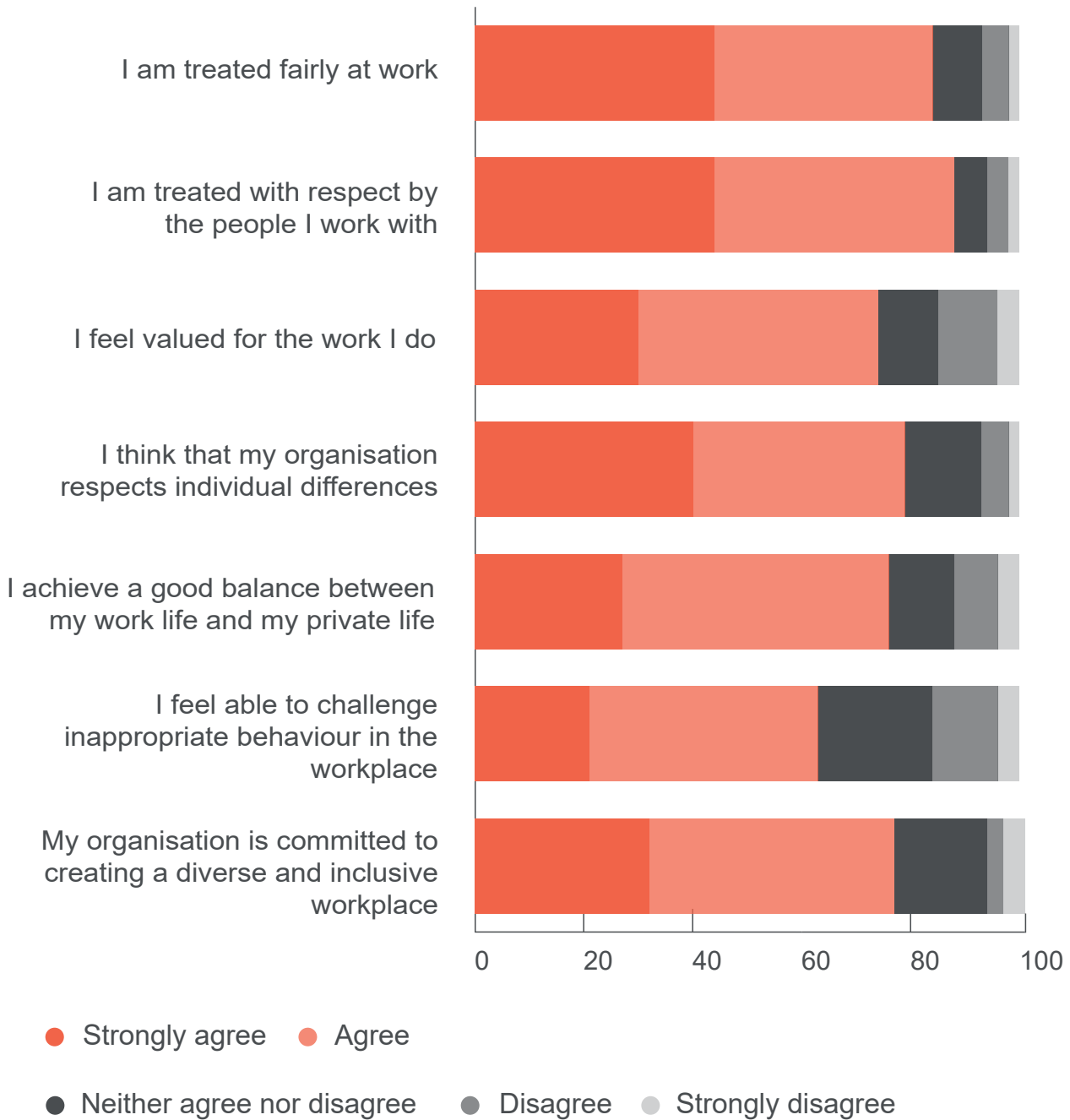
<sup>1</sup> The Board and Executive Leadership Team receive quarterly monitoring reports on progress made towards meeting the objectives set out in the Plan.



- 5 We have also established Pawb – a staff group which helps ensure effective engagement with employees representing the interests of protected groups. The views of Pawb are sought when:
  - a. undertaking impact assessments of relevant policies;
  - b. considering quarterly reports on progress made towards meeting our equality objectives;
  - c. preparing our annual Equality Report; and
  - d. reviewing and revising our Strategic Equality Plan.
- 6 Pawb members also act as equality and diversity champions who are available for staff to raise concerns and share ideas on how our policies and practices can be improved.
- 7 In 2019-20, we continued to develop our programme of equality work. Overall, we consider that we were effective in the steps we took towards meeting most of our equality objectives, but the areas we now need to focus on are addressing our gender pay gap and increasing the diversity of our staff. **Exhibit 2** provides more detail on the effectiveness of steps taken and progress made towards meeting individual objectives.
- 8 In October 2019 we ran our [annual staff survey](#) using the same core questionnaire that is used in the Civil Service People Survey (CSPS). Eighty percent of staff responded to the survey; a comprehensive sample which provided a wealth of insight on staff perceptions and the employee experience. It was reassuring to note that for questions related to equality, responses from our staff were mostly typical of a CSPS ‘high performing’ organisation. However, our survey results do not yet benchmark as strongly in relation to staff feeling able to challenge inappropriate behaviour in the workplace – a result which continues to inform our programmes of equality work and cultural development.

