



National Audit Office

Diversity and Inclusion Annual Report 2023-24

23 JULY 2024





National Audit Office

We are the UK's independent public spending watchdog.

We support Parliament in holding government to account and we help improve public services through our high-quality audits.

Diversity and Inclusion Annual Report 2023-24

The National Audit Office (NAO) scrutinises public spending for Parliament and is independent of government and the civil service. We help Parliament hold government to account and we use our insights to help people who manage and govern public bodies improve public services.

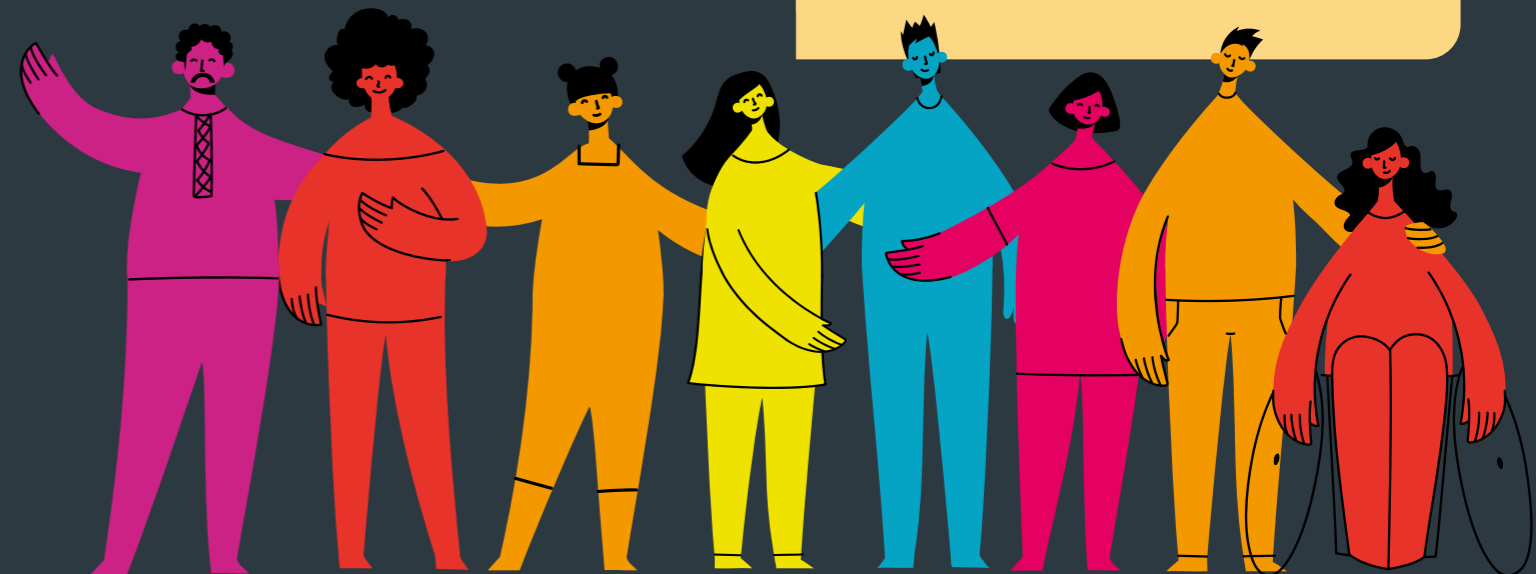
The Comptroller and Auditor General (C&AG), Gareth Davies, is an Officer of the House of Commons and leads the NAO. We audit the financial accounts of departments and other public bodies. We also examine and report on the value for money of how public money has been spent.

In 2023, the NAO's work led to a positive financial impact through reduced costs, improved service delivery, or other benefits to citizens, of £1.59 billion.



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Foreword by the C&AG



It is a pleasure to introduce our diversity and inclusion annual report, setting out the NAO's continued progress in 2023-24 towards being a genuinely inclusive and diverse organisation.

We are developing

a culture that offers talented people from all backgrounds the opportunity to realise their potential and make a big contribution to our mission.

Three years into our Diversity and Inclusion Strategy 2021-25, we have made substantial progress on gender equality. We now have equal numbers of male and female managers and the proportion of directors who are female has risen from 32% in 2021 to 43% in 2024. We expect to eliminate the remaining gender pay gap by 2027.

We are also making progress on improving the representation of staff from ethnic minority backgrounds, but have more to do at senior levels. In the last year, we completed our first ethnic minority sponsorship programme, and so far two of the nine participants have achieved promotion to director.

We are also seeing the benefits of our diversity focused recruitment, retention and career progression activities, and will continue to develop these.

In July 2023, we achieved Level 3 Disability Confident status, highlighting our commitment to inclusive hiring and talent development. We moved our Newcastle employees to a new, accessible office, showing our commitment to meeting more of the diverse needs of our staff. We are applying this learning to the refurbishment of our London office, which starts in 2024.

