

Equality Report 2021-22

This report on compliance with the Equality Act 2010 General Duty covers the period 1 April 2021 to 31 March 2022. 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.

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Corresponding in Welsh will not lead to delay.

[Mae'r ddogfen hon hefyd ar gael yn Gymraeg.](#)
[This document is also available in Welsh.](#)

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Foreword

Rydym yn falch o gyflwyno ein Hadroddiad Cydraddoldeb ar gyfer 2021-22.

We are pleased to present our Equality Report for 2021-22.

This Equality Report looks at the progress we made together as Audit Wales towards delivering our equality objectives between 1 April 2021 and 31 March 2022. It is the last annual report we will publish looking at the equality objectives we set for the four-year period 2018 to 2022. Overall, we consider that we have been effective in the steps we have taken towards meeting most of the equality objectives we set for that four-year period.

In my role as Auditor General, my reports can encourage beneficial changes in terms of equality. We delivered several examinations and studies during 2021-22 which covered equality considerations and highlighted inequities in our society. These included:

- [Procuring and Supplying PPE for the COVID-19 Pandemic](#)
- [Rollout of the COVID-19 vaccination programme in Wales](#)
- [A series of Picture of Public Services 2021 outputs](#)
- [The Welsh Government's Warm Homes Programme](#)
- [Care Home Commissioning for Older People](#)

We also progressed work on a study that has a primary focus on equality, looking at the effectiveness of impact assessment arrangements across the Welsh public sector. We expect to complete our work for this study in Summer 2022.

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. In 2021-22, we continued to develop and adapt our programme of equality work, taking account of the ongoing impact of the COVID-19 pandemic.

We undertook a series of equality and human rights impact assessments of relevant policies and practices during the year. It was reassuring to see that those assessments did not identify any obvious potential for discrimination or other adverse impact, but nonetheless made several important recommendations for improvement.

Looking forward, while we are pleased to report that our structural gender pay gap narrowed again to 12% in 2021-22, 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. The key areas of focus for our programme of equality work in 2022-23 and the next four years will be set out in our soon-to-be-published Strategic Equality Plan for 2022 to 2026. These new equality objectives will form a key part of a broader five-year strategy for achieving our corporate ambitions.



Adrian Crompton

Auditor General for Wales



Lindsay Foyster

Chair, Wales Audit Office

Progress towards meeting our equality duties and objectives

In 2021-22, 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 the equality objectives we set for the four-year period 2018 to 2022.

- 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.
- 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 had prepared a [Strategic Equality Plan](#) for the period 2018 to 2022, which set 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 2021-22, we continued to develop and adapt our programme of equality work, taking account of the ongoing impact of the COVID-19 pandemic. 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.

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

- 11 In October 2021, for the fifth successive year, we ran our annual staff survey using the same core questionnaire that is used in the Civil Service People Survey (CSPS). Eighty four 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 2021 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.
- 12 It was reassuring to note that for questions related to equality, responses from our staff were mostly similar to CSPS median benchmarks, where available. 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. Similarly, while no benchmarking data is publicly available, the reasons for our percent positive score of 42% to the newly-included survey statement ‘The process of filling vacancies within my organisation is fair’ will be explored as part of our ongoing work on reviewing our recruitment policies and practices.

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 2021-22.

