

Archwilydd Cyffredinol Cymru
Auditor General for Wales

Equality Report

Report on the Auditor General
for Wales' Compliance with
the Equality Act 2010 General
Duty for the Period 1 April
2013 to 31 March 2014



WALES AUDIT OFFICE
SWYDDFA ARCHWILIO CYMRU

Report on the Auditor General for Wales' Compliance with the Equality Act 2010 General Duty for the Period 1 April 2013 to 31 March 2014

This report has been prepared in accordance with the Equality Act 2010 (Statutory Duties) (Wales) Regulations 2011.

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Wales Audit Office
24 Cathedral Road
Cardiff
CF11 9LJ

Telephone	02920 320 500
Email	info@wao.gov.uk
Website	www.wao.gov.uk
Twitter	@WalesAudit

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March 2015

Foreword by the Auditor General for Wales

This is my third report on compliance with the General Duty of the Equality Act 2010, covering the reporting period 1 April 2013 to 31 March 2014. I have a statutory duty to make this report under the Equality Act 2010 (Statutory Duties) (Wales) Regulations 2011.

In 2013-14 we further embedded our commitment to equality through a new Corporate Strategy and my revised Code of Audit Practice which prescribes the way in which my audit functions are to be exercised. We also subscribed to the Social Model of Disability in recognition that people with impairments are disabled by environmental, institutional and attitudinal barriers in society.

We made good progress on meeting a number of our Strategic Equality Plan objectives, particularly by reporting more comprehensively on equality issues through our audit work. We will continue to take equality issues and law very seriously when undertaking our work.

When surveyed our staff told us that, overall, they felt our approach to tackling equality issues was effective, but made a number of suggestions for further improvement. These included that we need to issue clearer auditor guidance, and need to take further steps to ensure more effective engagement from representative groups with the selection and design of our work.

In 2014-15 we are focusing on addressing those recommended areas of improvement, alongside improving the quality of our workforce information and ensuring the accessibility of our website.

At the end of the year I will report jointly with the new Wales Audit Office Board on our collective compliance with the General Duty and on progress made on meeting our equality objectives as laid out in our shared Strategic Equality Plan.

Huw Vaughan Thomas
Auditor General for Wales

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In 2013-14 we further embedded our commitment to equality through a new Corporate Strategy and Code of Audit Practice, and by subscribing to the Social Model of Disability

In April 2013 we finalised and published our Corporate Strategy which, as outlined in last year's equality progress report, includes a key 'action' to report more comprehensively on equality issues. Several of our Strategic Equality Plan objectives are referenced in the Strategy, within which we also commit to measuring and reporting on progress made in:

- designing our audit approach in relation to the equality duties of public bodies;
- rolling out this approach; and
- evaluating its impact and refining as necessary.

In March 2014 the Auditor General, following a period of external consultation published a revised Code of Audit Practice, alongside a Statement of Practice for local government improvement audit, assessment and special inspection functions. The Code and Statement prescribe the way in which the Auditor General's audit and certain other functions are to be exercised, and embody best professional practice. We took the opportunity while updating the Code and Statement to ensure that our equality duties and objectives are fully reflected in the principles that underpin our audit work, and in the prescription for the way auditors must carry out the Auditor General's functions.

We also now subscribe to the Social Model of Disability in recognition that people with impairments are disabled by environmental, institutional and attitudinal barriers in society.

The key definitions within the Social Model of Disability are:

- **Impairment** is an injury, illness or congenital condition that causes or is likely to cause a long-term effect on physical appearance and/or limitation of function within the individual that differs from the commonplace.
- **Disability** is the loss or limitation of opportunities to take part in society on an equal level with others due to institutional, environmental and attitudinal barriers.

We made good progress on meeting a number of our Strategic Equality Plan objectives, particularly by reporting more comprehensively on equality issues through our audit work

A summary of the effectiveness of steps taken and the progress we made in fulfilling each of our Strategic Equality Plan equality objectives in 2013-14 is provided in [Appendix 1](#). Perhaps the most important step we took over the course of the year was to report more comprehensively on equality issues through our audit work.