### Exhibit 1: Staff survey results

Stacked bar chart showing the distribution of responses from employees in 2019 to staff survey statements that relate to equality.



## Exhibit 2: Progress made towards meeting our equality objectives

Summary of the effectiveness of steps taken and progress made towards meeting our equality objectives in 2019-20.

Objective	Effectiveness of steps taken, and progress made
<p><b>Objective 1</b></p> <p>We will engage with people that represent the interests of protected groups when considering</p> <p>a. what programmes of value-for-money examinations and studies we will undertake; and</p> <p>b. the approach to be adopted in value-for-money examinations and studies that are relevant to the General Equality Duty.</p>	<p><b>Assessment: Effective</b></p> <p>We have well-established external engagement arrangements via <u>The Equality and Human Rights Coalition</u> – a network of third-sector organisations working in the equality and human rights field in Wales. The Coalition is facilitated by the Wales Council for Voluntary Action.</p> <p>In 2018-19, we undertook two <u>public consultations</u> inviting views on: (i) topic areas for our future three-year work programme; and (ii) a more specific list of potential future study proposals.</p> <p>We provided details of both consultations to the Equality and Human Rights Commission (EHRC) in Wales and to members of the Coalition and subsequently attended a Coalition meeting in early 2019-20 to discuss the finalised programme and some of the priority topics for future years.</p> <p>During the period, we also met with EHRC staff to discuss our work in the context of the Welsh Government’s commitment to commence the Equality Act 2010 socio-economic duty.</p> <p>Through our end-of-year annual quality review arrangements, we examined the working records of the development of our programme of value-for-money work and of relevant projects and were satisfied that (a) appropriate efforts had been made to obtain the views of representatives and (b) adequate regard had been given to such views in the development of the programme and in the approaches adopted in each project.</p>

## Objective

## Effectiveness of steps taken, and progress made

### Objective 2

We will undertake at least one value-for-money examination or study that has a primary focus relevant to the General Equality Duty during the four-year period covered by the Plan.

### Assessment: Effective

In September 2019, we hosted a seminar entitled Making an Equal Wales a Reality, through which we gathered a range of perspectives to inform the choice of topic for our study.

In February 2020, we then attended a meeting of the Equality and Human Rights Coalition. This helped us in the scoping of the examination, which we intend will focus on the effectiveness of impact assessment arrangements across the Welsh public sector. Work on the study has now commenced. The exact scope and timetable are still to be confirmed but we currently expect to complete the work in summer 2021.

Alongside preparing for the study with a primary equality focus, we delivered several other examinations and studies during 2019-20 which included equality considerations.

These included:

- an examination of whether the Integrated Care Fund is being used effectively to deliver sustainable services that achieve better outcomes for service users;
- making a series of recommendations to councils for improving access to the 'front door' to adult social care and investing in preventative, community-based services;
- issuing five interactive thematic reports and a related data tool looking at the Welsh Government's work on supporting the wellbeing of young people;
- showing that the Welsh Government's investment and efforts seem to have helped to reduce the levels of fuel poverty; and
- highlighting that victims and survivors of domestic abuse and sexual violence are often let down by an inconsistent, complex and fragmented system.

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**Objective**
**Effectiveness of steps taken, and progress made**


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**Objective 3**

We will revise the Auditor General's Code of Audit Practice to ensure the prescription in the Code enables us to better perform the General Equality Duty when undertaking our audit work.

**Assessment: Effective**

A revised Code of Audit Practice was published on 1 May 2018. Paragraph 26 of the revised Code, supplemented by detailed guidance, provides enhanced prescription on how, when exercising the Auditor General's functions, auditors must also perform the General Equality Duty.

We review the Code on an annual basis, and it is acknowledged that further revisions may be necessary following the upcoming commencement of the Equality Act 2010 socio-economic duty in Wales.

In 2019-20, through our end-of-year annual quality review arrangements, we examined samples of audits and checked the extent to which auditors had complied with the Code. Our monitoring showed that 100% of the sampled 2018-19 accounts audits and 100% of the performance audit projects reviewed in 2019 met the required standards.

Work is currently underway to update our supporting guidance for auditors to provide more information on how operational staff should record equality issues.