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, the most recent of which was launched towards the end of 2021-22. We provided details of the Consultation to the Equality and Human Rights Commission (EHRC) in Wales and to members of the Coalition and later in 2022-23 will offer to attend a Coalition meeting to discuss the finalised programme and some of the priority topics for future years.</p> <p>Similarly, for specific examinations and studies that are relevant to the General Equality Duty, including those listed in the commentary on progress made against Objective 2, we invite input from relevant representative bodies.</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 (EIA) arrangements across the Welsh public sector. Further stakeholder engagement with the Welsh Government and via an EHRC Exchange event in October 2020 endorsed this approach. Work on the study commenced in 2020-21, but progress was initially 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>In November 2021, we hosted a good practice webinar entitled ‘How Boards understand Equality’ as part of <u>2021 Trustees’ Week</u>. The audience for the event was mainly trustees and staff of third sector organisations. We were invited to talk about the work that we were undertaking as part of our study looking at EIAs in public bodies.</p> <p>We shared some of our early learning on what public sector organisations are doing and the difficulties they experience, much of which was relevant to the work of the voluntary sector. We also invited participants to tell us their views and experiences of EIA by taking part in our <u>Call for evidence</u> for the study, that ran from October 2021 – April 2022. The information gathered from the event has added to our evidence base for the study.</p> <p>Alongside undertaking the study with a primary equality focus, we delivered several other examinations and studies during 2021-22 which included equality considerations.</p> <p>These included:</p> <ul style="list-style-type: none"> • <u>Procuring and Supplying PPE for the COVID-19 Pandemic</u> • <u>Rollout of the COVID-19 vaccination programme in Wales</u> • <u>A series of Picture of Public Services 2021 outputs</u> • <u>The Welsh Government’s Warm Homes Programme</u> • <u>Care Home Commissioning for Older People</u>

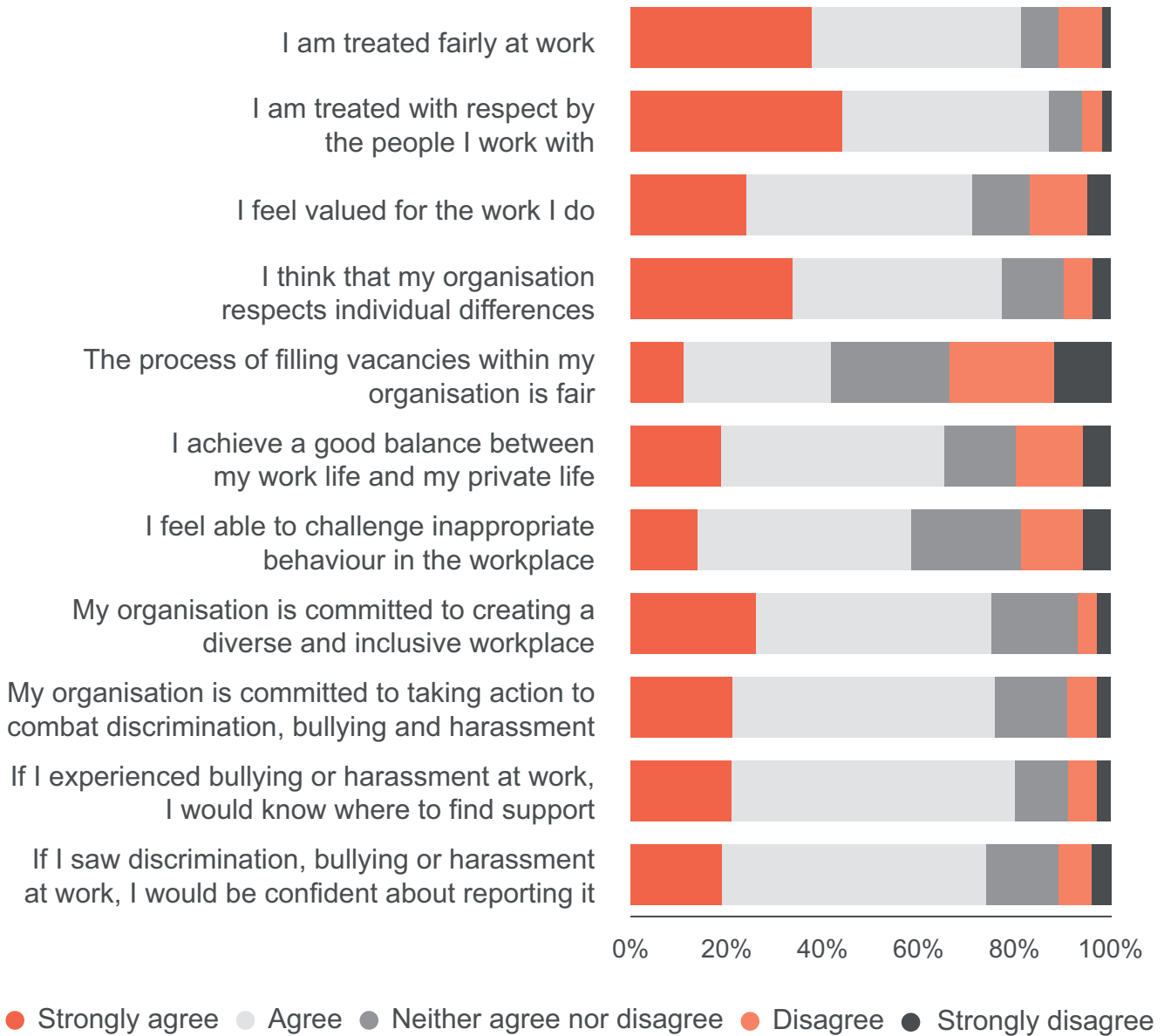
Objective	Effectiveness of steps taken, and progress made
<p>Objective 3</p> <p>We will revise the Auditor General's Code of Audit Practice to ensure the prescription in the Code enables us to better perform the General Equality Duty when undertaking our audit work.</p>	<p>Assessment: Effective</p> <p>A revised <u>Code of Audit Practice</u> 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>
<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. 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.