When undertaking our financial audit work we provided feedback on an exception basis where any of the information reviewed indicated significant failures in performing the General Equality Duty on the part of audited bodies. We also published two reports in the public interest which focused on unlawful payments made to local government senior officers. In both reports the Appointed Auditor concluded that the Councils had failed to have due regard to the General Equality Duty. In response, Carmarthenshire County Council contended that:

‘The auditor ... is an unlikely guardian of the disadvantaged, i.e. those with the protected characteristics as provided in the 2010 Act.’

We do not agree with this. Case law makes it clear that ‘the auditor is entitled to seek relief if he can show that an item of account is for any reason unlawful or improper’. We will continue to take equality issues and law very seriously when undertaking our work.

During our annual review of local authority improvement plans we also looked for evidence of authorities’ continuing compliance with the General Equality Duty. Auditors subsequently reported on any negative findings in each relevant Annual Improvement Report for 2013-14.

We specifically identified that in some Welsh authorities there is variability in the extent to which different services use equality impact assessments to identify and address equality issues. We made recommendations to a number of authorities that if they wish to demonstrate that all their improvement objectives remain relevant, robust and legitimate, then equality impact assessments should be undertaken consistently across all services.

And, in our national report on the administration of the 2007-2013 European Union structural funding programmes in Wales, we outlined that, while the programmes are on track to meet, and in some cases far exceed, most of their key performance targets, they are likely to fall short of most of their equal opportunities targets.

Between April 2013 and March 2014 we conducted five equality impact assessments of our policies and processes:

- Equality and Diversity Policy
- Work Experience Policy
- Health and Safety Policy
- Fleet Management Policy
- Pay Offer 2014

In line with our internal equality impact assessment guidance we convened a number of Equality Impact Assessment Groups to ensure the policies were subject to comprehensive and effective scrutiny during the impact assessments.

Overall our staff felt that our approach to tackling equality issues was effective, and made a number of suggestions for further improvement

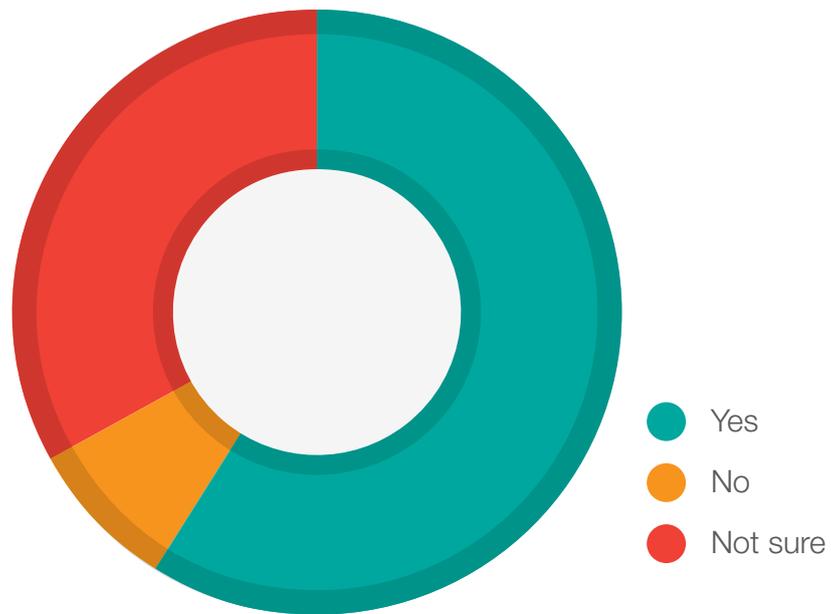
As part of our commitment to measuring the progress we have made to date in our approach to meeting our equality duties, we undertook a survey of staff views in early 2014. We were particularly interested to find out whether we currently have any practices that are perceived to hinder us in being effective in meeting our equality objectives and whether we have adopted any working conditions that our staff feel impede the advancement of equality of opportunity.

Approximately 50 per cent of Wales Audit Office staff completed the survey. The main questions that were asked in the survey and a summary of responses is provided in [Appendix 2](#). Staff were also encouraged to provide comments in support of their responses.