Our long-standing commitment to social mobility continues, and we continue to benefit from our paid internship schemes targeted on participants from less advantaged backgrounds, many of whom go on to join our training programmes.

I want to thank all our colleagues for their dedication and contributions to our D&I initiatives this year. I'm especially grateful to our staff networks, led by volunteers, for their energy and constructive challenge and ideas. Your efforts are crucial to achieving our goals.

Gareth Davies
Comptroller and Auditor General (C&AG)

Who we are

Women

2020	2021	2022	2023	2024
48%	48%	48%	49%	49%

Ethnic minority

2020	2021	2022	2023	2024
19%	22%	23%	25%	26%

Disability

2020	2021	2022	2023	2024
12%	12%	15%	15%	15%

Social mobility

less advantaged as measured by parental occupation *

2020	2021	2022	2023	2024
Data not available	Data not available	Data not available	Data not available	25%

LGBTQ+

2020	2021	2022	2023	2024
4.5%	5.1%	5.3%	5.9%	6.6%

* Parental occupation is the most accurate measure available to assess socio-economic background. It is widely used and highly endorsed by academics due to its ability to produce a distribution of socioeconomic background. Research shows that Parental occupation also typically gets the highest response rates and is accessible to those from all nationalities.



It is categorised in the following way:

More-advantaged socio economic backgrounds – modern professional & traditional occupations; senior or junior managers or administrators.

Intermediate backgrounds – clerical and intermediate occupations; small business owners.

Less-advantaged socio-economic backgrounds – technical and craft occupations; routine, semi-routine manual and service occupations; long-term unemployed.

Highlights for year 2023-24



THIS SECTION HIGHLIGHTS OUR KEY ACHIEVEMENTS THIS YEAR



Moved into a brand-new office in Newcastle, which provides a new accessible and inclusive working premises.



Achieved Level 3 Disability Confident status in July 2023.



Reduced our mean gender pay gap by a further 1.9 percentage points. We also recorded a decline in our disability pay gap of 0.95 percentage points.

Reduced the Ethnic minority senior auditor attrition rate from 39% to 19%.

Completed our pilot ethnic minority sponsorship programme with two of the nine participants promoted.



Moved to workplace adjustments recorded online, improving our ability to inform the planning of major projects and support colleagues.

Strengthened our social mobility data, with 73% of employees completing the parental occupation measure.

Key challenges



THIS SECTION HIGHLIGHTS WHERE WE HAVE NOT MADE THE PROGRESS WE HAD PLANNED THIS YEAR

Our ethnicity pay gap has widened. Our analysis shows this is primarily because of our positive trainee recruitment and reduced attrition rate at lower grades. We also fell short of our representation targets for ethnic minorities at all post-qualification levels, in part due to resignation rates, although these are showing improvement.

We fell short of our target for women entrants to our training programmes despite taking steps such as digital marketing, targeted emails and use of social media to grow engagement and attraction.



Our Diversity and Inclusion Strategy 2021-25

OUR D&I STRATEGY IS BUILT ON FOUR PRIORITY AREAS WHICH THIS REPORT WILL FOCUS ON

1.

Proactively strengthening the diversity of our pipeline

- Enhance the career experience of our ethnic minority colleagues
- Establish a fully accessible, disability inclusive workplace
- Value different ways of working and respect individual needs.

2.

Maximising the potential of all our people

- Foster a culture of personal growth and tailored careers
- Blend behavioural change with inclusive people processes
- Support people to be inclusive empathetic leaders and colleagues

3.

Building a culture of inclusion and respect

- Appreciate and value identity in all its forms
- Provide opportunities for people to connect and expand their perspectives
- Cultivate a culture where we remain open and curious to learn about others

4.

Setting clear ambitions and holding ourselves to account

- Set challenging and transparent targets using real-time data to track progress
- Report progress against our strategy through the DIOC and our Executive Team
- Monitor and take action on feedback our people give us through regular people surveys



Priority 1

Proactively strengthening the diversity of our pipeline



Trainee pipeline

Recruited 42% ethnic minorities to our 2023 graduate intake and 25% to our apprenticeship scheme, providing a strong base from which to develop and progress diverse talent.

Fell short of our disability target, recruiting only 6% of trainees with a declared disability compared with our target of 13% (14% recruited in 2022). We have taken steps to build trust and reinforce messaging on the support and flexibility available, including reasonable adjustments. We are also a level 3 disability confident organisation and participate in the Offer an Interview cheme.

Transitioned to 'parental occupation' as our new measure of social mobility: In 2023, 24% of our graduate intake were from less-advantaged backgrounds. This closely maps to undergraduate representation, which has consistently been 26% for the past five years.