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 March 2022, the Wales Audit Office Board held a strategic discussion to consider the analysis of the employment information published in our Equality Report 2020-21. 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>
<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 2021-22, we finalised a procurement strategy that covers all relevant aspects of our responsibilities under the General Equality Duty and 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. Through our contract management framework, 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 met the 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 2021-22, 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 2021-22, 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 designed 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>Following on from a similar exercise undertaken in 2018-19, in February 2022 we launched a public consultation inviting views on topic areas for our future audit work programme. We provided details of the consultation to the EHRC in Wales and to members of the WCVA-facilitated Equality and Human Rights Coalition. It is our intention to attend a Coalition meeting later in early 2022-23 to discuss the finalised programme and some of the emerging priority topics for future years.</p> <p>As outlined in our Annual Plan for 2022-23, 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



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

- 13 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.
- 14 We also have a responsibility to uphold the rights set out in the Human Rights Act 1998 and are mindful of the need to reduce the inequalities of outcome that result from socio-economic disadvantage in our strategic decisions.
- 15 Our impact assessments, which also 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.
- 16 A list of the full impact assessments completed between 1 April 2021 and 31 March 2022 and the key outcomes from those assessments is provided in **Appendix 1**.

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

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- 17 The following policies and practices (or revisions to those policies and practices) were also screened during 2021-22 for relevance³ but were not subsequently subject to a full impact assessment.
- a elected employee board member electoral rules and appointment process
 - b process for appointment of seasonal auditors
 - c secondment policy
 - d national security and vetting policy
 - e restructures of Finance, IT, Law and Ethics and Planning and Reporting teams

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 pay gap has narrowed significantly over the last two years, but we need to undertake further work to increase the diversity of our workforce in the medium to longer term.

- 18 Our employment information for 2021-22, 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.
- 19 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.
- 20 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.

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

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

Gender

- 21 As of 31 March 2022, 55% 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, 46% of job applicants that completed our diversity monitoring form identified themselves as female. Of those, 6.6% were successfully appointed at interview compared with 5.5% of those applicants that identified themselves as male.
- 22 As of 31 March 2022, we had a mean gender pay gap of 12.4%; the mean basic full-time equivalent annual salary of those staff who identified themselves as female is £6,000 less than that of staff who identified themselves as male. This represents a further considerable narrowing of the pay gap compared to the figures for the previous year (16.0%; £7,800).
- 23 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**.
- 24 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.
- 25 The median pay gap we calculated is 9.2%, significantly 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%).
- 26 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