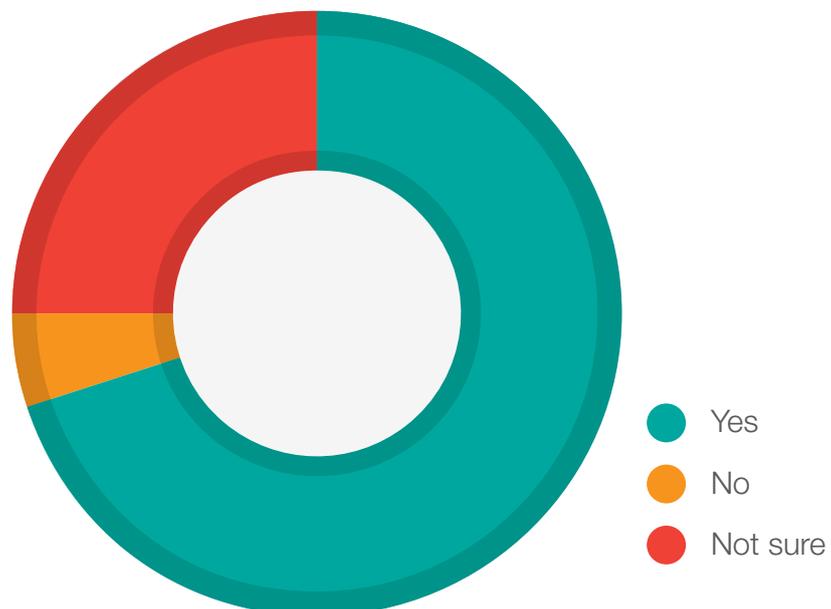
Of the staff that responded to the survey, nearly 60 per cent felt that, in terms of our audit and external work, we are taking effective steps towards delivering our equality duties through our audit work. However, both our financial and performance audit staff felt that we need to issue clearer auditor guidance, and need to take further steps to ensure more effective engagement from representative groups with the selection and design of our work.

Seventy per cent of staff felt that we were meeting our employer responsibilities under the General Equality Duty but again areas were identified in which we need to improve. In particular, some staff felt that we need to apply flexible working more consistently across the organisation, and that we should undertake more regular and detailed reviews in relation to equal pay.

Do you think our efforts to perform the General Equality Duty in undertaking audit and other external work are effective?



Do you think we meet our responsibilities as an employer under the General Equality Duty?



In 2014-15 we will make efforts to engage more effectively with people that represent those with protected characteristics, improve the quality of workforce information, issue clearer guidance for auditors and ensure the accessibility of our website

In our previous equality reports, and in our recent staff survey, it was recognised that we need to take up more effective means of engaging representative groups and working more closely with the voluntary sector. Despite carrying out several external consultations in 2013-14, including on our forward studies programme and Code of Audit Practice, we still did not achieve the results that we would have liked and so we decided that a different approach was needed for all future consultations.

In March 2014 we decided that we would host a consultation day event in 2014-15 to meet and interact with representative groups from across Wales, and discuss how best we can achieve effective engagement in the future. We held the consultation day in June 2014 and will give more detail about the outcomes from this event in our subsequent equality progress report for 2014-15.

We have also identified that the questions and categories which underpin our collection of employment diversity monitoring information (see [Appendix 3](#)) are somewhat out of date and need to be revised to reflect current good practice and recently published guidance. We will take steps in 2014-15, particularly as we move towards implementation of an e-recruitment system, to update and improve the quality of our employment diversity monitoring information, which in turn will serve to underpin more effective reviews in relation to equal pay.

As identified by our staff in the staff survey, we will issue clearer guidance for auditors on taking account of equality issues when undertaking their work, and will make further efforts to ensure staff are made aware of and read the guidance.

Another area of focus for 2014-15 will be the accessibility of information placed on our website. A much improved and more accessible version of our website was launched in early 2014. We have recently decided to contract an external supplier to undertake an accessibility audit of our website to highlight any remaining issues that are likely to restrict or stop anyone with a particular impairment from using our site.

Following successful completion of the audit we will make any necessary amendments to our site, with a view to gaining:

- a recognised certificate of accreditation;
- validation of meeting Web Content Accessibility Guidelines level 2.0 AA; and
- a greater understanding of digital inclusion.