In addition, our 'project initiation' document template requires value-for-money examination and study teams to identify where a particular audit might support the Auditor General in discharging his commitments and responsibilities in relation to equality.

Alongside our core studies and other audit work, we continue to use our good practice programme to support consideration of issues relevant to equality in Wales.

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**Objective****Effectiveness of steps taken, and progress made**

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**Objective 4**

We will implement a People Strategy that, among other things, gives due regard to the need to eliminate discrimination, advance equality of opportunity and foster good relations, drawing on our workforce information in respect of the protected characteristics.

**Assessment: Effective**

Our People Strategy was launched in April 2018 and updated in July 2019. It has recently been expanded as a broader five-year Workforce Strategy which was approved by the Executive Leadership Team and Board in September 2020.

Central to that Strategy is our vision to ‘develop a capable and diverse workforce that is motivated to deliver our purpose and ambitions and reach our full potential’.

The Strategy is underpinned by a detailed Workforce Delivery Plan, progress against which will be monitored quarterly by our Executive Leadership Team and Remuneration and HR Committee. Key priorities for the next two years that are particularly relevant to this objective are to:

- further develop our policies that support family and carer responsibilities;
  - train recruiting managers and others who are involved in the recruitment process to ensure that common standards and processes are being adhered to; and
  - develop our graduate and apprentice programme, utilising outreach work to ensure that we attract people of all ages, walks of life and communities.
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## Objective

## Effectiveness of steps taken, and progress made

### Objective 5

We will take a strategic approach to addressing our structural gender pay differences, alongside structural pay differences in relation to other protected and related characteristics.

### Assessment: Ineffective

At its meeting in July 2019, our Board held a strategic discussion to consider the analysis of our employment information published in our Equality Report 2018-19. The analysis showed that our overall gender and ethnicity pay gaps had widened and concluded that we needed to do more to increase the diversity of our workforce in the medium to longer term, particularly at the more senior levels.

The Board acknowledged the competing pressures affecting our ability to deliver any meaningful reduction in the gender pay gap in the short term but recognised the value of setting longer-term targets as a means of driving improvement. It agreed to revisit the option of setting gender pay gap targets in 2020-21 after the Chief Executive had articulated his vision for restructuring the senior team.

The Board did, however, approve a target to match the proportion of BAME employees with that for the Welsh population over a three-year period. In doing so, the Board agreed that further work was needed to articulate the business benefits of a more diverse workforce, and to identify any barriers to recruiting and retaining those from under-represented groups, including any unconscious bias in assessment processes.

During 2020, our Board followed up its strategic discussion around equality and diversity. It noted a slight narrowing of the gender pay gap and an increase in BAME representation, and that our successful trainee recruitment strategy and other work should help to increase our diversity in the medium to long term. However, it was disappointed with the pace and scale of progress and agreed that the time was right to refresh the Strategic Equality Plan to align equality objectives to the ambitions of the organisation, recognising that this was also an opportunity to set objectives in the context of the Well-being of Future Generations Act.

Objective	Effectiveness of steps taken, and progress made
<p><b>Objective 6</b></p> <p>When procuring externally sourced services, we will:</p> <p>a.</p> <p>include requirements relevant to performance of the General Equality Duty in our tender award criteria; and</p> <p>b.</p> <p>comply with the General Equality Duty when stipulating the performance standards to be included in the contract agreement.</p>	<p><b>Assessment: Effective</b></p> <p>In 2019-20, we continued to apply an equality procurement checklist for tenders, in order that equality considerations are given higher prominence at key stages of the procurement process.</p> <p>For relevant procurements, we included questions in invitations to tender that asked how operators propose to help us perform the Duty and incorporated successful bidders' proposals in contract specifications, for example, for an external survey support contract.</p> <p>Throughout the year, we also utilised government framework agreements where appropriate and where these thoroughly meet the Duty.</p> <p>We will shortly be developing a procurement strategy to cover all aspects of our responsibilities under the General Equality Duty.</p>



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**Objective**
**Effectiveness of steps taken, and progress made**


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**Objective 7**

We will foster good relations between Wales Audit Office staff sharing relevant protected characteristics and those that do not by providing senior and other staff equality 'champions' and supporting the work of relevant staff networks.

**Assessment: Effective**

Throughout 2019-20, members of Pawb, our staff group which helps ensure effective engagement with employees representing the interests of protected groups, and members of the Board and Executive Leadership Team acted as equality champions.

The Pawb Chair proactively attended team meetings across the organisation to raise awareness of who the Equality Champions are, provide updates on key equality and diversity matters and engage staff in understanding its importance to delivering our overall ambitions.

The Chairs of our LGBT+ and Women's networks are members of Pawb and are supported by the group.

Several blogs on equality matters were posted throughout the year either on our intranet home page carousel, or on our staff social media network. Many of these blogs were either written by or proactively 'liked' by our Equality Champions.

