

Equality Report 2020-21

This report on compliance with the Equality Act 2010 General Duty covers the period 1 April 2020 to 31 March 2021. It has been prepared in accordance with the Equality Act 2010 (Statutory Duties) (Wales) Regulations 2011.

Audit Wales is the non-statutory collective name for the Auditor General for Wales and the Wales Audit Office, which are separate legal entities with their own legal functions. Audit Wales is not a legal entity. Consequently, in this Report, we make specific reference to the Auditor General or Wales Audit Office in sections where legal precision is needed.

If you require this publication in an alternative format and/or language, or have any questions about its content, please contact us using the details below.

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Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg. Ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome correspondence and telephone calls in Welsh and English. Corresponding in Welsh will not lead to delay.

Mae'r ddogfen hon hefyd ar gael yn Gymraeg.

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Foreword

Rydym yn falch o gyflwyno ein Hadroddiad Cydraddoldeb ar gyfer 2020-21.

We are pleased to present our Equality Report for 2020-21.

This Equality Report looks at the progress we made together as Audit Wales towards delivering our equality objectives between 1 April 2020 and 31 March 2021 - an unprecedented year of uncertainty and unique challenges, which highlighted and exacerbated inequalities in Wales.

The Auditor General is in a strong position to identify opportunities for helping to eliminate discrimination and promote equality of opportunity in the delivery of public services. In reporting on public bodies, and in making recommendations, he is able to encourage beneficial changes in terms of equality.

We delivered several examinations and studies during 2020-21 which covered equality considerations and highlighted inequities in our society, including an examination of rough sleeping in Wales, a report looking at how councils approached the challenge of providing free school meals during lockdown, and a study into the procurement and supply of PPE.

We also engaged with the Welsh Government as they developed thinking around implementation of the Equality Act 2010 socio-economic duty and discussed the extent to which our work may provide relevant intelligence.

As the employer of staff at Audit Wales, the Wales Audit Office is committed to providing a work environment that values the diversity of all people, both our own staff and those with whom we come into contact during our work. We fully support the rights of people to be treated with dignity and respect.

With the necessary switch to home working at the end of March 2020, there came the immediate need to provide all staff with increased flexibility to support their own wellbeing and that of their families and dependants. We also set up a working parents and carers network, where members are encouraged to share their experiences on what has worked well for them in terms of balancing their home and work life.

Looking forward, while we are pleased to report that our structural gender and ethnicity pay gaps narrowed significantly in 2020-21, our analysis of employment information shows that we need to continue to undertake work to further increase the diversity of our workforce in the medium to longer term.

More broadly, in Spring 2022 and following a suitable engagement and consultation exercise, we will publish a revised set of equality objectives for Audit Wales, as part of a new strategy for achieving our corporate ambitions and overall mission statement to 'Assure, Explain and Inspire'.



Adrian Crompton

Auditor General for Wales



Lindsay Foyster

Chair of the Wales Audit Office

Progress towards meeting our equality duties and objectives

In 2020-21, we continued to develop our overall programme of work to help ensure that we can fully meet our equality duties and objectives. Overall, we consider that we were effective in the steps we took towards meeting most of our equality objectives

- 1 The Auditor General for Wales is the statutory external auditor of most of the Welsh public sector. The Auditor General is responsible for the audit of most of the public money spent in Wales.
- 2 The Wales Audit Office has functions of providing resources, such as staff, for the exercise of the Auditor General's functions, and of monitoring and advising the Auditor General. The Wales Audit Office currently employs around 270 staff.
- 3 Together, as Audit Wales, we audit around £21 billion of income and expenditure, which is over a quarter of Welsh GDP.
- 4 The Auditor General's main functions involve examining and reporting on the stewardship of public money by Welsh public bodies. When undertaking this work, we consider how well public bodies are run and the effectiveness of their services. The Auditor General is therefore in a strong position to identify opportunities for helping to eliminate discrimination and promote equality of opportunity in the delivery of public services. In reporting on public bodies, and in making recommendations, the Auditor General is able to encourage beneficial changes in terms of equality.
- 5 The Wales Audit Office is committed to providing a work environment that values the diversity of all people, both our own staff and those with whom we come into contact during our work, and we fully support the rights of people to be treated with dignity and respect. As an employer of around 270 staff, the Wales Audit Office has a significant and direct impact on people in terms of equality. The Board fully recognises the duty to provide equal opportunity across the full range of employment factors, including: recruitment; training; promotion; ways of working; and terms and conditions, including pay.
- 6 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.

