

April 2015

Diversity & Inclusion Strategy 2015-2018

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Our public audit perspective helps Parliament hold government to account and improve public services.

The National Audit Office scrutinises public spending for Parliament and is independent of government. The Comptroller and Auditor General (C&AG), Sir Amyas Morse KCB, is an Officer of the House of Commons and leads the NAO, which employs some 820 employees. The C&AG certifies the accounts of all government departments and many other public sector bodies. He has statutory authority to examine and report to Parliament on whether departments and the bodies they fund have used their resources efficiently, effectively, and with economy. Our studies evaluate the value for money of public spending, nationally and locally. Our recommendations and reports on good practice help government improve public services, and our work led to audited savings of £1.1 billion in 2013.

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Introduction by the C&AG

I am determined to make the NAO a more diverse and inclusive organisation and am delighted to take on the role of our diversity and inclusion champion. In this role I will be supported by colleagues on the Leadership Team, taking on the sponsorship of each of our employee networks. We have this strong and renewed focus on diversity because it is fundamental to our core values and because we know we have further progress to make.

The NAO has a strong reputation for the independence, professionalism and credibility of our work, a reputation earned by the combined efforts of the people we employ. We are a small organisation with an important and far reaching mission to secure improvements in the way public services are delivered, through the accountability process and by working with those we audit to encourage the adoption of the good practice we are able to promote. We will only succeed if we draw our talent from the widest possible pool and then continually develop the skills and capability of those we employ.

We have had a diversity strategy since 2000, and over the years have been successful in recruiting a more diverse workforce and in encouraging a genuine and widespread recognition of the positive difference diversity can bring. But we have been less successful in retaining and promoting the numbers of women and black and ethnic minority colleagues required to have more diversity at senior levels. For this reason this new strategy introduces the concept of inclusion, recognising that it is important for everyone to feel valued and included in our culture, irrespective of their background. We want to develop an inclusive work environment based on fairness so that every one we employ has an equal opportunity to flourish and succeed. Thus the first two pillars of our Diversity and Inclusion Strategy are aimed at continuing to improve the diversity of our talent pipeline and at creating a more inclusive culture.

The third pillar covers diversity in our work and recognises that we are well placed to influence a stronger focus on diversity and inclusion across the public sector. We can do this by examining the extent to which government achieves its own diversity targets and where appropriate by collecting evidence and reporting on the variable quality of service delivered to different parts of the community as we examine the value for money of major government programmes.

We are determined to be a fully diverse and inclusive organisation. This strategy sets out the progress we are committed to making in the next three years, with explicit targets where appropriate. It is a living document which will be revisited and tailored during the three year period to ensure we stay focussed on delivering real and sustainable improvements in all aspects of diversity and inclusion.

Achieving the objectives in this strategy will involve us all. I look forward to continuing our diversity journey and to working with my colleagues on the Board and in the Leadership Team, as well as with all of you, to deliver a more diverse and inclusive NAO.

The Business Case

- 1** We have a legal obligation, under the Public Sector Equality Duty 2010, to have due regard to eliminate unlawful discrimination, harassment and victimisation of individuals based on the protected characteristics of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion and belief, sex and sexual orientation.
- 2** But the business case for a stronger focus on improving diversity and inclusion at the NAO stems not from our legal duties, important though these are. Rather it stems from our core values of being fair, independent, collaborative and authoritative. It is essential if we are to deliver our strategy that we recruit, retain and develop a diverse mix of skills and experience and build an inclusive environment where the richness of ideas, backgrounds and perspectives are valued and harnessed to create real value.
- 3** We believe that a diverse and inclusive workforce is integral to our continued success as an organisation. It will raise employee engagement, increase our productivity, drive future innovation and allow us to build stronger, more insightful relationships with our clients and stakeholders.
- 4** We also believe that it is right to reflect diversity and inclusion issues in our work, using our knowledge, skills and influence to support government to become more diverse and inclusive.

Our diversity performance so far

5 The NAO developed its first diversity strategy in 2000. We have come a long way since then, having recruited a more diverse workforce, put in place clear accountabilities for diversity with the set up of a Diversity Delivery Board and improved the diversity data we hold to inform future policy making. We also have a number of employee networks.

6 We have also received external recognition for our achievements, for example, we achieved a 'Gold' rating in the 2013 benchmarking indexes for Opportunity Now and Race for Opportunity, and we were placed in the Top 100 Stonewall Equality Workplace Index in 2013 and 2015.

7 Our last strategy, covering the period 2012-2014, focused on improving the representation of women and ethnic minorities at more senior levels of the NAO. We have made some progress on both of these (see 2013-14 Diversity Annual [Report](#)), but we need to accelerate our rate of progress in order to secure lasting change. Our new strategy will therefore continue to reflect these themes.