Appendix 1 – Summary of the effectiveness of steps taken and progress made on meeting our equality objectives in 2013-14

Strategic Equality Plan Objective	Effectiveness of steps taken and progress made on meeting each objective in 2013-14
<p>1 We will seek and take account of the views of people who represent the interests of protected groups in deciding what value-for-money work we will undertake.</p>	<p>We consulted with a range of individuals and organisations that represent the interests of protected groups on our forward programme of value-for-money studies for 2014-15. However, we still did not achieve the results that we would have liked and so we decided that a different approach was needed for all future consultations.</p>
<p>2 In deciding the coverage of any value-for-money work that is relevant to the General Equality Duty, and in devising fieldwork for such projects, we will seek the views of people that represent the interests of protected groups, so as to take account of the needs of those groups.</p>	<p>We made arrangements to invite a range of individuals and organisations that represent the interests of protected groups to a consultation event, to discuss how best we can achieve effective engagement to fulfil this objective.</p>
<p>3 Each year as part of our work to assess whether Welsh Improvement Authorities have met the improvement requirements of the Local Government (Wales) Measure 2009, we will assess whether those authorities have taken the General Equality Duty into account in their arrangements to secure continuous improvement, especially in the development of their Improvement Plans.</p>	<p>We reviewed whether all Welsh Improvement Authorities had taken the General Equality Duty into account in their arrangements to secure continuous improvement in 2013-14. We reported on any significant failures in each relevant Annual Improvement Report. All improvement reports can be accessed on the Wales Audit Office website.</p>
<p>4 On undertaking our financial audit work, including grant certification, we will consider whether any of the information reviewed indicates significant failures to perform the General Equality Duty on the part of audited bodies, and we will provide feedback on this on an exception basis (ie, where there appears to be a problem) to those bodies.</p>	<p>We provided feedback on an exception basis throughout our financial audit work where any of the information reviewed indicated significant failures in performing the General Equality Duty on the part of audited bodies. We also published two reports in the public interest which focused on unlawful payments made to local government senior officers. In both reports the Appointed Auditor concluded that the councils had failed to have due regard to the General Equality Duty.</p>

Strategic Equality Plan Objective	Effectiveness of steps taken and progress made on meeting each objective in 2013-14
<p>5 We will improve the extent and quality of information, such as external feedback, that we gather regarding how our work contributes or could contribute to performing the General Equality Duty.</p>	<p>We are yet to make sufficient progress on meeting this objective. We have made arrangements to invite a range of individuals and organisations that represent the interests of protected groups to a consultation event, to discuss how best we can achieve effective engagement to fulfil this objective.</p>
<p>6 In procuring and monitoring externally sourced professional services, we will work to ensure that firms perform the General Equality Duty in the course of relevant work.</p>	<p>A procurement exercise on new audit contracts began in March 2014. Both the tender document and terms and conditions of contract explicitly stated that providers must assist the Wales Audit Office in meeting the General Equality Duty in exercising its functions, and will also have an obligation to perform the General Equality Duty in the course of work undertaken on behalf of the Auditor General. Providers will also be required to comply with other requirements of the Equality Act 2010, such as making 'reasonable adjustments' in respect of persons with impairments. Our annual quality review arrangements will examine samples of audits and other projects completed by providers in order to check whether the provider has made suitable arrangements to perform the General Equality Duty.</p>
<p>7 Improve the quality and extent of Wales Audit Office workforce information in respect of the protected characteristics and use this information so as to perform the General Equality Duty.</p>	<p>We have identified that the questions and categories which underpin our collection of employment diversity monitoring information are somewhat out-of-date and need to be revised to reflect current good practice and recently published guidance. We will take steps in 2014-15, particularly as we move towards implementation of an e-recruitment system, to update and improve the quality of our information.</p>