- 7 Together, as Audit Wales, 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.
- 8 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 outcomes¹.
- 9 We have also established Pawb – a staff group which helps ensure effective engagement with employees representing the interests of protected groups. Pawb members 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. The views of Pawb are sought when:
- a. undertaking impact assessments of relevant policies and practices;
 - 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.
- 10 In 2020-21, we continued to develop and adapt our programme of equality work taking account of the extraordinary circumstances of the COVID-19 outbreak. Like everyone, our immediate priorities were fundamentally altered as we focused on the wellbeing of our employees, maintaining business continuity, and supporting the wider public sector and community.
- 11 We swiftly signalled to the public bodies we audit that we would be adopting alternative delivery approaches and refocusing much of our work to ensure that it did not add to the pressures faced by public service providers. However, we were also acutely aware that Audit Wales had essential expertise to help the Welsh Government and wider public sector respond to some of the challenges that we faced, including in relation to equality considerations.
- 12 Our main priorities in running the business were adapting and minimising disruption to our audit work and the operation of our corporate service functions, while ensuring we did the right thing by our people, keeping them safe and supporting their wellbeing. Throughout the period, our maxim was, and continues to be, ‘self, family, work ... in that order’. As an employer, we continued to closely monitor the fast-moving situation and operate in accordance with guidance issued by the Welsh Government. For most of 2020-21, each of our offices remained shut in accordance with Welsh Government guidance and our staff carried out their

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

work remotely from home. However, whenever possible, we opened our offices on a limited basis to provide an alternative and support staff wellbeing.

- 13 Overall, we consider that we were effective in the steps we took towards meeting most of our equality objectives. **Exhibit 1** provides more detail on the effectiveness of steps taken and progress made towards meeting individual objectives.
- 14 In October 2020, for the fourth successive year, we ran our [annual staff survey](#) using the same core questionnaire that is used in the Civil Service People Survey (CSPS). Ninety percent of staff responded to the survey; a comprehensive sample which provided a wealth of insight on staff perceptions and the employee experience. A summary of responses from employees in 2020 to staff survey statements that relate to equality is provided in **Exhibit 2**. The full survey results can be accessed via [an interactive data tool which is available on our website](#).
- 15 It was reassuring to note that for questions related to equality, responses from our staff were mostly similar to the CSPS median benchmark. 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: progress made towards meeting our equality objectives

Summary of the effectiveness of steps taken and progress made towards meeting our equality objectives in 2020-21.

Objective	Effectiveness of steps taken, and progress made
<p>Objective 1</p> <p>We will engage with people that represent the interests of protected groups when considering:</p> <ul style="list-style-type: none"> a. what programmes of value for money examinations and studies we will undertake; and b. the approach to be adopted in value for money examinations and studies that are relevant to the General Equality Duty. 	<p>Assessment: Effective</p> <p>We have well-established external engagement arrangements via The Equality and Human Rights Coalition – 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>We periodically undertake public consultations inviting views on topic areas and proposals for our future work programme. We provide details of such consultations to the Equality and Human Rights Commission (EHRC) in Wales and to members of the Coalition and subsequently attend Coalition meetings to discuss the finalised programme and some of the priority topics for future years. Our most recent attendance was in March 2021.</p> <p>Similarly, for specific examinations and studies that are relevant to the General Equality Duty, we invite input from representative bodies. In 2020-21, this included for our study into Procuring and Supplying PPE for the COVID-19 pandemic.</p> <p>During the period, we also engaged with the Welsh Government as they developed thinking around implementation of the Equality Act 2010 socio-economic duty. This included attendance of a round table event in September 2020, where we discussed the Auditor General’s remit and the extent to which our work may provide relevant intelligence.</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
<p>Objective 2</p> <p>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.</p>	<p>Assessment: Effective</p> <p>In February 2020, we attended a Coalition meeting which helped us in the scoping of this examination. We subsequently determined that the study would focus on the effectiveness of impact assessment arrangements across the Welsh public sector. Further stakeholder engagement with the Welsh Government and via an EHRC Exchange event in October 2020 has endorsed this approach.</p> <p>Work on the study commenced in 2020-21, but progress has been slower than planned due to the impact of the pandemic on the delivery of our work programme. We expect to complete the work in Summer 2022.</p> <p>Alongside preparing for the study with a primary equality focus, we delivered several other examinations and studies during 2020-21 which included equality considerations.</p> <p>These included:</p> <ul style="list-style-type: none"> • an examination of rough sleeping in Wales entitled: <u>Everyone's Problem; No One's Responsibility</u>; • a report looking at how councils approached the challenge of <u>Providing Free School Meals During Lockdown</u>; and • our study into <u>Procuring and Supplying PPE for the COVID-19 pandemic</u>. <p>We also continue to use our good practice programme to support consideration of issues relevant to equality in Wales.</p>