A diverse workforce allows to us to understand challenges faced by our clients and service users and adapt our working practices to allow for better inclusion. Diverse representation at all levels of the organisation is fundamental to achieving our goal of being an exemplar employer. We take active steps to enable diversity in our workforce through recruitment.

Recruitment activities

Trainee recruitment

Our recruitment activities are wide ranging. We target diverse recruitment events, work with various job boards and university careers fairs to promote and recruit for our graduate programme. This year, we have put more resource behind our digital efforts through targeted email marketing increasing the reach of our recruitment. As we have struggled to achieve gender balance, we placed additional focus on connecting with female candidates through involvement in women in leadership and gender focused events. Moreover, our internship and work experience initiatives are tailored to diverse groups such as ethnic minorities and those from less advantaged socio-economic backgrounds (LSEBs), further diversifying our talent pool, and serve as a talent pipeline into our trainee programmes.

Internship programme

Welcomed 17 students to our internship programme across our London and Newcastle offices. Interns spent the majority of their time working within host teams on financial audit (FA) and value-for-money (VFM) projects, with one of the interns saying: "I enjoyed the variety of work that I was able to take part in; both VFM and FA. Also, the opportunity to attend a Public Accounts Committee (PAC) session which helped me truly understand the value of the work conducted by the NAO." Eleven students sat the assessment at the end of their placement and eight have been offered a place to join our 2024 graduate programme.



Experienced hire

Increased the diversity of our analyst population with 50% of new recruits in 2023-24 from ethnic minority backgrounds, and 40% women. The overall diversity of our analyst cadre has gone from 40% female and 24% ethnic minority in 2023 to 36% female and 33% ethnic minority in 2024.

Review of our analyst recruitment process

Having struggled to meet our diversity targets in our analyst recruitment campaigns, we undertook a review into our recruitment process. This involved looking at drop-out statistics through different recruitment stages, understanding the analysts' experience of the application process, exploring how well the skill requirements aligned to the job role, and considering external views through government department interviews.

The result was a revamp of the recruitment process, including reviewing the job specification and reshaping roles to encompass a broader, more generalist scope. This adjustment expanded our reach to a more diverse talent pool, resulting in increased interest from diverse groups including females and ethnic minorities.

Attracted diverse candidates to our experienced hire positions. Our recruitment approach is designed to be inclusive. We adopt a measured approach ensuring there is diversity at application, shortlist, and interview stage. We have run several successful external campaigns in 2023-24, including at Senior Auditor, Senior Analyst and Band 2 level. We work with diverse job boards to promote the opportunities and aim for a diverse reviewing and interview panel. Through this approach, we have achieved strong ethnic and gender diversity across our experienced hires.

Total senior auditors recruited: 24	Total senior auditors in grade
Ethnic Minority – 58%	Ethnic Minority – 22%
Women – 54%	Women – 44%
Senior analysts recruited: <5	Total senior analysts in grade
Ethnic Minority – 25%	Ethnic Minority – 20%
Women – 75%	Women – 60%
Total Band 2s recruited: 18	Total Band 2s in grade
Ethnic Minority – 28%	Ethnic Minority – 35%
Women – 67%	Women – 52%



Promotions

We ran a number of internal promotion campaigns throughout the year, including opportunities for director, senior audit manager and senior analyst grades. The posts are shared on our intranet and directors and performance coaches are encouraged to have conversations with team members about promotion opportunities and to support applications. Our staff networks also support their members by hosting Q&A sessions with applicants who have been successful in the past and by offering mock interviews.



Total promotions: 208	Director
EM – 23%	EM – 22%
Female – 54%	Female – 78%
Disability – 15%	Disability – 0%
Social mobility (by parental occupation) – 24%	Social mobility (by parental occupation) – 0%
Senior audit manager	Senior analyst
EM – 5%	EM – 17%
Female – 74%	Female – 57%
Disability – 21%	Disability – 17%
Social mobility (by parental occupation) – 23%	Social mobility (by parental occupation) – 0%



Priority 2

Maximising the potential of all our people

We aim to maximise the potential of all our colleagues by addressing obstacles to career advancement and championing equality across all areas, including work allocation, development opportunities and promotion. We work towards inclusive leadership and fostering a culture where every individual can be at their best.

We have three equality action plans – our Race Equality Action Plan (REAP), Disability Equality Action Plan (DEAP) and Social Mobility Equality Action Plan (SMEAP) – which we continually update to remain relevant and focused on key areas.

Race

Improved ethnic minority retention, although it still remains a focus area, particularly at post qualification stage. Progress towards our representation targets remains challenging, with 11% executive directors/directors and 14% senior audit managers/Band 1s against our March 2024 targets of 18% and 26%, respectively.

Successfully completed the NAO's first ethnic minority sponsorship programme aimed at supporting progression of ethnic minorities to senior positions. Our Learning and development team facilitated a series of action learning sets as part of the offering. Participants valued these as a forum to build connections as well as affording them the time and space to share views and consider different perspectives and approaches. One participant wrote: "I would recommend the programme to others so that they can gain exposure and insights from the senior leadership in this organisation".