Strategic Equality Plan Objective	Effectiveness of steps taken and progress made on meeting each objective in 2013-14
<p>8 Remove significant gender pay differences (and other unwarranted pay differences in relation to characteristics) within Wales Audit Office pay bands through the continued application of the Wales Audit Office's current pay alignment arrangements.</p>	<p>We updated our 2012 analysis of pay by gender using payroll information and other remuneration information held by our HR department in February 2014. Our analysis showed that the overall pay gap had reduced from the -22 per cent identified in January 2012 to -17 per cent. The decline in the overall pay gap is in part attributable to the continued application in 2013-14 of the pay alignment policy adopted by the Auditor General in his 2012 Strategic Equality Plan, and also to the progression of modest but significant numbers of women from junior and trainee roles to middle seniority roles since 2012.</p>
<p>9 We will seek to address structural gender pay differences caused by recruitment and promotion arrangements, and ongoing working conditions.</p>	<p>Our analysis also shows that within most pay bands there is now a relatively small pay gap. Further information on this analysis can be found in our Joint Strategic Equality Plan published on our website in May 2014.</p>
<p>10 We will seek to foster good relations between Wales Audit Office staff sharing relevant protected characteristics and those that do not by providing senior staff 'allies'.</p>	<p>In 2013-14 equality 'champions', including members of our staff Equality Interest Group, continued to work hard to ensure that staff at all levels have an opportunity to share or discuss equality issues. We also continued to hold 'lunch and learn' sessions to engage staff and increase awareness of equality and diversity matters, with guest speakers including Race Council Cymru.</p>

Appendix 2 – Summary of responses to our 2014 staff equality survey

Survey questions	Yes	No	Not sure	I have not read the guidance
Do you think our efforts to perform the General Equality Duty in undertaking audit and other external work are effective?	59%	8%	33%	N/A
Is there anything we can do that would improve our performance of the General Equality Duty in undertaking audit and other external work?	27%	25%	48%	N/A
Do you think we meet our responsibilities as an employer under the General Equality Duty?	70%	5%	25%	N/A
Is there anything we can do that would improve our performance of the General Equality Duty as an employer?	16%	35%	50%	N/A
Do you think our written guidance has helped you to understand the things you need to do to perform the General Equality Duty?	66%	7%	7%	20%
Did our equality and diversity e-learning package help you to understand how you should contribute to compliance with the General Equality Duty?	86%	5%	9%	N/A
Do you feel that you are treated properly in the workplace with respect to your protected characteristics?	83%	4%	13%	N/A
Do you feel able to challenge behaviour in the workplace that does not promote equality?	83%	7%	11%	N/A

Appendix 3 – Employment information analysed by protected characteristic

The figures in these tables have been rounded to the nearest 10, and (except where zero) where the number is fewer than five, the number is indicated by an asterisk '*'. This is to prevent unfair processing of personal information through deduction. In respect of all protected characteristics, no figures can be given for grievance or disciplinary proceedings without risking unfair processing of personal information.

Pregnancy, maternity and adoption information held by the Wales Audit Office was confined to records of maternity and adoption leave. The Wales Audit Office does 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 protected characteristic.

Gender

	Female	Male	Not Specified
Number of persons employed	120	120	0
Number of persons during the period 1 April 2013 to 31 March 2014 who have applied for a job within the Wales Audit Office (excluding current staff)	140	200	10
Number of staff who applied to change position within the Wales Audit Office	20	20	0
Number of staff who were successful in their application to change position	10	10	0
Number of staff who were unsuccessful in their application to change position	10	10	0
Number of staff who have left the organisation during the period 1 April 2013 to 31 March 2014	10	*	0

Gender reassignment

	Yes	No	Do not wish to declare	Not Specified
Number of persons employed	0	180	*	70
Number of persons during the period 1 April 2013 to 31 March 2014 who have applied for a job within the Wales Audit Office (excluding current staff)	0	340	*	10
Number of staff who applied to change position within the Wales Audit Office	0	20	*	10
Number of staff who were successful in their application to change position	0	10	0	*
Number of staff who were unsuccessful in their application to change position	0	10	*	*
Number of staff who have left the organisation during the period 1 April 2013 to 31 March 2014	0	10	0	10

Age

	16 - 25 years	26 - 35 years	36 - 45 years	46 - 55 years	56 - 65 years	66 years and over	Do not wish to declare
Number of persons employed	10	50	70	90	30	*	0
Number of persons during the period 1 April 2013 to 31 March 2014 who have applied for a job within the Wales Audit Office (excluding current staff)	170	90	50	20	10	0	20
Number of staff who applied to change position within the Wales Audit Office	*	10	10	*	*	0	0
Number of staff who were successful in their application to change position	*	10	*	*	*	0	0
Number of staff who were unsuccessful in their application to change position	*	10	10	*	*	0	0
Number of staff who have left the organisation during the period 1 April 2013 to 31 March 2014	*	*	*	*	10	0	0