Objective	Effectiveness of steps taken, and progress made
<p>Objective 3</p> <p>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.</p>	<p>Assessment: Effective</p> <p>A revised Code of Audit Practice was published in May 2018 and further updated in October 2020. Paragraph 26 of the revised Code, supplemented by paragraphs 49, 56, 63 and 104, provides enhanced prescription on how, when exercising the Auditor General’s functions, auditors must also perform the General Equality Duty.</p> <p>In July 2020, to supplement the Code, supporting guidance for auditors was issued to provide more information on how operational staff should record equality issues. All new starters at Audit Wales, including graduate trainees and apprentices, are made aware of this guidance, the Code and auditor duties under the Equality Act as part of their induction.</p> <p>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.</p> <p>We review the Code and supplementary guidance on an annual basis and are currently considering making further revisions which take account of the commencement of the Equality Act 2010 socio-economic duty in Wales.</p>

Objective	Effectiveness of steps taken, and progress made
<p>Objective 4</p> <p>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.</p>	<p>Assessment: Effective</p> <p>Our People Strategy has now been expanded as a broader five-year Workforce Strategy which was approved by the Executive Leadership Team and Board in September 2020.</p> <p>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’.</p> <p>The Strategy is underpinned by a detailed Workforce Delivery Plan, progress against which is monitored quarterly by our Executive Leadership Team and Remuneration and HR Committee. Key current priorities that are particularly relevant to this objective are to:</p> <ul style="list-style-type: none"> • 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. <p>With the necessary switch to home working at the end of March 2020, there came the immediate need to provide all staff with increased flexibility to support their own wellbeing and that of their families and dependants. Early in 2020-21, we introduced a ‘smarter working’ policy, supported by associated toolkits, all aimed at giving staff more choice on how, when and where they work, within the context of overall business need.</p> <p>Another important development in the last year was the setting up of a working parents and carers network, where members were encouraged to share their experiences on what has worked well for them in terms of balancing their home and work life.</p>

Objective	Effectiveness of steps taken, and progress made
<p>Objective 5</p> <p>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.</p>	<p>Assessment: Somewhat effective</p> <p>At its meeting in July 2019, the Wales Audit Office Board held a strategic discussion to consider the analysis of the employment information published in our Equality Report 2019-20. 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.</p> <p>In response, the Board approved a target to match the proportion of ethnic minority 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.</p> <p>During 2020-21, the Board followed up its strategic discussion around equality and diversity. It noted the significant narrowing of the gender pay gap, which was likely to be attributable, at least in part, to the senior management restructure that was completed in March 2021 and the operation of a broader voluntary exit scheme.</p> <p>While an increase in ethnic minority representation had yet to materialise, it was acknowledged that expanding the level of outreach work undertaken as part of our trainee and apprentice recruitment strategy should help to increase our diversity in the medium to long term. However, the Board was still disappointed with the pace and scale of progress and agreed that the time was right to refresh the Strategic Equality Plan and align our equality objectives more fully with the ambitions of the organisation, and in the context of the Well-being of Future Generations Act.</p>

Objective	Effectiveness of steps taken, and progress made
<p>Objective 6</p> <p>When procuring externally sourced services, we will:</p> <ul style="list-style-type: none"> a. include requirements relevant to performance of the General Equality Duty in our tender award criteria; and b. comply with the General Equality Duty when stipulating the performance standards to be included in the contract agreement. 	<p>Assessment: Effective</p> <p>In 2020-21, 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.</p> <p>Through our new contract management framework, which was finalised in December 2020, relevant suppliers are then monitored to provide assurance that specifications are being met.</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 finalising a procurement strategy to cover all aspects of our responsibilities under the General Equality Duty.</p>