Introduced executive director interviews with newly qualified staff. These conversations support career planning and aspirations and have been well received, with one auditor commenting "It's easy to feel unnoticed, particularly as a trainee, so it was nice to know that the executive directors are making time to have these conversations with us."

Offered director mentoring, primarily tailored to senior auditors, providing a platform for discussing career advancement, addressing potential hurdles, and devising strategies for progression.

Race equality challenge

We are committed to creating an environment where our ethnic minority colleagues feel seen, heard, and included. Positive inclusion is a particular focus of our Race Equality action plan (REAP) and, to support this, we launched a campaign spread across five months, tying in with Race Equality Matters' 'Race Equality Week', and centred around education, conversation and reflection. We encouraged colleagues and teams to take part in each of the Race Equality Matters' challenges. The challenges covered: understanding different cultures, tackling microaggressions, sharing public praise, creating a culture of belonging and finally – as we strive to move from conversation to meaningful change – personal and collective actions.

Disability

Updated our workplace adjustments process to improve how we support colleagues with adjustments. We ran training sessions for performance coaches, disabled colleagues, HR business partners and people development directors to ensure they were comfortable and confident using the new process.

Appointed a neurodiversity technology provider, Microlink, and their partner Genius Within, who offer an online neurodiversity screening tool providing immediate tailored support and strategies. These are then followed up with a conversation to identify and implement workplace adjustments.

Established a disability accessibility group with subject matter expert members who meet regularly to discuss and establish sustainable best practice. Over the past year the group has identified actions to support accessibility across areas such as procurement, communication and digital software. The group has identified and started working on the requirements for WCAG2.2 (Web Content Accessibility Guidelines) and feeding into the equality impact assessment for the London office refurbishment.

Awarded Level 3 Disability Confident status by demonstrating our commitment to inclusive recruitment and talent development, including attracting disabled people to our graduate and apprentice roles by advertising opportunities through organisations and media aimed at disabled people, such as Evenbreak.

Social mobility

Increased declaration rates of our new social mobility measure. Over 73% of our people have now completed the parental occupation question. This has informed our understanding and thinking in key areas such as representation and promotion.

Reviewed representation in our value for money (VFM) specialism. We have identified lower representation of those from LSEBs in our VFM teams. We are working with the Social Mobility Network, recruitment team, and professional training team to understand the external and internal opportunities to work in VFM and potential barriers.

Analysed trainee exam results and found that pass rates for professional exams were lower among those from LSEBs, namely those who were not completing all preparation steps. We are supporting trainees to complete all recommended preparation steps and to understand barriers to them doing this.

Supported RISE, a new initiative to equip students from LSEBs

We have supported a new external initiative over the past year which helps to equip students from LSEBs with skills they need to succeed in work. Staff from the NAO have supported over ten workshop sessions since December 2023, with one volunteer commenting: "it was nice to be able to be just one of the voices that these young people could hear telling them that they can be whoever they want to be!"

Learning and development

We have continued to embed best practice in running internal courses, creating accessible environments enabling all colleagues to fully participate. We run in-person and remote events, remind colleagues of the closed caption functionality and record events where possible. We have also introduced the opportunity for colleagues to communicate their requirements in advance of a learning event, allowing more tailoring to support individual's needs.

Ran four anti-bullying and harassment workshops throughout the year, which were well attended and received. Participants commented: "I really value the conversations that these types of courses generate," and "it gives a lot of useful information and opportunity for discussion and thought about behaviours."

Supported neurodivergent colleagues through upskilling our coaches. The coaching faculty have continued to expand their skills and ability to support diverse colleagues, including training on how to provide supportive coaching to neurodivergent individuals.

Re-designed our onboarding for experienced hires. To improve inclusivity, a PowerApp was created where new joiners can share personal information with the team to find commonalities and areas of support. Lessons learnt from the external market combined with use of in-built programs for accessibility helped ensure the new onboarding tool was accessible to everyone.

Embedded best practice when running internal courses

Our Learning & Development team have implemented best inclusive practice including:

- Introducing hybrid sessions
- Arranging special equipment for colleagues with visual impairments
- Providing tailored resources for colleagues with dyslexia
- Producing transcripts and summaries for animated videos
- Introducing self-reflection to tailor learning to individual needs

Communication

Improved the way we communicate and produce material ensuring it is consistently accessible to all readers. Improvements include; reviewing our colour palettes and typefaces; moving away from the use of PDF documents to 'on page' information; and providing transcripts for video content. We are developing a new accessible PDF template and now routinely incorporate audience testing in any updates or changes.

Priority 3

Building a culture of inclusion and respect

Through our commitment to D&I, one of our key objectives is to build an environment where everyone feels included and valued for the contributions they bring to our organisation.