Pawb and the networks oversee and have input to a 'diversity calendar' which feeds into the upcoming events section of our intranet home page to promote and support various celebrations and activities.

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**Objective****Effectiveness of steps taken, and progress made**

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**Objective 8**

We will provide information about our work, including via our website, in a way that is accessible and avoids putting people who have impairments at a substantial disadvantage.

**Assessment: Highly Effective**

In 2019-20, we maintained accessibility accreditation for our website, which confirmed our meeting of international Web Content Accessibility Guidelines success criteria, including through testing by individuals with a range of physical and learning disabilities.

We also continued to install additional software on our website which provides further options for improving accessibility, including through enlarging selected text and reading it aloud, blocking on-screen distractions, and converting selected text into MP3 format.

Guidance is available to all staff on the preparation of accessible publications.

We have also recently replaced our corporate palette to ensure we are colour contrast compliant and are considering the extent to which we proactively prepare easy-read versions of our published documents, rather than on request.

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**Objective****Effectiveness of steps taken, and progress made**

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**Objective 9**

We will improve the extent and quality of information such as external feedback that we gather regarding how our work has contributed or could contribute to performing the General Equality Duty.

**Assessment: Effective**

As outlined previously for Objectives 1 and 2, in 2018-19 we undertook two public consultations inviting views on topic areas for our future work programme and on a more specific list of potential future study proposals. We provided details of both consultations to the EHRC in Wales and to members of the WCVA-facilitated Equality and Human Rights Coalition. We then arranged to attend a Coalition meeting in early 2019-20 to discuss the finalised programme and some of the emerging priority topics for future years.

During the period, we also met with EHRC staff to discuss how our work could contribute in the context of the Welsh Government's commitment to commence the Equality Act 2010 socio-economic duty.

In September 2019, we hosted a seminar entitled Making an Equal Wales a Reality, through which we gathered a range of perspectives to inform the choice of topic for our study with a primary focus relevant to the General Equality Duty.

In February 2020, we then attended a meeting of the Equality and Human Rights Coalition, who helped us in the scoping of the examination, which will focus on the effectiveness of impact assessment arrangements across the Welsh public sector.

We are currently establishing arrangements, through our post-project learning process, for more proactively seeking the views of representatives of protected groups on individual pieces of work that have already been undertaken and that were relevant to the General Equality Duty.

In addition, as outlined in our Annual Plan for 2020-21, over the next year we are committed to developing a more diverse range of mechanisms for capturing the views of stakeholders on the value and impact of our work, with an initial focus on seeking the perspectives of Members of the Senedd.

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# Impact Assessments

New policies and practices were impact assessed in the year for human rights and equality issues. Next year we will assess those policies with an impact on external facing work

- 9 To help us meet the General Equality Duty, we must<sup>2</sup>:
  - a. assess the likely impact of relevant policies and practices (current, revised or new);
  - b. publish reports of those assessments where they show a substantial impact or likely impact; and
  - c. monitor the impact of particularly relevant policies and practices.
- 10 We also have a responsibility to uphold the rights set out in the Human Rights Act 1998.
- 11 Impact assessments, which also include Welsh-language considerations, are undertaken by our Law and Ethics Team to ensure consistency and a strong base of technical expertise. Following preparation of each draft assessment report, the report and the draft policy or practice to which it relates are provided to Pawb, to seek further perspectives and comply with the engagement provisions.
- 12 We have also incorporated screening questions and further analysis where relevant in terms of the Environmental (Wales) Act 2016 Biodiversity and Resilience of Ecosystems Duty as well as the Well-Being of Future Generations considerations where we have an opportunity to be more sustainable.
- 13 A list of the full impact assessments completed between 1 April 2019 and 31 March 2020 and the key outcomes from those assessments is provided in **Appendix 1**.

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<sup>2</sup> Under the Equality Act 2010 (Statutory Duties) (Wales) Regulations 2011.

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- 14 The key theme arising from these assessments has been that the policies we have assessed over the reporting period are related to the forward direction and the strategic decisions being taken internally. The policies have centred on restructures, assessments of the Financial Audit Lead role and the way we work in the future, all focused on the internal changes going on within Audit Wales, rather than policies that have an impact on our external facing work.
  - 15 The following policies and practices (or revisions to those policies and practices) were also screened during 2019-20 for relevance<sup>3</sup> but were not subsequently subject to a full impact assessment.
    - a. Trade Union Partnership Agreement
    - b. Pay Policy
    - c. Employee Handbook
    - d. Well-being Policy

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<sup>3</sup> To assess whether either the policy (where no impact assessment had previously been undertaken) or the revisions made (where the policy had already been assessed) were likely to have a significant effect on our ability to perform the General Equality Duty.