Objective	Effectiveness of steps taken, and progress made
<p>Objective 7</p> <p>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.</p>	<p>Assessment: Effective</p> <p>Throughout 2020-21, members of our Board, the Executive Leadership Team, and Pawb (our staff group which helps ensure effective engagement with employees representing the interests of protected groups) acted as Audit Wales equality champions.</p> <p>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.</p> <p>The Chairs of our LGBT+ and Women's networks are members of Pawb and are supported by the group.</p> <p>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.</p> <p>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.</p>
<p>Objective 8</p> <p>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.</p>	<p>Assessment: Effective</p> <p>In 2020-21, 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.</p> <p>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.</p> <p>Guidance is available to all staff on the preparation of accessible publications.</p> <p>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.</p>

Objective	Effectiveness of steps taken, and progress made
<p>Objective 9</p> <p>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.</p>	<p>Assessment: Effective</p> <p>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.</p> <p>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.</p> <p>In September 2019, we hosted a seminar entitled <u>Making an Equal Wales a Reality</u>, 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.</p> <p>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.</p> <p>In addition, as outlined in our <u>Annual Plan for 2020-21</u>, over the next few years 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, including those representing the interests of people with protected characteristics.</p>

Exhibit 2: staff survey results

Stacked bar chart showing the distribution of responses from employees in 2020 to staff survey statements that relate to equality.



Impact assessments

We undertook a series of equality and human rights impact assessments of relevant policies and practices during the year. Those assessments did not identify any obvious potential for discrimination or other adverse impact but made several recommendations for improvement

- 16 To help us meet the General Equality Duty, we must²:
 - 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.
- 17 We also have a responsibility to uphold the rights set out in the Human Rights Act 1998.
- 18 Our impact assessments, which include Welsh language, sustainable development, and biodiversity and resilience of ecosystems 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, 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.
- 19 A list of the full impact assessments completed between 1 April 2020 and 31 March 2021 and the key outcomes from those assessments is provided in **Appendix 1**. Many of the assessments relate to changes to policies and working practices that were necessary in order for the organisation to respond effectively to the coronavirus pandemic.
- 20 The following policies and practices (or revisions to those policies and practices) were also screened during 2020-21 for relevance³ but were not subsequently subject to a full impact assessment.
 - a. Financial Management Handbook
 - b. Temporary Homeworking Allowance
 - c. Temporary Allowance for Additional Duties
 - d. Welsh Language Policy

² Under the Equality Act 2010 (Statutory Duties) (Wales) Regulations 2011.

³ 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

Analysis of our employment information by equality characteristics shows that our overall gender and ethnicity pay gaps have narrowed, but we need to undertake further work to increase the diversity of our workforce in the medium to longer term

- 21 Our employment information for 2020-21, 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.
- 22 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.
- 23 We apply 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 band⁴ within a fixed period⁵. No significant pay differences were identified within individual pay bands for any equality characteristic in our analysis of employment information.

Gender

- 24 As of 31 March 2021, 56% of employees that completed our diversity monitoring form identified themselves as female; a similar figure to the latest equivalent figures published for the [Civil Service](#) as a whole (54%), and for the [Welsh Government](#) (59%). Over the last three years, 48% of job applicants that completed our diversity monitoring form identified themselves as female. Of those, 7% were successfully appointed at interview compared with 5% of those applicants that identified themselves as male.

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.

- 25 As of 31 March 2021, we had a mean gender pay gap of 16.0%; the mean basic full-time equivalent annual salary of those staff who identified themselves as female is nearly £7,800 less than that of staff who identified themselves as male. This represents a considerable narrowing of the pay gap compared to the figures for the previous year (22.2%; £11,100), and is likely to be attributable, at least in part, to a senior management restructure that was completed in March 2021, alongside the operation of a broader voluntary exit scheme.
- 26 The distribution of women and men across pay bands is the immediate explanation for the 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**.
- 27 It should be noted that, in part, our gender pay gap is also 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.
- 28 The median pay gap we calculated is 13.9%, slightly lower than the median gender pay gap calculated from the [Office for National Statistics Annual Survey of Hours and Earnings](#) for all employees in the wider UK population in 2021 (15.4%).
- 29 In our diversity monitoring questionnaire, we include the question 'Do you identify as trans?' However, no figures can be provided in this report in respect of responses to this question, or in respect of the protected characteristic of gender reassignment, without risking unfair processing of personal information through deduction.