Sexual orientation

	Bisexual	Gay	Hetero- sexual	Lesbian	Do not wish to declare	Not Specified
Number of persons employed	0	*	200	*	10	30
Number of persons during the period 1 April 2013 to 31 March 2014 who have applied for a job within the Wales Audit Office (excluding current staff)	10	10	310	*	10	10
Number of staff who applied to change position within the Wales Audit Office	0	*	30	*	0	*
Number of staff who were successful in their application to change position	0	0	10	0	0	*
Number of staff who were unsuccessful in their application to change position	0	*	20	*	0	*
Number of staff who have left the organisation during the period 1 April 2013 to 31 March 2014	0	0	10	0	0	10

Marriage and civil partnership

	Civil Partnership	Married	Other	Do not wish to declare	Not Specified
Number of persons employed	0	150	90	*	10
Number of persons during the period 1 April 2013 to 31 March 2014 who have applied for a job within the Wales Audit Office (excluding current staff)	10	80	240	20	10
Number of staff who applied to change position within the Wales Audit Office	0	20	10	0	*
Number of staff who were successful in their application to change position	0	10	*	0	*
Number of staff who were unsuccessful in their application to change position	0	10	10	0	0
Number of staff who have left the organisation during the period 1 April 2013 to 31 March 2014	0	*	10	0	*

Disability (impairment)

	Yes	No	Do not wish to declare	Not Specified
Number of persons employed	*	230	*	20
Number of persons during the period 1 April 2013 to 31 March 2014 who have applied for a job within the Wales Audit Office (excluding current staff)	10	330	10	10
Number of staff who applied to change position within the Wales Audit Office	*	30	0	*
Number of staff who were successful in their application to change position	0	10	0	*
Number of staff who were unsuccessful in their application to change position	*	20	0	*
Number of staff who have left the organisation during the period 1 April 2013 to 31 March 2014	0	10	0	*

Religion or belief (or lack of religion or belief)

	Buddhist	Christian (all denomi- nations)	Hindu	Jewish	Muslim	Sikh	No Religion	Other	Do not wish to declare	Not Specified
Number of persons employed	0	120	*	0	10	0	60	10	10	50
Number of persons during the period 1 April 2013 to 31 March 2014 who have applied for a job within the Wales Audit Office (excluding current staff)	*	130	10	0	20	*	150	10	20	10
Number of staff who applied to change position within the Wales Audit Office	0	20	0	0	*	0	10	0	*	*
Number of staff who were successful in their application to change position	0	10	0	0	*	0	*	0	*	*
Number of staff who were unsuccessful in their application to change position	0	10	0	0	*	0	*	0	0	*
Number of staff who have left the organisation during the period 1 April 2013 to 31 March 2014	0	10	0	0	*	0	*	*	0	10

Ethnicity

	Asian	Black	Mixed	Other	White	Not Specified
Number of persons employed	10	0	*	0	230	10
Number of persons during the period 1 April 2013 to 31 March 2014 who have applied for a job within the Wales Audit Office (excluding current staff)	50	20	10	*	270	10
Number of staff who applied to change position within the Wales Audit Office	*	0	0	0	30	*
Number of staff who were successful in their application to change position	*	0	0	0	10	*
Number of staff who were unsuccessful in their application to change position	0	0	0	0	20	*
Number of staff who have left the organisation during the period 1 April 2013 to 31 March 2014	*	0	0	0	10	*

Other employment information

Information analysing the number of persons and proportion of staff employed by sex in terms of job, grade, pay and working pattern was published in the Auditor General's *Annual Report and Accounts 2013-14*.

Contract type	Male	Female
Full time	120	90
Part time – term time	0	10
Part time – other	10	30

Wales Audit Office

24 Cathedral Road

Cardiff CF11 9LJ

Tel: 029 2032 0500

Fax: 029 2032 0600

Textphone: 029 2032 0660

E-mail: info@wao.gov.uk

Website: www.wao.gov.uk

Swyddfa Archwilio Cymru

24 Heol y Gadeirlan

Caerdydd CF11 9LJ

Ffôn: 029 2032 0500

Ffacs: 029 2032 0600

Ffôn Testun: 029 2032 0660

E-bost: info@wao.gov.uk

Gwefan: www.wao.gov.uk