- 27 3.6% of employees that had completed our diversity monitoring form as of 31 March 2022 identified their ethnicity as ethnic minorities, with a further 2.8% choosing the option 'prefer not to say'.
- 28 At face value, our representation figure remains lower than the equivalent proportion of the Welsh population, which is currently around 4.9%, but the accuracy of our figure is caveated by the similar proportion of 'prefer not to say' responses. Our figure is significantly lower than the latest equivalent figure published for the Civil Service as a whole (14.3%), but similar to that for the Welsh Government (3%).
- 29 The corresponding figures for job applicants over the last three years were far more encouraging with 21.2% identifying as being from an ethnic minority background, and 1.5% choosing the option 'prefer not to say'. However, a lower proportion of job applicants who identified themselves as being from an ethnic minority background were invited to interview (18.1%) and successfully appointed (2.0%) when compared to applicants who identified themselves as white (36.3% and 7.9% respectively). This resulted in an overall ethnic minority representation among our successful job applicants of 6.3%.
- 30 While acknowledging that, due to the small numbers in our dataset, the data is sensitive to even small changes in numbers, a starker picture in terms of success rates is seen for job applicants who described their national identity as 'Other' (as opposed to 'British' or 'Welsh') where only 11.3% were invited to interview and 1.7% successfully appointed.
- 31 Our overall pay gap for staff who identify themselves as being from an ethnic minority background is now 34.4% (increased from 26.2% in the previous year, following a trend of gradual reduction over five years - see Exhibit 3). As of 31 March 2022, the mean basic salary of those staff who describe their ethnicity as ethnic minority was £15,800 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 15.5%, but the Senedd Commission has reported an ethnicity pay gap of 27.8% (see **Exhibit 4**).
- 32 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.

- 33 While acknowledging that, due to the small numbers involved, the data is sensitive to even small changes in these cohorts, the extent of this pay gap, alongside our overall workforce ethnic minority representation, remains a cause for concern and will be a focus area for our programme of equality work over the next four years.

Disability and carers

- 34 7.6% of employees that completed our diversity form consider themselves to have a disability or impairment, with a further 3.6% 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.
- 35 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 (13.6%) but similar to that published by the Welsh Government (7%).
- 36 While again acknowledging the small sample size, despite a similar proportion being invited to interview, a lower proportion of job applicants who identified themselves as having a disability or impairment were successfully appointed (3.9%) when compared to applicants who did not consider themselves to have a disability or impairment (6.7%).
- 37 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.
- 38 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.
- 39 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.

- 40 In 2021-22, 24.2% of employees who completed our diversity questionnaire identified themselves as carers, with a further 2.0% selecting 'Prefer not to say'. The equivalent figures for job applicants over the last three years were 5.1% and 1.9% respectively.
- 41 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.
- 42 A greater proportion of job applicants who identified themselves as having caring responsibilities were both invited to interview and successfully appointed, when compared with applicants who did not identify themselves as carers.
- 43 The distribution of younger staff across pay bands is likely to be a key contributor to the large positive pay gap (23.8%) for staff who identified themselves as carers, with very few 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.
- 44 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.
- 45 The distribution of responses from employees to those questions are provided in **Exhibit 6**, and clearly indicate that we need to do more to:
- a raise awareness among staff who are carers of where to access relevant information and support; and
 - b ensure managers provide suitable support to carers in balancing their work and caring responsibilities.

Sexual orientation

- 46 For those employees that completed our diversity monitoring form, 6.8% identified their sexual orientation as gay or lesbian, bisexual, or 'other', with a further 4.6% choosing the option 'prefer not to say'. The corresponding figures for job applicants over the last three years were 7.2% and 5.4% respectively.
- 47 The figures both for employees and applicants are higher than those in published statistics for the Civil Service (5.6%) and significantly 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 .
- 48 Our overall pay gap for staff who identified their sexual orientation as gay or lesbian, bisexual or 'other' is now 21.2%; as of 31 March 2022, the mean basic salary of those staff who describe their sexual orientation as gay or lesbian, bisexual or 'other' was £9,700 less than that of staff who identify themselves as heterosexual/straight.
- 49 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.
- 50 However, it should also be noted that higher proportions of job applicants who identified their sexual orientation as gay or lesbian, bisexual or 'other' were invited to interview and were successfully appointed when compared with applicants who identified themselves as heterosexual/straight.