Ethnicity and national identity

- 30 3.7% of employees that completed our diversity monitoring form in 2021 identified their ethnicity as ethnic minorities, with a further 2.9% choosing the option 'prefer not to say'.
- 31 Our representation figure is slightly lower than the equivalent proportion of the [Welsh population](#), which is currently around 4.9%. Our figure is also significantly lower than the latest equivalent figure published for the [Civil Service](#) as a whole (12.8%), but similar to that for the [Welsh Government](#) (3%).
- 32 The corresponding figures for job applicants over the last three years were far more encouraging with 18.1% identifying as being from an ethnic minority background, and 1.6% choosing the option 'prefer not to say'. While a significantly lower proportion of job applicants who identified themselves as being from an ethnic minority background were invited to interview (17%) when compared to applicants who identified themselves as white (27%), similar proportions were successfully appointed (7%).
- 33 While acknowledging that, due to the small numbers in our dataset, the data is sensitive to even small changes in numbers, a starker picture is seen for job

applicants who described their national identity as 'Other' (as opposed to 'British' or 'Welsh') where only 13% were invited to interview and 2% successfully appointed.

- 34 Our overall pay gap for staff who identify themselves as being from an ethnic minority background is now 26.2% (reduced from 30.4% in the previous year); as of 31 March 2021, the mean basic salary of those staff who describe their ethnicity as ethnic minority was £11,800 less than that of staff who identify their ethnicity as white. By comparison, the mean basic salary ethnicity pay gaps reported by the National Audit Office and the accountancy firms Deloitte, EY, KPMG and PwC in their most recent UK pay gap reports were between 7.6% and 16.4%, but the Senedd Commission has reported an ethnicity pay gap of 20.9% (see **Exhibit 4**).
- 35 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. In addition, as with the gender pay gap, this distribution is likely to have been influenced to some extent in recent years by the success of our expanding graduate trainee and apprenticeship programmes.
- 36 While acknowledging that, due to the small numbers involved, 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, although the upward trend over the last five years (see **Exhibit 3**) indicates gradual improvement.

Disability and carers

- 37 8.1% of employees that completed our diversity form consider themselves to have a disability or impairment, with a further 4.1% choosing the option 'prefer not to say'. The corresponding figures for job applicants over the last three years were 5.3% and 2.7% respectively.
- 38 The figure for employees that consider themselves to have a disability or impairment is lower than the corresponding latest published statistic for the [Civil Service](#) as a whole (12.8%) but higher than that published by the [Welsh Government](#) (6%).
- 39 While again acknowledging the small sample size, perhaps a greater cause for concern is that, despite a similar proportion being invited to interview, a significantly lower proportion of job applicants who identified themselves as having a disability or impairment were successfully appointed (2%) when compared to applicants who did not consider themselves to have a disability or impairment (6%).
- 40 As part of our efforts to encourage more applications from people with impairments, we have signed up to the [Disability Confident Employer Scheme](#) and have secured Level 2 'employer' status, thereby gaining permission from Jobcentre Plus to use the Disability Confident badge in our job adverts. We also offer a Guaranteed Interview Scheme to applicants who consider themselves to have a disability and meet the essential requirements for advertised posts.

- 41 In addition, we participate in the [Leonard Cheshire Change 100 Programme](#) by offering summer work placements, professional development and mentoring to talented university students and recent graduates with disabilities or long-term conditions.
- 42 While not one of the protected characteristics, we consider that taking account of caring responsibilities is a relevant factor in performing our equality duties, as it has strong associations with the protected characteristic of disability, alongside age and pregnancy and maternity. We have therefore collected and analysed information in relation to carers.
- 43 In 2020-21, 28.1% of employees who completed our diversity questionnaire identified themselves as carers, with a further 2.9% selecting 'Prefer not to say'. The equivalent figures for job applicants over the last three years were 4.4% and 1.6% respectively.
- 44 [Published statistics](#) suggest that around one in seven people in the UK workforce are juggling caring responsibilities with work, which indicates that we have a significantly higher proportion of carers among our staff than the wider UK workforce, but a lower proportion amongst job applicants.
- 45 Similar proportions of job applicants who identified themselves as having caring responsibilities were invited to interview and successfully appointed as applicants who did not identify themselves as carers.
- 46 The distribution of younger staff across pay bands is likely to be a key contributor to the large positive pay gap (22.1%) for staff who identified themselves as carers, with none of those staff being aged under 35 years. Similarly, the lower proportion of carers among job applicants is perhaps to be expected since nearly three-quarters of applicants were aged under 35 years.
- 47 In our 2021 staff survey, which is based on the [Civil Service People Survey](#) core questionnaire, we included two additional questions to explore the extent to which staff who are carers:
- a. know where to access relevant information and support in the organisation; and
 - b. feel supported by their line manager in balancing their work and caring responsibilities.
- 48 We will report on the outcomes from that survey in our 2021-22 Equality Report.