# Workforce diversity and pay gaps

Whilst our gender pay gap has narrowed marginally, more work is needed to increase senior staff gender diversity and organisation-wide BAME diversity

- 16 Our employment information for 2019-20, analysed by equality characteristics, is provided in the interactive [Data Tool](#) which accompanies this report. We also publish the data in spreadsheet Open Data format, as part of a Welsh Government initiative.
- 17 The main issues identified from the analysis of our employment information are described in the following sections of narrative. In terms of overall pay gaps, the position is summarised in **Exhibit 3**, with benchmarking provided in **Exhibit 4**. In **Exhibit 5**, we have also summarised our data on the proportion of job applicants that share certain equality characteristics that were invited to interview and that were successfully appointed over the last three years.
- 18 The Wales Audit Office applies rigorous pay alignment arrangements to ensure jobs of equal worth are pay aligned. Subject to satisfactory performance, all employees will progress to the top pay point of their pay band<sup>4</sup> within a fixed period<sup>5</sup>. No significant pay differences were identified within individual Wales Audit Office pay bands for any equality characteristic in our analysis of employment information.

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4 The Wales Audit Office pay scale comprises nine main pay bands – bands 1 to 5, band 7 and bands A to C, alongside pay bands for trainees, apprentices and work placements. Band 7 is the main management pay band and bands A to C are senior leadership pay bands.

5 Two years for work placements, apprentices and band 1, three years for trainees and bands 2 to 7, and five years for bands A to C.

## Gender identity

- 19 As of 31 March 2020, 54% of Wales Audit Office employees that completed our diversity monitoring form identified themselves as female. Over the last three years, 48.1% of job applicants that completed our diversity monitoring form identified themselves as female. Of those, 30% were successfully appointed at interview compared with 24% of those applicants that identified themselves as male.
- 20 However, as of 31 March 2020, we had an overall negative gender pay gap of 20.0%. This represents a narrowing of the pay gap compared to the figures for the previous year (21.6%); the mean basic full-time equivalent annual salary of those staff who identified themselves as female is nearly £9,900 less than that of staff who identified themselves as male.
- 21 The distribution of women and men across pay bands is the immediate explanation for this gap, as illustrated in the salary quartiles charts provided in the Data Tool. Benchmarking of our mean gender and ethnicity pay gaps against comparator organisations is provided in **Exhibit 4**.
- 22 It should be noted that, in part, our gender pay gap is influenced by the significant success we have had in recent years in attracting female candidates to join our rolling and expanding programme of graduate trainee and apprentice recruitment (over 60% of our current group of graduate trainees and apprentices identify themselves as female).
- 23 Over the same period, we have also worked hard to respond to cost pressures and reduce our audit fees in real terms, including through reducing the number of senior positions in the organisation. On the few occasions when vacancies have arisen in senior positions, we have looked to redistribute the work across the organisation rather than recruit. This has in turn reduced the number of opportunities for female staff to progress to higher pay bands, although we have an opportunity to revisit this through our current senior management restructuring exercise.
- 24 The median pay gap we calculated is similar at 21.2%. By contrast, the median gender pay gap calculated from the [Office for National Statistics Annual Survey of Hours and Earnings](#) for full-time employees in the wider UK population in 2019 was 8.9%.
- 25 In our diversity monitoring questionnaire and in accordance with guidance from the equality charity Stonewall, we also include the question 'Do you identify as trans?' However, no figures can be provided in this Report in respect of responses to this question without risking unfair processing of personal information through deduction.

## Ethnicity and national identity

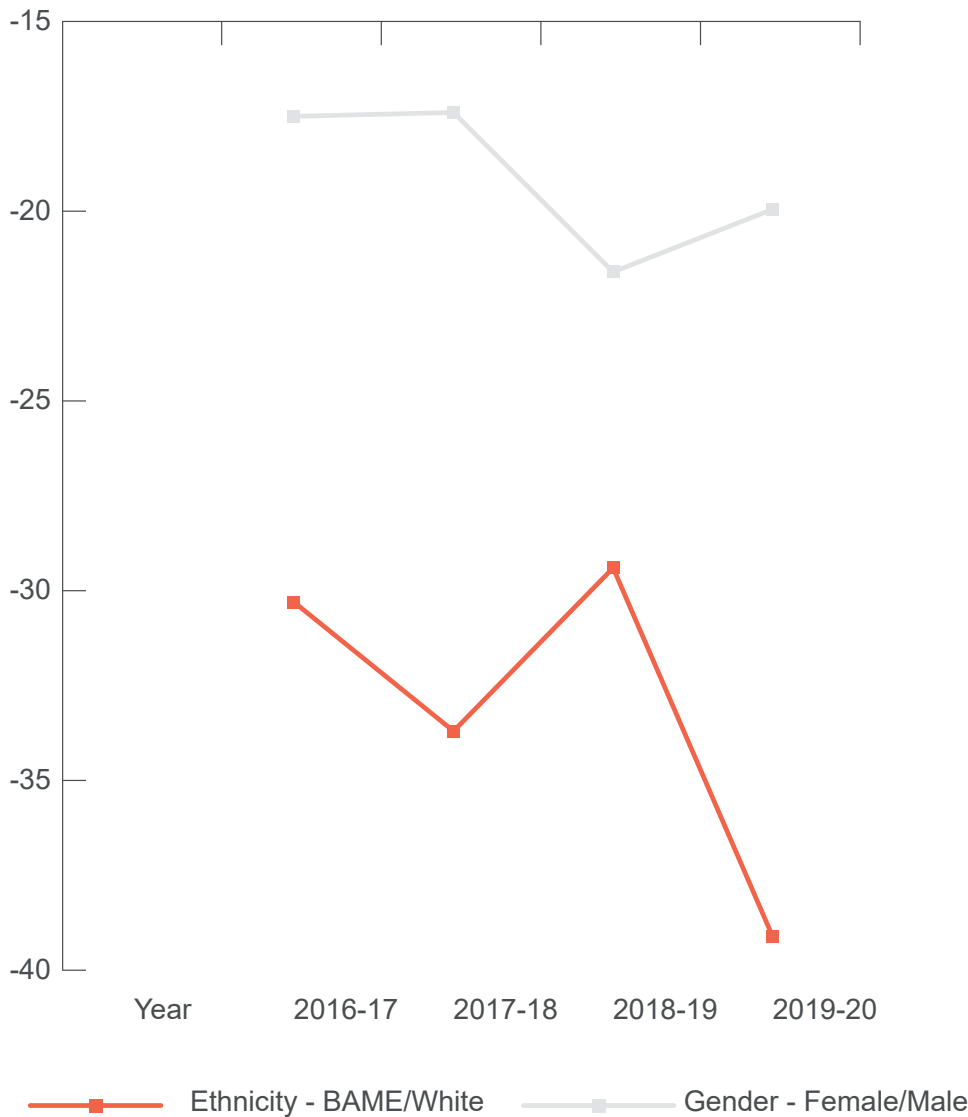
- 26 Four per cent of employees that completed our diversity monitoring form identified themselves in 2020 as being from a Black, Asian and Minority Ethnic (BAME) background, with a further 2.4% choosing the option 'prefer not to say'. These figures appear to show an increase in BAME representation among our workforce over the last year – our equivalent figures for 2019 were 2.9% and 3.8% respectively – although alternatively it may represent a more accurate picture of our workforce due to the reduction in the number of 'prefer not to say' responses.
- 27 Our BAME representation figure is similar to that published by the Senedd Commission (4.2%) but lower than the proportion of the Welsh population from a BAME background, which is currently around 5.9%. Our figure is also lower than equivalent figures for the populations of South East Wales (8.0%) and Mid and West Wales (4.9%), where two of our three main offices are located, but higher than the equivalent figure for North Wales (2.5%), where our third main office is located.
- 28 The corresponding figures for job applicants over the last three years were more encouraging with 14.2% identifying as being from a BAME background, and 1.4% choosing the option 'prefer not to say'. However, while the smaller sample size should be acknowledged, it is nonetheless noteworthy that a significantly lower proportion of job applicants who identified themselves as BAME were invited to interview (13%) and successfully appointed (2%) when compared to applicants who identified themselves as White (83% and 53%).
- 29 A similar picture is seen for job applicants who described their national identity as 'Other' as opposed to 'British' or 'Welsh' (6% 'Other' invited to interview and 4% 'Other' successfully appointed).
- 30 Our overall pay gap for staff who identify themselves as being from a BAME background is now -39.1%; as of 31 March 2020, the mean basic salary of those staff who identify themselves as BAME was £19,218 less than that of staff who identify themselves as being from a white background. By comparison, the mean basic salary ethnicity pay gaps reported by the accountancy firms PwC, Deloitte, KPMG and EY in their most recent UK pay gap reports were between 10.8% and 14.1%, but the National Assembly Commission reported pay gaps in the region of £12,000 for most BAME ethnic categories (see **Exhibit 4**). However, we note that as with the gender pay gap this could be influenced in recent years by the expanding graduate trainee and apprentice recruitment.



- 31 Again, as illustrated in the salary quartiles charts provided in the Data Tool, the distribution of staff across pay bands is the immediate explanation for our gap.
- 32 While acknowledging that, due to the small numbers involved in BAME categories, the data is sensitive to even small changes in these cohorts, we consider that the extent of this pay gap remains a cause for concern as it is relatively high compared to pay gaps for different ethnic groups in the UK identified by the Equality and Human Rights Commission.

### Exhibit 3: Pay gaps

Line graph showing Audit Wales pay gaps<sup>6</sup> for certain protected characteristics as of 31 March each year for the last four years.



6 The difference between the mean basic full-time equivalent salary of employees that share the characteristic A and that of employees that share the characteristic B, expressed as a percentage of the mean basic full-time equivalent salary of employees that share the characteristic B.

Gender

A = staff who identified themselves as female

B = staff who identified themselves as male

Ethnicity

A = staff who identified themselves as BAME

B = staff who identified themselves as having white ethnicity

#### Exhibit 4: Pay gap benchmarking

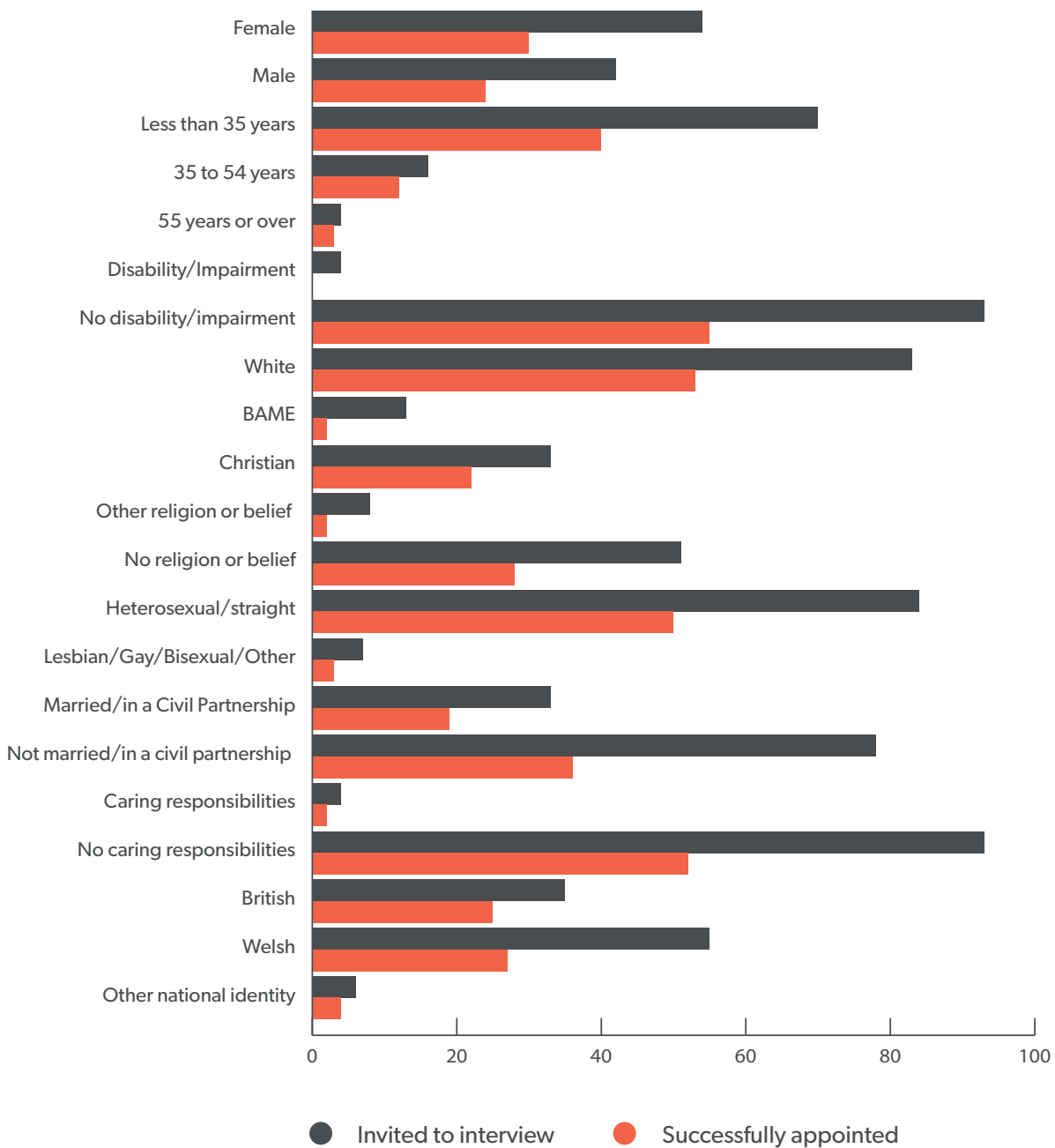
Benchmarking of our mean basic pay gender and ethnicity pay gaps as of 31 March 2020 against equivalent latest published data from selected organisations.

Organisation	Gender pay gap	Ethnicity pay gap
Wales Audit Office	-20.0%	-39.1%
<u>Senedd Commission</u>	+6.7%	-20.4%
<u>Welsh Government</u>	-8.5%	-
<u>National Audit Office</u>	-10.1%	-
<u>Audit Scotland</u>	-12.8%	-
<u>PwC UK</u>	-9.7%	10.8%
<u>EY UK</u>	-18.2%	14.0%
<u>KPMG UK</u>	-18.6%	14.1%
Deloitte UK	<u>-18.7%</u>	<u>12.9%</u>

### Exhibit 5: Successful Job Applicants

Bar chart showing, for the last three years, the proportion of job applicants that share certain equality characteristics that were invited to interview or assessment centre and that were successfully appointed.

### Success rates of external job applicants by selected category for the three-year period ending 31 March



## Other protected characteristics

- 33 We have identified Gender identity and Ethnicity as key areas for improvement. We acknowledge, however, that other protected characteristics are no less important, and we will continue to work to address any issues highlighted by the data, or via our employee groups.
- 34 Data we collect relating to all protected characteristics can be found on our new [Data Tool](#).

# Appendix 1

## Impact assessments completed between 1 April 2019 and 31 March 2020 and the key outcomes from those assessments

### **Disciplinary Policy**

To ensure a fair process, where employees are given reasonable opportunity to prepare for a disciplinary hearing, the assessment recommended that employees should receive full copies of the Investigation Officer's draft or final report (rather than a summary of the nature of the allegation) in advance of the hearing.

It was also recommended that the HR team should not proceed with any disciplinary hearings until such documents were shared with the employee.

### **Grievance Policy**

The proposed revisions to the Grievance Policy, aimed at streamlining the grievance process, included the removal of the requirement for the Investigating Officer to send their draft report to employees. This revision had the potential to impact negatively on those with protected characteristics in certain circumstances.

After seeking legal advice, the assessment emphasised that, while the policy amendment was justifiable, it would only be suitable if the HR team retained all necessary documentation demonstrating the reasoning behind any decision.

## Recruitment exercise for new Financial Audit Lead role

It was recommended that, before finalising the assessment methods, the HR team and those involved in the recruitment exercise should review the proposed selection tests with a view to removing any potential for unconscious bias and/or sector-based stereotyping.

Further assessment recommendations included the provision of unconscious bias training for assessors, the use of clear assessment criteria, and providing assessors with sufficient time within the recruitment timetable to make well-informed and fair decisions.

## Process for gathering 360-degree feedback

The assessment did not identify any serious potential for discrimination on the optional 360-degree feedback questionnaire learning and development tool, but made several recommendations, including that:

- the HR team should carefully consider what steps to put in place, as part of the feedback process to minimise any negative impact on recipients and givers of feedback (for example, offering neutral coaches to work through the feedback with recipients);
- the organisation should consider embedding safeguards into the process so that people are clear, from the outset, of the reason for the feedback scheme and its separateness from the annual appraisal; and
- the HR team should consider running a pilot scheme with a review period to see how successful it has been before rolling out to all staff.

## Travel and expenses policy

Administrative changes were made to the travel and expenses policy based on previous Equality Impact Assessment (EIA) work. No substantive changes were made to the policy nor do the changes have an adverse effect on staff, though the policy will need to be revisited for another EIA as part of an ongoing Task and Finish Group review.

## Smarter working policy

This new policy provides choice on how, when and where individuals and teams deliver their work. The assessment provided various recommendations, including that:

- the HR team should monitor the impact on everyone in order to effectively evaluate if there has been any adverse impact on the basis of a protected characteristic; and
- the organisation should ensure and measure fair and consistent roll out and understanding of the policy.



## Appendix 2

### Notes to our analysis of employment information for the year by equality characteristics

We launched our current diversity monitoring question and category framework and e-recruitment system in November 2014. Consequently, 2019-20 represents the fifth full year of employment information gathered using the framework.

Where members of staff or job applicants have not provided a response to individual questions on the questionnaire, these instances are classified as 'No data'.

Our age data is sourced separately within our HR system.

To perform our equality duties effectively in terms of pay and conditions, the scope of our pay gap analysis covers the broad range of equality characteristics considered by our diversity monitoring questionnaire. While the Wales Audit Office is not listed as a relevant employer for the purposes of The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017, we have nonetheless reported our pay gaps using a similar format to that required by the Regulations, including through providing information on the proportion of employees by quartile pay bands.

We report on the following over a three-year rolling period, to enable an increased sample size and more meaningful analysis:

- the number of persons who applied for a job at the Wales Audit Office;
- the number of staff who applied to change position; and
- the number of staff who left the organisation.

To prevent unfair processing of personal information through deduction, in the data tool, figures for numbers of persons have been rounded to the nearest ten, and where the number is fewer than five (except where zero), the number is shown as five.

No figures can be provided in respect of gender reassignment, or for grievance or disciplinary proceedings in respect of all equality characteristics, without risking unfair processing of personal information through deduction. Pregnancy, maternity and adoption information held by the Wales Audit Office is confined to records of maternity and adoption leave.

We do not currently gather employment information on the number of staff who have applied for, are successful or unsuccessful in their application for, and who have completed training, in a way that facilitates analysis by equality characteristic.





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