Diversity mentoring programme

We continue to promote cultural understanding and expand perspectives through our highly successful Diversity Mentoring programme.

Many participants would recommend the programme to colleagues, with one commenting that “this is an excellent programme and enormously beneficial in enabling people to discuss potentially sensitive issues and subjects in a safe space that allows them to genuinely learn and improve... it’s such an important scheme”.

Similarly, mentors have gained from being part of the programme and being able to share their experiences and provide relevant observations, with comments such as, “I was able to express my own perspectives.”

We recruited for our fourth programme, which launched in April 2024 involving directors, Band 1s and senior audit managers.

Education and awareness

Grew cultural awareness through integrated knowledge sharing and events. We do this through a range of mediums to maximise staff engagement such as our staff intranet, a quarterly staff publication, and our weekly Office newsletter and Comptroller & Auditor General emails. Alongside this, we produced regular communications for senior leadership, including video clips, articles and events to encourage personal reflection and development as well as stimulate wider team conversations.

Celebrated National Inclusion Week with targeted activities and diverse speakers, including our keynote speaker Caroline Page, the first transgender officer to serve openly in the UK armed forces. Engagement in sessions was high, with over 260 people attending on the day and a further 520 watching the recordings. We also held a workshop on allyship, led by a member of our Diversity and Inclusion team. Participants called this session “insightful and practical”. It provided ideas on how to be part of creating a workplace where everyone feels welcome and valued.

Ran a series of events during Disability Week, including informative and practical workshops on our new workplace adjustments process, how to include equality impact assessments in project planning, and understanding neurodiversity in the workplace.

Neurodiversity in the workplace

As awareness of neurodiversity builds, we have created opportunities for our staff to share their personal stories including blogs. This has helped to grow awareness of neurodivergent conditions and understanding of how these impact work preferences, and supported us to foster a more inclusive workplace. Below are a couple of extracts from these blogs.

“I have ADHD. It has taken me weeks to write this blog... the possibilities felt enormous. The things I would say, witty yet profound, eye-opening, and deeply heartfelt. That state lasted for about thirty minutes. The intervening period has been filled with guilt and procrastination... despite the challenges, I would never choose to get rid of my ADHD, were I able to. It makes me who I am. It drives my imagination, my creativity, my problem solving. Day to day I may waft about like a jellyfish in a jacuzzi, but I am excellent in a crisis. If something is urgent, challenging, interesting or novel, I shine. I do not see ADHD as a disorder, but a quality that causes me to struggle under some conditions and flourish under others.”

“Everyone with dyspraxia will face different challenges and have different ways of managing, so I think my key message would be that we could all try to demonstrate patience and understanding if someone works in a way that seems out of the norm. Understanding that some of us need adaptations to perform at our best, and be our most comfortable and confident, would go a long way in making neurodivergent people feel welcome and supported in the workplace and in wider life.”

Employee networks



We have seven staff networks – Religion and Belief, Generations, Social Mobility, LGBTQ+, Disability, Women’s, and Ethnic Minority – that support our colleagues, help raise awareness of diversity, and work closely with HR colleagues to promote and embed inclusive behaviours. Here are some of their stories.

Religion and Belief Network

The Religion and Belief Network has increased membership and engagement across the Christian Group, the NAO Muslim Network and the Hindu Group. Highlights of the year include establishing a fortnightly programme of Bible studies, organising the Christmas Carol service, and office-wide initiatives during Ramadan, including an awareness drop-in session and a Fast-Till-Noon Challenge. The network also hosted several social events, connected with trainees on faith in the workplace, and ran an office-wide event on faith and mental health during Mental Health Awareness Week.

Generations Network

With a growing spotlight on dementia, the Generations Network has supported the NAO to develop a dementia plan focused on awareness and support. They also campaigned for signing of the Age Friendly Employer Pledge and stimulated thinking about how we recruit, manage and support older workers. During the year, the Network organised wellbeing walks to raise awareness of how important exercise and social interaction are. In Carers Week, the NAO’s Carer Support Community published a series of insightful blogs on personal experiences of being a carer and ran a learning session on what it is like to be a carer at the NAO, including signposting available support and resources.



Above and right images: Wellbeing walk to promote Dementia Awareness Week.



Social Mobility Network

The Social Mobility Network has helped encourage staff, through membership engagement, to disclose their parental occupation data. Having trialled a buddy system last year, the network has now established this programme, which provides support and guidance to junior colleagues from less advantaged backgrounds across the NAO to help them navigate the workplace. Members of the network have supported outreach activities, delivering talks on the NAO and the accountancy profession to local schools. They have also supported the Access Accountancy Work Experience scheme by hosting, for a week, students from LSEBs.

LGBTQ+ Network

The LGBTQ+ Network is proud to fly the rainbow flag for LGBTQ+ inclusion at the NAO. The network has published an LGBTQ+ issue of Green, hosted a panel discussion on the meaning of Pride, and built a supportive community with social and welfare events. In July 2023, staff gathered in Newcastle to represent the NAO at Northern Pride, wearing specially made T-shirts. Over the coming year the network hopes to collaborate on a joint event with KPMG's Breathe Network.

Women's Network

During the past year, the network has delivered seminars to raise awareness on sexual misconduct in the workplace, and to grow understanding around women's health and areas, such as the menopause. The network also hosted an internal panel event to celebrate International Women's Day and inclusivity, inviting a diverse range of women from across the organisation to share their experiences. They highlighted where further improvements could be made to gender equality and provided tips to empower women in their careers. The network has also published several blogs to highlight the impact of women's concerns and experiences, including one titled 'An exploration of women in revolt', a talk by Sandi Toksvig, and a question, "what more is there to do?" The network has a number of aims, including empowering and championing women, helping with mentorship opportunities, capturing members' views and suggestions, engaging and partnering with others to inspire change, and raise the profile of women's culture, values and differences.

disAbility Network

The disAbility Network has continued to work closely with the NAO mental health first aiders and HR to help dispel stigma around mental illness, increase understanding of neurodiversity and promote wellbeing. Together they ran sessions on workplace adjustments and on the added value colleagues with neurodiverse conditions – including autism, ADHD and dyslexia – contribute to the NAO. The network tested software updates for accessibility and provided advice during refurbishment projects, helping ensure NAO systems, workspaces and facilities are accessible to all. They have also shared good practice in designing work assignments to meet the needs of the individual.

Ethnic Minority Network

The Ethnic Minority network has continued to celebrate the accomplishments of ethnic minorities inside and outside of the organisation. The network celebrated #BlackHistoryMonth2023 with the theme 'Saluting our Sisters' by organising a series of events showcasing six Black women across the NAO: Director Mfon Akpan; Senior Audit Managers Lilian Ndianefo, Tosin Omole, Abiola Akintunde and Corinne Tanner; and Audit Associate Meihad Osman. They shared unique perspectives reflecting their professional experiences across the private and public sectors. These ranged from Mfon's role as an independent non-executive director in the banking sector to commitments to colleagues and wider communities through various networks, and involvement in voluntary organisations and faith groups. Common themes woven into their life stories included striving for excellence, overcoming life's challenges with determination, hard work, tenacity and a little humour, and the pivotal role that sponsorship played in their journey.

Additionally, the network featured a series of blogs celebrating Black women outside the NAO who inspired and influenced individuals within our organisation. Notable figures included Haben Girma, Mavis Best, Dame Sharon White, Cynthia Oteng, Adelaide Casely-Hayford MBE, and Elsie Owusu.

The feedback from these events was overwhelmingly positive, with attendees leaving inspired and reflecting on the profound discussions. They gained a new-found appreciation for the challenges their colleagues had endured or overcome in the course of their careers.



Priority 4

Setting clear ambitions and holding ourselves to account

To advance our diversity and inclusion agenda, we set ambitious goals and share regular updates on how we are doing. By being open with our data, we ensure transparency and accountability, allowing all staff to see our progress and understand the impact of their contributions towards creating a more inclusive workplace.

Reporting and accountability

We have multiple forums we report into, which include:

- Quarterly reporting to the Diversity and Inclusion Operational Committee (DIOC), which ensures clear accountability, fosters a culture of collaboration and ensures staff have appropriate avenues through which to raise concerns.
- Monthly reporting to Executive Team and Board through the balanced scorecard and Organisational Development Plan Updates, which give senior leadership an opportunity to steer direction.
- The live data available through the Diversity Dashboard, accessible to the whole organisation.
- Regular network and key stakeholder meetings that include the Executive Team sponsor, people Director partner and Diversity and Inclusion team lead. We actively listen to concerns raised and take decisive action in response.

Meeting our targets

We set targets to measure progress and make sure we are moving the right direction. We closely monitor our progress against targets with quarterly reports into the DIOC. As of 31 March 2024:

- Female representation across the office is 49%, just below our March 2024 target of 50%. We have increased female representation in senior roles from 37% last year to 45% and exceeded our March 2024 target of 42%.
- Office-wide disability representation is at 15%, which exceeds our 13% March 2024 target and remains unchanged from last year. Representation in senior roles sits at 12%, which is 1% shy of our 13% target. This is an area that we will closely monitor.

- Ethnic minority representation at 26% is lower than our March 2024 target of 32%. Without a strong pipeline from which to promote our people we still struggle with ethnic minority representation in senior roles, which remains unchanged from last year at 11%, less than our 18% March 2024 target.
- We have fallen short of achieving gender balance in our 2023 graduate intake, with 42% against our 50% target. We achieved 42% for ethnic minority representation, slightly above our target.

Pay gaps

Reduction in our gender pay gap from a mean of 6.4% in 2022 to 4.4% in 2023. If we continue to progress at this rate, we will meet our March 2025 target and are on track to close the gap by 2027.

Increase in our ethnicity pay gap. The ethnicity pay gap has continued to widen, growing from a mean of 14.5% in 2022 to 15.4% in 2023. This is against a March 2025 target of 8%. This is a reflection of our successful efforts to increase ethnic minority representation in our trainee intake. Over recent years we have focused on improving retention of ethnic minorities who qualify with us and growing representation at more senior levels. Over the past year we have seen a reduction in the retention gap between white and ethnic minority senior auditors from 39% to 19%.

This year we also analysed the pay gap of staff from Asian and Black ethnic backgrounds. This data has shown us that the largest mean pay gap is between white and Asian staff at 17.5%. Black staff are less well represented at all levels of the organisation, and so attracting and retaining Black applicants to our roles will be a key area of focus.

Reduction in our disability pay gap. We have reported our third disability pay gap, which over the past year reduced from a mean of 6% in 2022 to 5% in 2023



People survey

We analyse our people survey by diversity characteristics four times a year. We report against this at DIOC and share the information with colleagues who have people responsibilities. We work closely with the people survey and change team to communicate how we will address concerns emerging from the analysis.

The NAO is inclusive and respectful

The NAO demonstrates a culture of inclusivity and respect, as reflected in the ratings provided by respondents. In our most recent survey, in January, the score for inclusivity and respect was 7.3. This is an improvement on last year's score of 7.0, which reflects our efforts to ensure we align to our corporate value of 'inclusion and respect'. While there is no significant difference across gender, ethnicity and social mobility scores, our disabled colleagues are less likely to feel that the NAO is inclusive and respectful (6.9 vs 7.5). These findings underscore the importance of continued efforts to ensure inclusivity and respect for all members of the NAO community.

People from all backgrounds are treated fairly

Our score for this question has been consistent over the past 12 months, and in January 2024 was 7.3. There is no significant difference across gender, ethnicity and social mobility scores. However, we see a significant difference between disabled and non-disabled colleagues, with a score of 6.9 vs 7.5 respectively. This indicates potential areas for improvement in ensuring equitable treatment and accessibility for all employees, regardless of disability status.

Inclusion and belonging

Our score on Inclusion and belonging is at 7.0. While we have focused on how we interact and connect with colleagues, we have more to do to make people feel they are valued and understood. Again, while we see no significant variation with gender, ethnicity and social mobility, we do see a notable difference between those who have a disability versus those who do not, with scores of 6.7 compared with 7.1.

Appendix One

Graduate recruitment campaigns 2019-2023

'Campaign' refers to those starting trainee scheme in September of each year.

Female application and offers to our graduate campaign 2019-2023					
	2019 (%)	2020 (%)	2021 (%)	2022 (%)	2023 (%)
Applicant	47	43	45	41	44
Offers	40	56	48	37	46
Joiners	42	48	47	38	42

Note

1 2020 campaign data refer to actual joiners as opposed to accepted offers.

Ethnic minority applications and offers to our graduate campaign 2019-2023					
	2019 (%)	2020 (%)	2021 (%)	2022 (%)	2023 (%)
Applicant	48	48	50	54	48
Offers	23	33	57	47	44
Joiners	23	42	48	58	42

Notes

1 2020 campaign data refer to actual joiners as opposed to accepted offers.

2 Offers and accepted figures include interns.

State school applications and offers to our graduate campaign 2019-2023					
	2019 (%)	2020 (%)	2021 (%)	2022 (%)	2023 (%)
Applicant	87	85	88	89	78
Offers	85	83	95	88	71
Joiners	83	86	89	88	88

Notes

1 Includes state selective and state non-selective.

2 Excludes those who did not declare, were unsure or who attended university outside of the UK.

Less advantage socio-economic background (parental occupation) application and offers to our graduate scheme 2022-2023					
	2019 (%)	2020 (%)	2021 (%)	2022 (%)	2023 (%)
Applicant	Data not captured	Data not captured	Data not captured	n/a	26
Offers	Data not captured	Data not captured	Data not captured	29	19
Joiners	Data not captured	Data not captured	Data not captured	27	24

Notes

1 Includes routine, semi-routine manual and service occupations, long-term unemployed and technical and craft occupations.

2 Excludes those who did not declare, 'other' or 'prefer not to say'.

External recruitment campaigns 2020-2024

	Executive director	Director (%)	Manager (%)	Other grades (%)	Total (%)
Female ¹	Too small to report	75	35	49	49
Ethnic minorities	Too small to report	50	22	41	39
Disabled people	Too small to report	0	9	11	11
Social background (state school attendance) ²	Too small to report	100	68	84	96
Total number recruited	1	4	23	282	310

Notes

1 Excludes those who did not declare and non-binary colleagues.

2 Excludes those who did not declare, were unsure or who attended university outside of the UK

3 'Manager' includes senior audit managers and corporate services Band 1 managers.

Representation data

Representation of women 2020-2024					
	March 2020 (%)	March 2021 (%)	March 2022 (%)	March 2023 (%)	March 2024 (%)
Executive team	43	50	50	50	57
Director	26	32	35	36	43
Manager	48	47	48	51	51
Qualified	50	49	48	47	46
Trainee	45	46	44	41	40
Corporate services	60	61	63	66	63
Total	48	48	48	49	49

Notes

1 Data as of 31 March.

2 Excludes those who did not declare and non-binary colleagues.

3 'Manager' includes senior audit managers and corporate services Band 1 managers.

4 'Qualified' includes senior auditors, senior analysts, analysts and data scientists.

5 'Corporate services' includes Band 2 and 3.

Representation data (continued)

Representation of ethnic minorities 2020–2024					
	March 2020 (%)	March 2021 (%)	March 2022 (%)	March 2023 (%)	March 2024 (%)
Executive team	29	33	33	33	29
Director	5	8	8	6	9
Manager	10	14	16	16	14
Qualified	16	17	19	18	25
Trainee	28	34	38	43	41
Corporate services	27	30	28	37	36
Total	19	22	23	25	26

Notes

- 1 Data as of 31 March.
- 2 Excludes those who did not declare.
- 3 'Manager' includes senior audit managers and corporate services Band 1 managers.
- 4 'Qualified' includes senior auditors, senior analysts, analysts and senior auditors.
- 5 'Corporate services' includes Band 2 and 3

Pay gap data 2020–2023

Gender pay gap 2020–2023				
	2020 (%)	2021 (%)	2022 (%)	2023 (%)
Mean	9.99	8.26	6.39	4.44
Median	7.04	6.39	5.46	2.41

Ethnicity pay gap 2020–2023				
	2020 (%)	2021 (%)	2022 (%)	2023 (%)
Mean	13.4	12.8	14.5	15.36
Median	19.8	18.0	19.3	24.78

Disability pay gap 2020–2023				
	2020 (%)	2021 (%)	2022 (%)	2023 (%)
Mean	n/a	2.2	6.0	5.05
Median	n/a	0.0	3.3	0.99

Appendix Two

Performance against targets

Gender			
	Actual March 2024 (%)	Target March 2024 (%)	Target March 2025 (%)
Office-wide representation	49	50	50
Senior management	45	42	45
Manager representation	51	50	50

Notes

- 1 Data as of 31 March.
- 2 'Senior management' includes executive directors and directors.
- 3 'Manager representation' includes audit managers and corporate services Band 1 managers.

Ethnicity			
	Actual March 2024 (%)	Target March 2024 (%)	Target March 2025 (%)
Office-wide representation	26	32	35
Senior management	11	18	20
Manager representation	14	26	30

Notes

- 1 Data as of 31 March.
- 2 'Senior management' includes executive directors and directors.
- 3 'Manager representation' includes audit managers and corporate services Band 1 managers.

Disability			
	Actual March 2024 (%)	Target March 2024 (%)	Target March 2025 (%)
Office-wide representation	15	13	14
Senior management	12	13	14
Manager representation	13	13	14

Notes

- 1 Data as of 31 March.
- 2 'Senior management' includes executive directors and directors.
- 3 'Manager representation' includes audit managers and corporate services Band 1 managers.

Performance against targets (continued)

Graduate recruitment			
	2023 starters (%)	Target March 2024 (%)	Target March 2025 (%)
Gender	42	50	50
Ethnicity	42	39	40
Disability	7	13	14
Social mobility (state school education)	88	87	88

Mean pay gap			
	Actual March 2023 (%)	Target March 2024 (%)	Target March 2025 (%)
Gender	4.44	5	4
Ethnicity	15.36	9	8
Disability	5.05	0	0

People survey responses

"The NAO is inclusive and respectful" (Jan 2024)		Score (out of 10)
All of Office	All	7.3
Gender	Men	7.2
	Women	7.5
Disability	With disability	6.9
	Without disability	7.5
Ethnicity	White British	7.4
	Ethnic minorities	7.2

"People from all backgrounds are treated fairly at the NAO" (Jan 2024)		Score (out of 10)
All of Office	All	7.3
Gender	Men	7.3
	Women	7.5
Disability	With disability	6.7
	Without disability	7.6
Ethnicity	White British	7.4
	Ethnic minorities	7.0

People survey responses (continued)

"I feel connected to my NAO colleagues" (Jan 2024)		Score (out of 10)
All of Office	All	7.0
Gender	Men	6.8
	Women	7.2
Disability	With disability	6.7
	Without disability	7.1
Ethnicity	White British	7.1
	Ethnic minorities	6.9



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