Sexual orientation

- 49 For those employees that completed our diversity monitoring form, 5.5% identified their sexual orientation as lesbian, gay or bisexual, with a further 3.5% choosing the option 'prefer not to say'. The corresponding figures for job applicants over the last three years were 6.3% and 4.9% respectively.
- 50 The figures both for employees and applicants are similar to those in published statistics for the [Civil Service](#) (5.0%) and higher than [Estimates for the wider UK](#)

population; in 2019, an estimated 2.7% of the UK population aged 16 and over identified themselves as lesbian, gay, or bisexual or did not consider themselves to fit into the heterosexual or straight, bisexual, gay or lesbian categories .

- 51 Our overall pay gap for staff who identified their sexual orientation as lesbian, gay or bisexual is now 19.9%; as of 31 March 2021, the mean basic salary of those staff who describe their ethnicity as sexual orientation as lesbian, gay or bisexual was £8,900 less than that of staff who identify themselves as heterosexual/straight.
- 52 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. While acknowledging that, due to the small numbers in our dataset, the data is sensitive to even small changes in these cohorts, we consider that the extent of this pay gap and the downward trend over the last five years (see **Exhibit 3**) is a cause for concern.
- 53 Slightly higher proportions of job applicants who identified themselves as lesbian, gay or bisexual were invited to interview and were successfully appointed when compared with applicants who identified themselves as heterosexual/straight.

Age and marriage/civil partnership

- 54 Perhaps the most obvious change in our workforce over the last five years is the rapid increase in the proportion of younger staff. In 2016-17, just under one quarter of our workforce was aged less than 35 years, compared with 2020-21, where over a third of the workforce are now in that age group. This marked change reflects the significant expansion of our programme of graduate trainee and apprentice recruitment over the period.
- 55 We have an overall negative pay gap for younger staff of 45.5%; the mean basic annual salary of those staff aged less than 35 years is around £24,000 less than that of staff aged 35 to 54 years. Since 2017-18, the extent of this gap has narrowed by approximately 1%, year-on-year.
- 56 As illustrated in the salary quartiles charts provided in the Data Tool, the distribution of younger staff across pay bands is the immediate explanation for this gap; only 7% of Wales Audit Office staff aged less than 35 years are employed in pay bands 5 and above.
- 57 Clearly, a pay gap in respect of age is to be expected due to skills and experience increasing with age. This is particularly the case in a professional service organisation that requires a substantial proportion of its workforce to be educated to postgraduate professional level and to have judgement skills honed by significant professional experience. However, as outlined in our recent equality reports, we consider that the extent of this pay gap requires ongoing consideration.
- 58 The distribution of younger staff across pay bands is also likely to be a key contributor to the large positive pay gap (39.1%) for staff who identified themselves as being married or in a civil partnership. In our lower pay quartile, where 87% of

staff are aged less than 35 years, over four-fifths of staff identify themselves as not being married or in a civil partnership.

- 59 While acknowledging the small sample size, a significantly lower proportion of older job applicants (aged 55 years and older) were invited to interview (8%) or successfully appointed (0%) when compared to the figures for all applicants (25% and 6%). We consider this a cause for concern and in need of further investigation.