Age and marriage/civil partnership

- 51 Perhaps the most obvious change in our workforce over the last six 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 2021-22, 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.
- 52 We have an overall negative pay gap for younger staff of 41.7%; the mean basic annual salary of those staff aged less than 35 years is around £22,400 less than that of staff aged 35 to 54 years. Between 2017-18 and 2020-21, the extent of this gap had gradually narrowed by approximately 1%, year-on-year, but in the last year the gap has narrowed further by nearly 4%.
- 53 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 3% of Wales Audit Office staff in the upper quartile are aged less than 35 years, and 19% in the upper-mid quartile.
- 54 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. As outlined in our recent equality reports, we consider that the extent of this pay gap requires ongoing consideration, but the significant narrowing of the gap in the last 12 months is an encouraging sign.
- 55 The distribution of younger staff across pay bands is also likely to be a key contributor to the large positive pay gap (34.3%) for staff who identified themselves as being married or in a civil partnership. In our lower pay quartile, 90% of staff are aged less than 35 years. Nearly four-fifths of staff in this age group identify themselves as not being married or in a civil partnership.

Religion or belief

- 56 For those employees that completed our diversity monitoring form, around 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, 50% identified as having no religion or belief, and 31% identified themselves as Christian.
- 57 While the relatively small 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 (21.5%) and successfully appointed (1.5%) when compared to the figures for all applicants (32.4% and (6.7%). We consider this a cause for concern and in need of further investigation.