8 While the new strategy builds on the previous strategy, it also represents a shift in our thinking, from focusing only on those characteristics protected by law, to ensuring that we provide an inclusive work environment in which everyone can make a full contribution, regardless of their background. This means recognising the needs of diverse people, valuing differences and creating an environment where everyone is able to fulfil their potential.

Key features of the new strategy

9 The strategy is based on three pillars as follows:

- Talent pipeline: building greater diversity at all levels to senior leadership
- Inclusive work environment: creating a barrier-free NAO
- Diversity in our delivery: Integrating diversity into all of our work

10 The NAO's ultimate aim is to have a workforce that reflects the diversity of the wider population that we serve. To achieve this, we need to bring in a yearly graduate intake that reflects the diversity of the graduate population and to promote staff in the same proportions as the feeder grades from which they are drawn. We are making strides in the right direction, but we are unlikely to achieve this ambitious target in the next three years. We have therefore set out a number of more specific targets that we hope to achieve over the life of this strategy.

11 An overview of each pillar is set out below. Further detail on each of the pillars, including the specific actions we intend to take, and the targets we aim to meet, can be found in the accompanying action plan.

Pillar One: Talent Pipeline

Our Objective

To build a diverse talent pipeline at all levels in the NAO.

To create a truly diverse organisation we need to recruit, develop and support the promotion of a diverse mix of talent through all stages of their career.

Key focus areas

12 Recruitment: The NAO recruits successfully across a broad range of under-represented groups. In common with the rest of the accountancy profession we are focussing on two areas; improving the representation of Black African Caribbean graduates and recruiting from a wider socio economic pool. We will work in partnership with external bodies to progress these.

13 Work Allocation: One of the key areas addressed in this strategy is fair and equal access to work opportunities. This can have an effect on employee engagement,

performance and career development. We will work with our People and Cluster Directors to embed equality in work allocation.

14 Career development: It is important that we provide career support and encouragement across a diverse mix of talent and ensure fair and equal selection for talent programmes and promotion.

Performance management: We need to consider and manage the impact of unconscious bias, value differences in the people we work with and ensure that performance conversations include two-way, open and honest feedback.

What success looks like

A more diverse workforce at all levels up to and including leadership.

Pillar Two: Inclusive Work Environment

Our Objective

To build an inclusive work environment where difference is valued, the power of diversity is harnessed and everyone has equal opportunity to reach their full potential.

We will encourage and support the development and recognition of inclusive behaviours and capabilities as core competencies within the NAO culture.

Key focus areas

15 Talent Management: To build an inclusive NAO we need to consider the capabilities of those we are recruiting and promoting. This can be done by asking appropriate questions in experienced hire and promotion interviews to assess leadership capability.

16 Inclusive capabilities: To ensure that we are able to make sustainable progress, it is important that our managers get the most from diverse teams. Our learning and development programmes will be reviewed to ensure they incorporate inclusive behaviours. We will also look at our competency framework and performance management processes to ensure that they reflect inclusive behaviours.

17 Organisational Policies: We will be developing two key policy areas as part of this strategy; flexible working and Dignity at Work, both of which will support the development of an inclusive work environment.

What success looks like

18 Barrier-free environment in which all employees feel engaged, respected, fairly treated and able to pursue a rewarding career at the NAO.

Pillar Three: Diversity in Delivery

Our Objective

To consider diversity issues in the course of our work

We will examine the government's progress towards its diversity targets and where appropriate we will collect evidence and report on the variable quality of service provided to different parts of our community.

Key focus areas

19 Government progress in meeting its diversity targets: we are currently finalising a value-for-money study of Diversity in the Civil Service and will follow this up with a study of the extent to which departments are delivering on their Public Sector Equality Duty and thereafter consider other cross government studies.

20 In our mainstream value-for-money work: teams starting VFM studies with a customer service dimension, to fully consider the scope to include diversity considerations in their scope

What success looks like

21 By the end of the strategy period for the NAO's cross-government diversity work to have led to tangible improvement in the extent to which departments are achieving their diversity targets with clear attribution to NAO and PAC reports.

22 For diversity and fairness in public service delivery to be a theme for the next PAC to examine over the period of the Parliament.

Implementing and monitoring the strategy

23 Fundamental to the success of this strategy is clear governance and accountability and regular monitoring and evaluation.

24 The strategy and action plan will be overseen by the Diversity Delivery Board (DDB), chaired by the C&AG, and its membership will be drawn from volunteers from across the business. The DDB will meet bi-monthly providing support and ongoing challenge to ensure the actions in the strategy achieve the desired impact.

25 Responsibility for delivering specific actions rests with the Leadership Team, People and Cluster Directors, Line Managers, relevant HR Leads and others, as detailed in the accompanying action plan.

26 We will formally report on progress against the strategy through an annual diversity report.

27 We will work with DDB, TUS and our five employee networks to ensure that the strategy remains relevant to the NAO and our aims.