Religion or belief

- 60 For those employees that completed our diversity monitoring form, 10% either answered 'prefer not to say' or identified with a religion or belief other than Christian. The remaining 90% are approximately evenly split between those identifying themselves as Christian (all denominations) and people having no religion or belief. These figures broadly align with the latest statistics for the [Welsh population](#). For job applicants over the last three years, approximately one-half identified as having no religion or belief, and one-third identified themselves as Christian.
- 61 There is a strong correlation in our workforce (and also among our job applicants) between age and identification with a religion or belief. In our lower pay quartile, where 87% of staff are aged less than 35 years, nearly two-thirds of staff identify themselves as having no religion or belief. This correlation mirrors that seen in wider [Research into young adults and religious affiliation](#), which suggests that the proportion of young adults (16-29) with no religious affiliation in the UK is around 70%.
- 62 There is also a strong correlation between our ethnicity pay gap and the negative pay gap of 19.6% identified through the analysis for staff who identified with a religion or belief other than Christian. Nearly three-quarters of staff who identified their ethnicity as ethnic minority also identified themselves with a religion or belief other than Christian.
- 63 Similarly, while the smaller sample size should be acknowledged, it is noteworthy that a significantly lower proportion of job applicants who identified with a religion or belief other than Christian were invited to interview (15%) and successfully appointed (1%) when compared to applicants who identified themselves as Christian (27% and 5%) or as having no religion or belief (27% and (8%).

Exhibit 3: pay gaps

Line graph showing mean pay gaps for certain protected characteristics as of 31 March each year for the last five years.