Exhibit 3: pay gaps

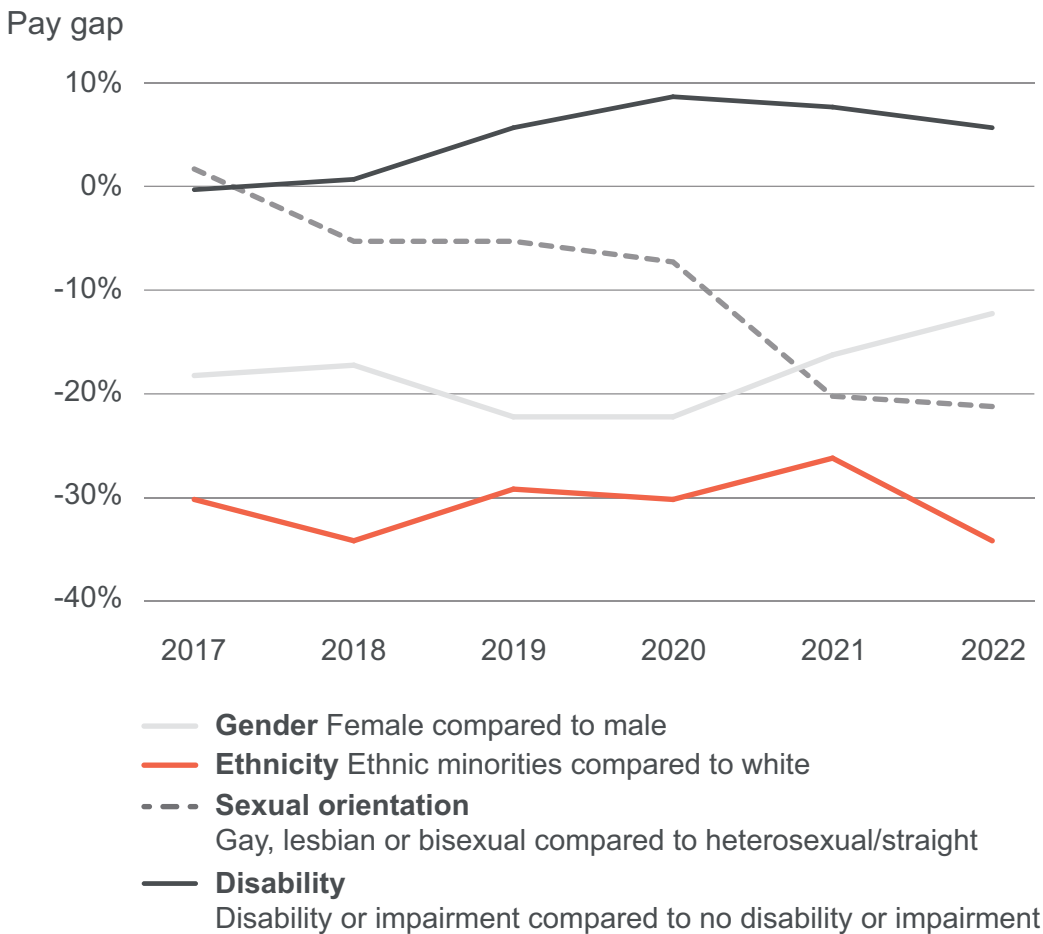


Exhibit 4: pay gap benchmarking

Benchmarking of our mean basic pay gender and ethnicity pay gaps as of 31 March 2022 against equivalent latest published data from selected organisations.

Organisation	Gender pay gap	Ethnicity pay gap
Audit Wales	-12.4%	-34.4%
<u>Senedd Commission</u>	+5.3%	-27.8%
<u>Welsh Government</u>	-7.4%	–
<u>National Audit Office</u>	-8.3%	-12.8%
<u>Audit Scotland</u>	-9.9%	–
<u>PwC UK</u>	-9.4%	-7.6%
<u>EY UK</u>	-14.5%	-15.5%
<u>Deloitte UK</u>	-16.2%	-13.8%
<u>KPMG UK</u>	-22.8%	-14.7%

Exhibit 5: success of job applicants

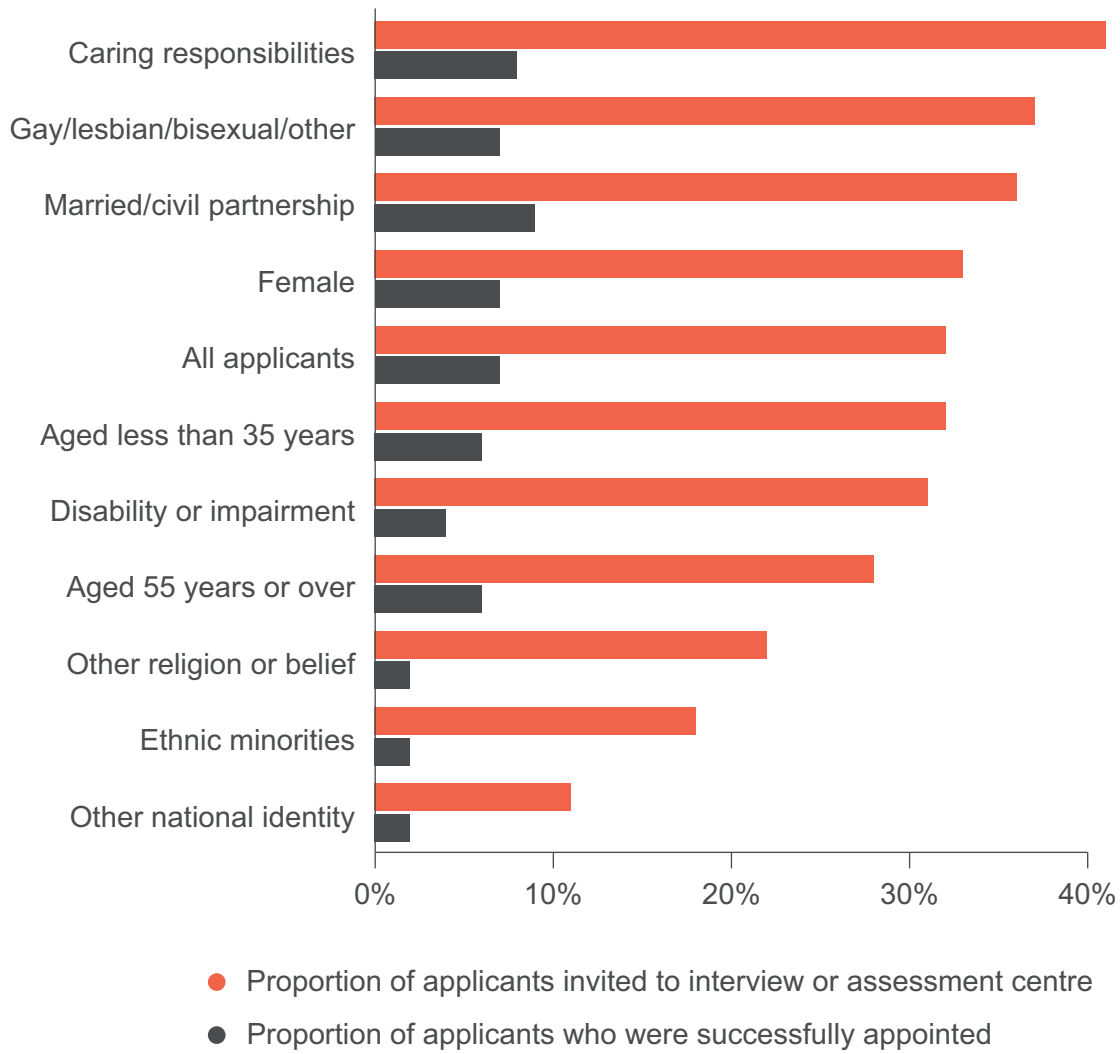


Exhibit 6: carer only staff survey questions

Table showing the distribution of responses from employees who are carers in 2021 to two carer-specific staff survey statements.

How far do you agree or disagree with the following statements?	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree
As a carer, I know where to access relevant information and support in my organisation	6%	38%	38%	6%	44%
I feel supported by my manager to balance my work and caring responsibilities	19%	44%	31%	3%	3%

◀ Future focus for our equality work

The key areas of focus for our programme of equality work in 2022-23 and the next four years will be set out in our soon-to-be-published Strategic Equality Plan for 2022 to 2026.

58 Taking account of the progress made against the equality objectives set out in our Strategic Equality Plan for the period 2018 to 2022, we developed a revised suite of four objectives which we believe should underpin our work for the period 2022 to 2026.



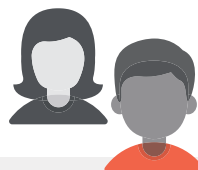
Ensure relevant and timely coverage is given to equality, diversity and inclusion matters in our programme of audit work



Embed a culture of inclusion, trust, and self-reflection, where everyone feels valued and respected



Better understand the diverse communication needs of our audiences and strengthen the accessibility of our outputs and messaging



Attract and retain talented people from all walks of life, and ensure our workforce is more representative of the diversity of our communities in Wales

59 In February 2022 [we published a Consultation on these proposals](#). The outcomes of this consultation exercise will be reflected in the final objectives which will be published in our Strategic Equality Plan 2022-26 later this year and which will form part of our broader five-year strategy for achieving our overarching corporate ambition.



Appendices

- 1 Impact assessments completed between 1 April 2021 and 31 March 2022 and the key outcomes from those assessments**
- 2 Notes on our analysis of employment information by equality characteristic**

1 Impact assessments completed between 1 April 2021 and 31 March 2022 and the key outcomes from those assessments

Travel allowance scheme review – options appraisal and final proposals

Throughout the course of 2021-22, work was undertaken to replace the existing Audit Wales travel and subsistence scheme with a revised scheme which provides better value for money, is more fit-for-purpose in a hybrid working environment and incentivises greener travel decisions.

Option appraisals and final proposals for the scheme were subject to the impact assessment process. The main outcome of the impact assessment was the recognition that younger staff on the lower end of pay scales, such as trainees and apprentices, were likely to be disproportionately affected by the proposed changes. Consequently, it was recommended that a review of the trainee and apprentice staff pay scales should be undertaken with the aim of mitigating such impacts.

Organisation workforce design policy

A new policy was prepared in early 2021-22 to replace and update existing policies and procedures in relation to restructuring, early exit and partial retirement, redeployment and redundancy.

The impact assessment highlighted that proposed changes to redeployment protections covering terms and conditions had the potential to impact disproportionately on staff with protected characteristics.

The impact assessment recommended that:

- the HR team consider any existing or new redundancy selection criteria and consider the extent to which adjustments may need to be made for any disabled staff, and potentially staff with other protected characteristics.
- flexible working options be offered as part of future restructures, to minimise the potential for any negative impacts on staff wanting to continue with or move to part-time working arrangements.

Revisions to the Performance management policy

The impact assessment process did not identify any obvious potential for discrimination or other serious adverse impact within the Performance management policy. However, several recommendations were made in terms of the policy's implementation, including for:

- ensuring the reasonable adjustment needs of both appraisees and managers are properly accounted for in the performance process;
- offering alternative mechanisms for staff to receive project level feedback; and
- clarifying the process to be followed if an individual is absent from work at the time of the year end appraisal, for example, due to being on long term sick leave, or maternity/shared parental/adoption leave.

Procurement strategy

In 2021-22, we finalised a new procurement strategy that covers all relevant aspects of our responsibilities under the General Equality Duty.

The impact assessment recommended that all Audit Wales staff overseeing a procurement project should have appropriate training on equality, human rights, sustainability, and Welsh language matters and how these issues play a part in procurement.

Other recommendations of the impact assessment included:

- advising all staff overseeing a procurement that they should contact the Law & Ethics team at the beginning of a procurement process;
- ensuring the companies we contract to are inclusive organisations and employers, through checking the level of equality, diversity and inclusion support their staff receive;
- be more explicit in our commitment to Fair Work and the ethical employment in supply chains, to enable promotion of equality through responsible and sustainable procurement in line with Welsh Government policy; and
- consider opportunities to join up with other public bodies to enhance social value through collaborative procurement, providing that doing so does not fetter the Auditor General's independence.

Revisions to sickness absence policy

The impact assessment identified that some further updates were required to the Sickness Absence Policy to align with current best practice, including for the inclusion of specific guidance and instruction relevant to COVID-19.

Other considerations raised included ensuring the relevance of underlying causes or contributors to frequent short-term sick absence that have equality implications are recognised and accounted for in the process. Examples include disability, mental health problems and possibly menopause or pregnancy-related sickness. It was recommended that these causes or contributory factors are identified, and reasonable adjustments made so that such cases do not unnecessarily proceed to more formal intervention stages of the policy.

E-Learning module on Health & Safety training

Whilst reviewing the Welsh language version of a new health and safety e-learning module for all staff, Audit Wales staff highlighted that some of the language used in the module was out of date and had the potential to cause offence and/or distress.

The subsequent impact assessment made recommendations that were passed on to our training supplier, including to:

- rethink the language used and emphasis placed on encouraging the use of standing desks, which could lead to those with physical disabilities being placed at substantial disadvantage; and
- consider replacing the rather out-of-date images used in the e-learning module that give a rather stereotyped portrayal of home and family life, with images that better reflect the diversity of modern society and the range of different family units.

Trainee and apprentice pay scales

Following impact assessment of proposed revisions to the Audit Wales Travel and Subsistence Scheme, Audit Wales agreed to review trainee and apprentice pay scales, with the aim of mitigating any detriment suffered by trainees and apprentices with the removal of a fixed travel allowance, and ensuring our trainee and apprentice pay and benefits package remains competitive in the marketplace.

The impact assessment highlighted that the proposed changes to trainees and apprentices pay scales were unlikely to result in any negative impacts and were likely to positively contribute towards narrowing our overall gender, ethnicity and disability pay gaps.

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; and
- the number of staff who left the organisation.

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

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

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



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