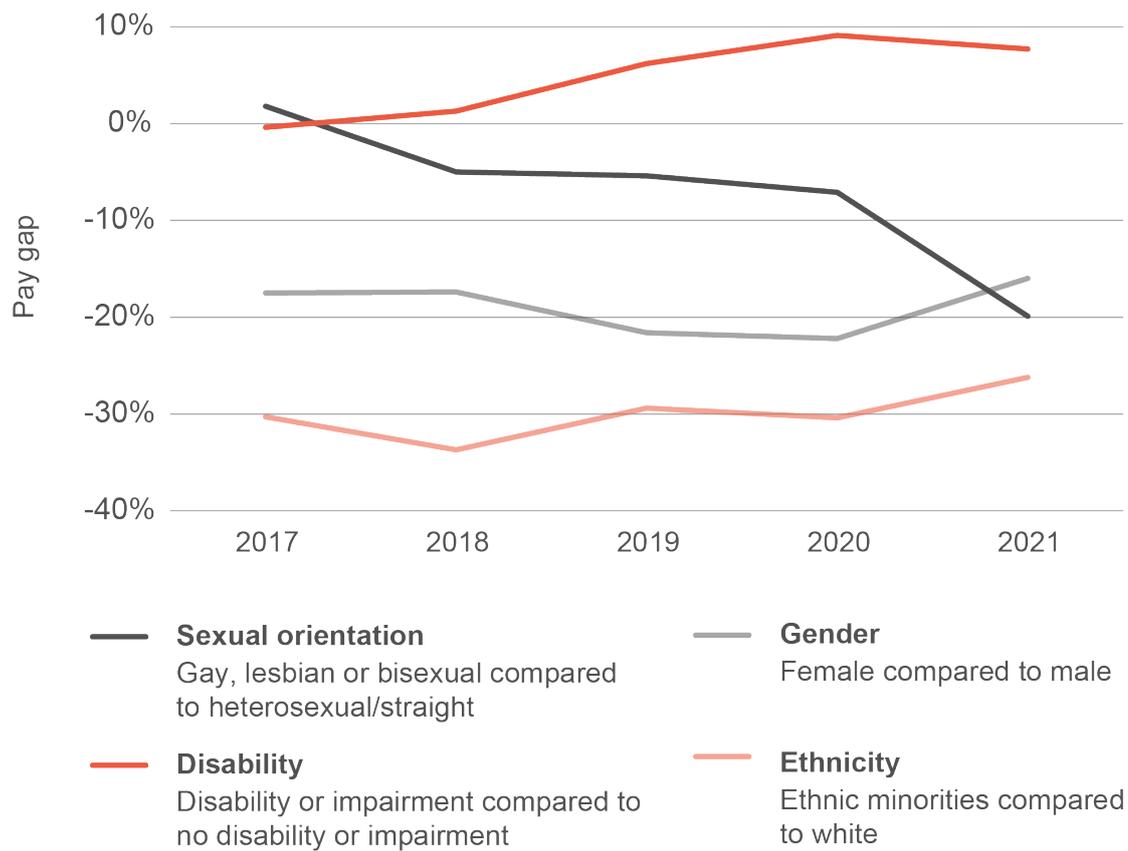


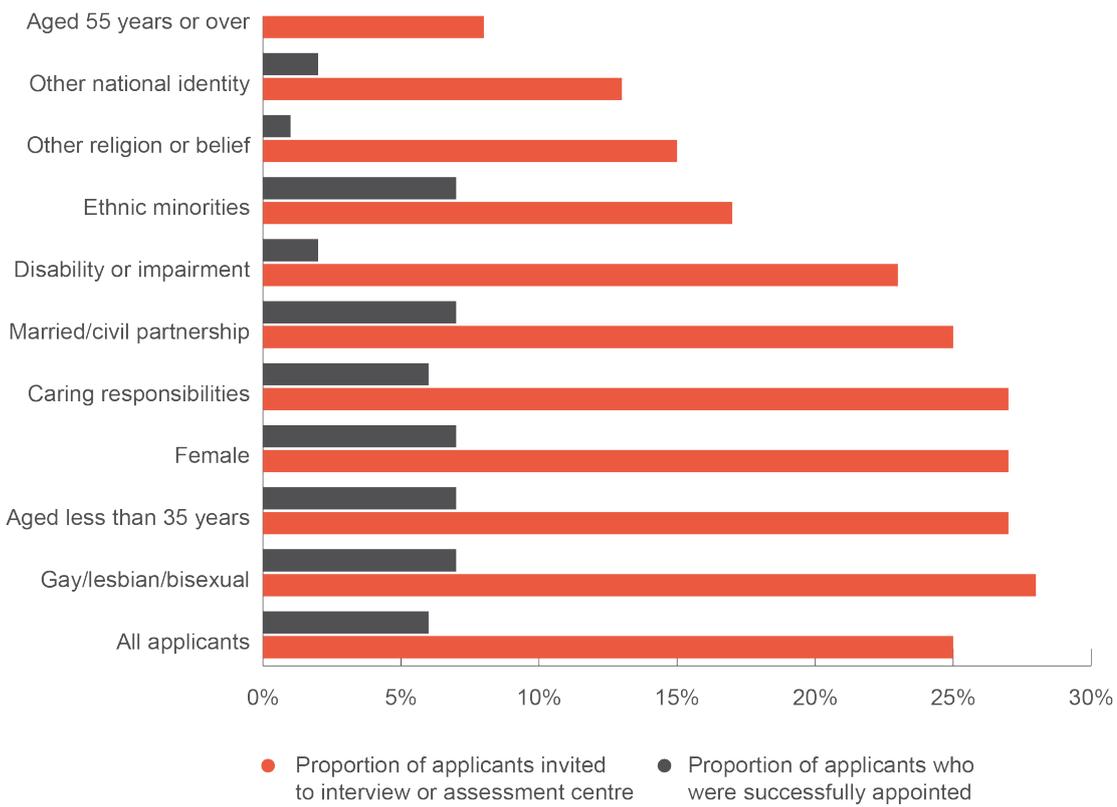
Exhibit 4: pay gap benchmarking

Benchmarking of our mean basic pay gender and ethnicity pay gaps as of 31 March 2021 against equivalent latest published data from selected organisations.

Organisation	Gender pay gap	Ethnicity pay gap
Audit Wales	-16.0%	-26.2%
<u>Senedd Commission</u>	+7.3%	-20.9%
<u>Welsh Government</u>	-5.5%	–
<u>National Audit Office</u>	-10.0%	-13.4%
<u>Audit Scotland</u>	-11.3%	–
<u>PwC UK</u>	-9.4%	-7.6%
<u>EY UK</u>	-15.3%	-16.4%
<u>Deloitte UK</u>	-16.2%	-13.8%
<u>KPMG UK</u>	-22.8%	-14.7%

Exhibit 5: success of 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.



Appendix 1

Impact assessments completed between 1 April 2020 and 31 March 2021 and the key outcomes from those assessments

Learning and Development Policy

Through the impact assessment, it was recommended that several revisions should be made to the drafting of the Policy, to prevent the potential for unfair disadvantage in its application to part-time staff.

It was also recommended that the Policy should include offering English improver training opportunities to staff whose first language is not English, to mirror the language opportunities offered in other languages, such as Welsh.

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;
- the HR team should consider running a pilot scheme with a review period before rolling out to all staff.

Travel and expenses policy

Administrative changes were made to the travel and expenses policy based on previous impact assessment work. No substantive changes were made to the policy, with no identified potential for having an adverse effect on staff.

Smarter working policy

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

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

Appendix 2

Notes on our analysis of employment information by equality characteristic

We launched our current diversity monitoring question and category framework and e-recruitment system in November 2014. 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;
- 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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Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg.